

VILLAGE OF THIRD LAKE, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2024

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D A M , S N E L L & T A V E I R N E , L T D .

C E R T I F I E D • P U B L I C • A C C O U N T A N T S

MATTHEW DABROWSKI, CPA
JENNY FEHRENBACHER, CPA
SCOTT LANNERS, CPA
SHERI PEKAR, CPA

INDEPENDENT AUDITORS' REPORT

Mayor and Board of Trustees
Village of Third Lake
Third Lake, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Village of Third Lake, 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 and each major fund of the Village as of April 30, 2024, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

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 Auditors' 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 A 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 A, 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 misstatements, whether due to fraud or error.

Auditors' 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 misstatements, whether due to fraud or error, and to issue an auditors' 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the 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 judgement, 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 that we identified during the audit.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditors' 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 we performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Dam, Snell & Taveirne, Ltd.

Dam, Snell & Taveirne, Ltd.
Certified Public Accountants
Fox Lake, Illinois
December 17, 2024

VILLAGE OF THIRD LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

Our discussion and analysis of the Village's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2024. Please read this information in conjunction with the audit report and financial statements.

FINANCIAL HIGHLIGHTS

- The Village's net position, which equals total assets plus deferred outflows of resources less total liabilities and deferred inflows of resources, is \$5,287,213 at the end of the 2024 fiscal year. Unrestricted assets, a portion of net position, are assets that may be used to meet the Village's ongoing obligations to residents and creditors, is \$3,544,114 at the end of the 2024 fiscal year.
- Total Village revenues were \$1,095,230 and total expenses were \$422,646.
- The fiscal year end fund balance for the General Fund was \$3,544,114, an increase of \$532,268 from the beginning balance of \$3,011,846.
- The fiscal year end fund balance for the Motor Fuel Tax Fund was \$251,030, an increase of \$60,720 from the beginning balance of \$190,310.

BRIEF DISCUSSION OF THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the Village as a whole and present a comprehensive and longer-term view of the Village's finances. Fund financial statements follow. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The notes to financial statements and supplemental information provide additional information that is essential to a full understanding of the data provided in the financial statements.

Reporting on the Village as a Whole

One of the most important questions asked about the Village's finances is, "Is the Village, as whole, better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the modified cash basis of accounting. All of the current year's revenues and expenses are taken into account when cash is received or paid. The cash basis method is modified to capitalize fixed assets and to record depreciation on fixed assets.

These two statements report the Village's net position and the change in net position. You can think of the Village's net position—the difference between assets plus deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the overall health of the Village.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds can be divided into two categories: governmental and proprietary funds. The Village does not maintain any proprietary funds.

VILLAGE OF THIRD LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

Governmental Funds

All of the Village's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified cash basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation that follows the fund financial statements.

ANALYSIS OF THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following tables present the financial position and results of operations of the Village.

Table 1
Net Position (Modified Cash Basis)

| | 2024 | 2023 |
|----------------------------------|----------------------------|----------------------------|
| Current assets | \$ 3,797,299 | \$ 3,202,805 |
| Capital assets | 1,492,069 | 1,412,473 |
| Total assets | <u>5,289,368</u> | <u>4,615,278</u> |
| Other liabilities | <u>2,155</u> | <u>649</u> |
| Total liabilities | <u>2,155</u> | <u>649</u> |
| Net position | | |
| Net investment in capital assets | 1,492,069 | 1,412,473 |
| Restricted | 251,030 | 190,310 |
| Unrestricted | <u>3,544,114</u> | <u>3,011,846</u> |
| Total net position | <u><u>\$ 5,287,213</u></u> | <u><u>\$ 4,614,629</u></u> |

The Village's net position is composed of capital assets, restricted assets and unrestricted assets. Capital assets comprise \$1,492,069 or 28.22% of net position and reflect the Village's investment in fixed assets and infrastructure (for example, land, streets, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

\$251,030 or 4.75% of the Village's net position represent resources that are subject to external restrictions on how they may be used. The remaining \$3,544,114 or 67.03% of net position may be used to meet the government's ongoing obligations to citizens and creditors.

- Unrestricted amounts are sufficient to meet the immediate needs of the Village.

VILLAGE OF THIRD LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

Table 2
Changes in Net Position (Modified Cash Basis)

| | 2024 | 2023 |
|-------------------------------------|---------------------|---------------------|
| Expenses of government | \$ (422,646) | \$ (836,513) |
| Charges for services | 57,959 | 75,842 |
| Operating grants | - | 77,977 |
| Capital contributions | 5,000 | - |
| Net expense | (359,687) | (682,694) |
| Taxes and other revenue | 1,032,271 | 893,168 |
| Increase (decrease) in net position | 672,584 | 210,474 |
| Net position, beginning of year | 4,614,629 | 4,404,155 |
| Net position, end of year | <u>\$ 5,287,213</u> | <u>\$ 4,614,629</u> |

Net position for all Village activities increased during the year by \$672,584 from \$4,614,629 to \$5,287,213. This increase represents total revenues from all Village programs and services of \$1,095,230 in excess of total Village costs of \$422,646.

Governmental Activities

Revenues from governmental activities were \$1,095,230 while the total cost of all programs and services was \$422,646. The following table depicts the major revenue sources for the Village.

Table 3
Governmental Revenues (Modified Cash Basis)

| | 2024 | 2023 |
|---------------------------|---------------------|---------------------|
| Intergovernmental | \$ 230,633 | \$ 238,826 |
| Real estate taxes | 72,851 | 70,822 |
| Sales and other taxes | 512,566 | 471,182 |
| Franchise fees | 27,355 | 18,775 |
| Charges for services | 57,959 | 75,842 |
| Operating grants | - | 77,977 |
| Capital contributions | 5,000 | - |
| Interest and other income | 188,866 | 93,563 |
| | <u>\$ 1,095,230</u> | <u>\$ 1,046,987</u> |

- Charges for Services decreased from the prior year due to the timing of the issuance of the licenses. Approximately half of the licensees had purchased their current year license as the end of the prior fiscal year which inflated the prior year receipts.
- Sales tax collections increased by approximately \$44,000 over the prior year, which created the increase in Sales and Other Taxes category.
- Interest income increased due to higher interest rates generated by the Illinois Funds.
- During the fiscal year, the Village received a donation of a boat which is reported as a capital contribution of \$5,000.

VILLAGE OF THIRD LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

The table below identifies the various governmental functions, and the expenses associated with each.

Table 4
Governmental Activities Expenses (Modified Cash Basis)

| | 2024 | 2023 |
|-----------------------|-------------------|-------------------|
| General government | \$ 235,057 | \$ 163,932 |
| Building and zoning | 320 | - |
| Police | 16,810 | 23,547 |
| Streets | 88,770 | 546,492 |
| Buildings and grounds | 12,127 | 37,628 |
| Lakes management | 69,562 | 64,914 |
| | <u>\$ 422,646</u> | <u>\$ 836,513</u> |

- Streets expenses decreased compared to the prior year due to a stormwater sewer project performed in the prior year.
- General government expenses increased over the prior year primarily due to higher payroll and a community park project.

Business-Type Activities

At this time the Village does not have any business-type activities.

ANALYSIS OF BALANCES AND TRANSACTIONS IN INDIVIDUAL FUNDS

Governmental Funds

- The Village had decreased expenses in the general fund mainly due to dredging that was performed in the prior year.
- The Village did not have any MFT road project expenditures in the current year.

ANALYSIS OF SIGNIFICANT BUDGETARY VARIATIONS

- The Village operated within budgeted amounts for all funds during the year.

VILLAGE OF THIRD LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

CAPITAL ASSET AND DEBT ACTIVITY

Capital Assets

The Village's total investment in capital assets for its governmental activities was \$2,810,561 less accumulated depreciation of \$1,318,492. This investment in capital assets includes land, buildings and improvements, land improvements, machinery and equipment, park and lake facilities, streets and related infrastructure, sidewalks and bridges. The Village's investment in net capital assets increased by construction at Third Lake Dam Park of \$46,170, purchase of a security camera system of \$16,818, purchase of a boat motor of \$4,777, street design costs of \$87,303, donation of a boat and trailer valued at \$5,000 and decreased by depreciation of \$80,472.

Table 5
Capital Assets (net of depreciation) - Governmental Activities

| | 2024 | 2023 |
|-------------------------------|--------------|--------------|
| Land and improvements | \$ 74,980 | \$ 28,810 |
| Buildings and improvements | 386,455 | 386,455 |
| Machinery and equipment | 239,415 | 212,820 |
| Office furniture and fixtures | 32,052 | 32,052 |
| Infrastructure | 1,986,139 | 1,986,139 |
| Construction in progress | 91,520 | 4,217 |
| Total capital assets | 2,810,561 | 2,650,493 |
| Accumulated depreciation | (1,318,492) | (1,238,020) |
| Net capital assets | \$ 1,492,069 | \$ 1,412,473 |

- For further capital asset detail refer to Note C.

Debt

The Village had no outstanding debt during the fiscal year.

SIGNIFICANT CHANGES IN CONDITION AND ESTIMATED MAINTENANCE EXPENSES FOR INFRASTRUCTURE ASSETS

The Board has assigned a portion of the Village's fund balances for the following: \$345,350 for aerator replacement, \$131,100 for dam replacement and \$513,428 for future capital asset replacements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2024-2025 budget and the associated property tax rates and charges for services.

- Factors included planned disbursements, inflation and expected cash receipts.
- 5 year road plan.
- Current economic conditions.

VILLAGE OF THIRD LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Village Office at 847-223-8422.

VILLAGE OF THIRD LAKE, ILLINOIS
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION (MODIFIED CASH BASIS)
APRIL 30, 2024

| ASSETS | Governmental Activities |
|--|----------------------------|
| Cash and investments | \$ 3,797,299 |
| Land | 28,810 |
| Construction in progress | 91,520 |
| Buildings and equipment, net of depreciation | 1,371,739 |
| Total assets | <u>5,289,368</u> |
| | |
| LIABILITIES | |
| Building permits liability | 1,824 |
| Escrows and building deposits | <u>331</u> |
| Total liabilities | <u>2,155</u> |
| | |
| NET POSITION | |
| Net investment in capital assets | 1,492,069 |
| Restricted for road projects and maintenance | |
| Road projects and maintenance | 251,030 |
| Lakes maintenance | - |
| Unrestricted | 3,544,114 |
| Total net position | <u>\$ 5,287,213</u> |

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

VILLAGE OF THIRD LAKE
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)
YEAR ENDED APRIL 30, 2024

| | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|----------------------------------|-------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| GOVERNMENTAL ACTIVITIES | | | | |
| General government | \$ 235,057 | \$ 56,332 | \$ - | \$ - |
| Building and zoning | 320 | - | - | - |
| Police | 16,810 | 1,627 | - | - |
| Streets | 88,770 | - | - | - |
| Buildings and grounds | 12,127 | - | - | - |
| Lakes management | 69,562 | - | - | 5,000 |
| Total governmental activities | <u>\$ 422,646</u> | <u>\$ 57,959</u> | <u>\$ -</u> | <u>\$ 5,000</u> |
| | | | | |
| General revenues | | | | |
| Intergovernmental | | | | 230,633 |
| Real estate tax | | | | 72,851 |
| Sales and other taxes | | | | 512,566 |
| Franchise fees | | | | 27,355 |
| Interest income | | | | 188,030 |
| Other revenue | | | | 836 |
| Total general revenues | | | | <u>1,032,271</u> |
| | | | | |
| Change in net position | | | | 672,584 |
| | | | | |
| Net position - Beginning of year | | | | 4,614,629 |
| Net position - End of year | | | | <u>\$ 5,287,213</u> |

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

VILLAGE OF THIRD LAKE, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE (CASH BASIS)
GOVERNMENTAL FUNDS
APRIL 30, 2024

| ASSETS | General | Motor Fuel Tax | Total Governmental Funds |
|------------------------------------|---------------------|-------------------|--------------------------------|
| Cash and investments | \$ 3,546,269 | \$ 251,030 | \$ 3,797,299 |
| Total assets | <u>\$ 3,546,269</u> | <u>\$ 251,030</u> | <u>\$ 3,797,299</u> |
| | | | |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Building permits liability | \$ 1,824 | \$ - | \$ 1,824 |
| Escrows and building deposits | 331 | - | 331 |
| Total liabilities | <u>2,155</u> | <u>-</u> | <u>2,155</u> |
| Fund balance | | | |
| Nonspendable | - | - | - |
| Restricted | - | 251,030 | 251,030 |
| Assigned | 989,878 | - | 989,878 |
| Unassigned | 2,554,236 | - | 2,554,236 |
| Total fund balance | <u>3,544,114</u> | <u>251,030</u> | <u>3,795,144</u> |
| Total liabilities and fund balance | <u>\$ 3,546,269</u> | <u>\$ 251,030</u> | <u>\$ 3,797,299</u> |

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

VILLAGE OF THIRD LAKE, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF ASSETS, LIABILITIES AND FUND BALANCE (CASH BASIS)
TO THE STATEMENT OF NET POSITION (MODIFIED CASH BASIS)
APRIL 30, 2024

| | |
|--|--------------|
| Total fund balances - all governmental funds | \$ 3,795,144 |
|--|--------------|

Amounts reported for governmental activities in the Statement of Net Position 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.

| | |
|---|---------------------|
| Capital assets, net of accumulated depreciation | 1,492,069 |
| Net position of governmental funds | <u>\$ 5,287,213</u> |

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

VILLAGE OF THIRD LAKE, ILLINOIS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (CASH BASIS) - GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2024

| | General | Motor Fuel Tax | Total Governmental Funds |
|---|---------------------|-------------------|--------------------------------|
| CASH RECEIPTS | | | |
| Intergovernmental | \$ 181,887 | \$ 48,746 | \$ 230,633 |
| Real estate taxes | 72,851 | - | 72,851 |
| Sales and other taxes | 512,566 | - | 512,566 |
| Licenses and permits | 56,332 | - | 56,332 |
| Fines | 1,627 | - | 1,627 |
| Franchise fees | 27,355 | - | 27,355 |
| Interest income | 176,056 | 11,974 | 188,030 |
| Grant revenue | - | - | - |
| Other revenue | 836 | - | 836 |
| Total cash receipts | <u>1,029,510</u> | <u>60,720</u> | <u>1,090,230</u> |
| DISBURSEMENTS | | | |
| Current | | | |
| General government | 215,374 | - | 215,374 |
| Building and zoning | 320 | - | 320 |
| Police | 16,810 | - | 16,810 |
| Streets | 55,735 | - | 55,735 |
| Buildings and grounds | 12,127 | - | 12,127 |
| Lakes management | 41,808 | - | 41,808 |
| Capital outlay | 155,068 | - | 155,068 |
| Total disbursements | <u>497,242</u> | <u>-</u> | <u>497,242</u> |
| Excess (deficiency) of cash receipts over (under) disbursements | 532,268 | 60,720 | 592,988 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other sources over (under) disbursements and other uses | 532,268 | 60,720 | 592,988 |
| Fund Balance - Beginning | 3,011,846 | 190,310 | 3,202,156 |
| Fund Balance - Ending | <u>\$ 3,544,114</u> | <u>\$ 251,030</u> | <u>\$ 3,795,144</u> |

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

VILLAGE OF THIRD LAKE, ILLINOIS
 RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
 OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES (CASH BASIS)
 TO THE STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)
 YEAR ENDED APRIL 30, 2024

| | |
|---|------------|
| Total government funds - Excess (deficiency) of cash receipts and other sources over (under) disbursements and other uses | \$ 592,988 |
|---|------------|

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:

| | | |
|----------------------------------|-----------|---------|
| Security camera system | \$ 16,818 | |
| Third Lake Dam Park improvements | 46,170 | |
| Boat motor | 4,777 | |
| Capital contribution | 5,000 | |
| Construction in progress | 87,303 | 160,068 |

Depreciation expense:

| | | |
|--------------------|----------|----------|
| General government | (19,683) | |
| Streets | (33,035) | |
| Lakes management | (27,754) | (80,472) |

| | |
|---|------------|
| Change in net position of governmental activities | \$ 672,584 |
|---|------------|

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

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE A - SUMMARY OF ACCOUNTING POLICIES

The Village of Third Lake, Illinois is a primary government as defined by Governmental Accounting Standards Board (GASB) Statement 61. The Village is a municipal corporation governed by an elected president and board of trustees. The Village's major operations include police, highway and street maintenance, lake management and maintenance, and general administrative services.

1. Reporting Entity

The Village's financial reporting entity comprises the following:

Primary Government: Village of Third Lake

In determining the financial reporting entity, the Village complies with the provisions of GASB 61, which requires inclusion of all component units that have a significant operational or financial relationship with the Village. The Village has determined that there are no component units which would be required to be included in the Village's reporting entity.

2. Basis of Presentation

Government-Wide Statements -The government-wide financial statements (The Statement of Net Position and the Statement of Activities) report information on all of the activities of the Village. All of the operating activities are considered "governmental activities", that is, activities that are normally supported by taxes and intergovernmental revenues. The Village has no operating activities that would be considered "business activities".

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues instead.

Fund Financial Statements – The accounts of the Village in the governmental fund financial statements are organized and operated on the basis of funds. A fund is an independent accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues collected and expenditures paid. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and managerial requirements. The emphasis in fund financial statements is on the major funds. The Village has no non-major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenue or expenditure/expenses) for the determination of major funds. The following fund types are used by the Village:

General Fund – 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 General Fund is a major fund.

Special Revenue Fund – A special revenue fund is used to account for the proceeds of specific revenue sources that are legally or contractually restricted to expenditures for specified purposes. The Motor Fuel Tax Fund, a major fund, accounts for revenues and expenditures related to road projects funded by motor fuel taxes received from the State of Illinois.

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

3. Measurement Focus and Basis of Accounting

The government-wide financial statements are presented using the modified cash basis of accounting. The Village maintains its accounting records for all funds on the cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. The cash basis of accounting is modified by reflecting accumulated depreciation and depreciation expense related to capital assets on the government-wide financial statements.

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.

4. Assets, Liabilities, and Net Position

Cash and Cash Equivalents – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments, with original maturities of three months or less from the date of acquisition.

Investments – Investments are reported at cost, which approximates fair value. Gains or losses on the sale of investments are recognized upon realization.

Inventories – It is the Village's policy to expense all supplies when purchased.

Capital Assets – Capital assets, which include land, land improvements, buildings, infrastructure, machinery and equipment, and construction in progress are reported in the government – wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$5,000 (\$10,000 for infrastructure assets) and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Under GASB 34, The Village elected to begin capitalizing infrastructure assets on April 1, 2004.

The cost of normal maintenance and repair that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives: land improvements – 10 to 30 years, buildings – 25 to 45 years, infrastructure – 13 to 50 years, machinery and equipment – 3 to 10 years.

Eliminations and Reclassifications – In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

5. Equity Classifications – Equity is classified as net assets and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

b. Restricted – Consists of net assets reduced by liabilities and deferred inflows of resources related to those assets with constraints placed on their use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted – All other amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, beginning with fiscal year 2012, the Village implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – 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 purposes unless the Village takes the same highest level of 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 Board of Trustees or by an official or body to which the Board of Trustees delegates authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. The Board of Trustees has retained the authority to assign fund balances.

6. Budgets and Budgetary Accounting

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

- a. An ordinance appropriating funds for Village purposes for the year commencing May 1 is submitted to the Village Board.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. A supplemental appropriation may be made by a 2/3 vote of the President and Board of Trustees. However, no revision may increase the total amount of the appropriation ordinance unless additional funds have been made available during the fiscal year. By statute, expenditures may not exceed appropriations at the fund level.
- d. The original appropriation was passed on July 17, 2023, and was not amended.

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

7. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

8. Accumulated Employee Benefits

Accumulated unpaid vacation and sick pay are recorded when paid.

9. Accounting for Leases

The Village recognizes a right-to-use liability and a right-to-use asset in the government-wide financial statements.

At the commencement of the lease, the Village initially measures the right-to-use liability at the present value of the payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion of the payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Payments included in the measurement of the right-to-use liability are composed of fixed payments and purchase option prices that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the right-to-use asset and liability. Right-to-use assets are reported as Capital Assets and lease liabilities are reported with Long Term Liabilities on the Statement of Net Position.

The Village currently has no material leases that fall under this type of arrangement.

10. Recently Adopted Accounting Pronouncements

In fiscal year 2024, the Village adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). A SBITA liability is initially measured at the present value of subscription payments expected to be made during the subscription term, with amortization of the discount on the liability recognized as interest expense in subsequent reporting periods. A SBITA asset is initially measured at the amount of the SBITA liability adjusted for certain other payments, costs or incentives as specified in the pronouncement. Amortization of the subscription-based assets is recognized over the shorter of the subscription term or the useful life of the underlying information technology asset.

The Village currently has no material items that fall under this type of arrangement

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes. Statutes authorize the Village to make deposits/investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds. The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold. The Illinois Funds issues a publicly available financial report that can be obtained on-line at www.illinoistreasurer.gov.

Deposits. At April 30, 2024, the carrying amount of the Village's deposits was \$58,486, not including petty cash of \$174. The bank balance was \$58,761.

Investments. In addition to deposit accounts, the Village had \$3,738,639 invested in the Illinois Funds Money Market Fund. The carrying amount of the investment was \$3,738,639.

Interest rate risk. At April 30, 2024, all Village investments had a maturity of twelve months or less.

Credit risk. The Village's investments in the Illinois Funds Money Market Funds was rated AAAM by Standard and Poor's. These funds invest only in those investments that are permitted by the Illinois Compiled Statutes.

Custodial credit risk. For an investment, custodial credit is risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are registered in the Village's name. Village policy requires that bank deposits in excess of FDIC limits are collateralized with securities held by the financial institution's agents in the Village's name. At April 30, 2024, no funds were in excess of FDIC limits.

Fair Value Measurements. GASB Statement No. 72, *Fair Value Measurement and Application* establishes a fair value hierarchy for investments that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities in active markets; Level 2 inputs consist of other than quoted market prices included in Level 1 that are either directly or indirectly observable for the asset, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The Village's investments in certificates of deposit do not require separate reporting under GASB Statement No. 72.

The following table summarizes investments measured at fair value based on NAV per share:

| April 30, 2024 | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|----------------|-------------|----------------------|--|--------------------------|
| Illinois Funds | \$3,738,639 | n/a | Daily | n/a |

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

Reconciliation to Government-Wide Statement of Net Position

| | |
|--|---------------------|
| Deposits and investments at carrying amount: | |
| Cash on hand | \$ 174 |
| Cash | 58,486 |
| Investments | 3,738,639 |
| | <u>\$ 3,797,299</u> |
| Statement of Net Position: | |
| Cash and investments | <u>\$ 3,797,299</u> |

NOTE C – CAPITAL ASSETS

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Additions | Retirements | Ending Balances |
|---------------------------|-----------------------|------------------|-------------|---------------------|
| Land and improvements | \$ 28,810 | \$ 46,170 | \$ - | \$ 74,980 |
| Construction in progress | 4,217 | 87,303 | - | 91,520 |
| Building and improvements | 386,455 | - | - | 386,455 |
| Machinery and equipment | 212,820 | 26,595 | - | 239,415 |
| Office furniture | 32,052 | - | - | 32,052 |
| Infrastructure assets | 1,986,139 | - | - | 1,986,139 |
| Total capital assets | 2,650,493 | 160,068 | - | 2,810,561 |
| Accumulated depreciation | 1,238,020 | 80,472 | - | 1,318,492 |
| Net capital assets | <u>\$ 1,412,473</u> | <u>\$ 79,596</u> | <u>\$ -</u> | <u>\$ 1,492,069</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|--------------------|------------------|
| General government | \$ 19,683 |
| Streets | 33,035 |
| Lakes management | 27,754 |
| | <u>\$ 80,472</u> |

NOTE D - LONG-TERM DEBT

The Village had no long-term debt during the year ended April 30, 2024.

NOTE E - PROPERTY TAXES

The Village's property tax is levied each year on all taxable real property located in the Village and is extended by the county clerk on or before the last Tuesday in December of the year of levy. The lien date is January 1 of the year of the levy. Taxes are due to the County in two equal installments in June and September of the year following the levy year. Distributions are made to the Village by the County shortly after collection by the County. The 2023 levy was approved by the Village on July 17, 2023. The 2022 levy is included in the current year's cash receipts.

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE F – SOCIAL SECURITY

Employees are covered by Social Security. The Village paid \$7,583, the total required contribution for the current fiscal year.

NOTE G - RISK MANAGEMENT

The Village is a member of the Illinois Municipal League Risk Management Association, a public entity risk pool. The pool is an unincorporated, not-for-profit association of participating Illinois municipalities formed to operate as a cooperative program of risk management, loss coverage and claims administration for municipal operations. The pool has approximately 1,294 participating members and provides the Village with coverage for comprehensive general liability, auto liability, property damage and workers compensation claims.

In the event of depletion of all reserves and reduction of members' equity below zero, pro rata assessments of participating members may be made to cover deficits that may occur. In the event of termination of the pool by its members, after payment of all claims and expenses, the remaining assets are to be distributed pro rata among members.

During the year ended April 30, 2024, there were no reductions in insurance coverage. The Village has not incurred any settlements in the past three years in which the claim has exceeded insurance coverage.

NOTE H – JOINT AGREEMENT

The Village has been a member of the Solid Waste Agency of Lake County since 1991. The Agency is a municipal corporation with approximately 43 members whose purpose is to provide a solution to solid waste disposal problems. Upon approval by a majority of its members, the Agency may issue bonds for which the individual members would be financially liable.

The following represents a summary of the Agency's balance sheet at November 30, 2022 and the statement of revenues and expenses for the year then ended:

| | |
|--------------------------------|--------------------|
| Current assets | \$2,588,971 |
| Capital assets | 750,420 |
| Designated assets | 242,102 |
| Restricted assets | <u>1,342,556</u> |
| Total assets | 4,924,049 |
| Deferred outflows of resources | 34,263 |
| Current liabilities | 131,888 |
| Deferred inflows of resources | 511,593 |
| Investment in fixed assets | 750,420 |
| Restricted | 1,342,556 |
| Unrestricted | <u>2,221,855</u> |
| Total net position | <u>\$4,314,831</u> |
| Revenue | \$1,478,517 |
| Expenditures | \$1,014,599 |

The November 30, 2022 report is the latest date information is available. Audited financial statements of the Agency may be obtained from the Village or the Agency's administrative office

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

located in Gurnee, Illinois. During the current fiscal year, the Village was not obligated to pay any amount to the Agency.

NOTE I – FUND BALANCES

As of April 30, 2024, fund balances are composed of the following:

| Activity | Amount |
|----------------------------------|-------------------|
| Road projects and maintenance | \$ 251,030 |
| Total restricted fund balance | <u>\$ 251,030</u> |
| Lake aerator replacement | \$ 345,350 |
| Dam replacement | 131,100 |
| Future Village asset replacement | 513,428 |
| Total assigned fund balance | <u>\$ 989,878</u> |

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned, and finally unassigned funds, as needed, unless the Board of Trustees or the Mayor has provided otherwise in its commitment or assignment actions.

NOTE J – SPECIAL FUNDING

The Village participates in state and federally assisted programs, including State Motor Fuel Tax allotments. These programs are subject to financial compliance audits. The audits of these programs including the year ended April 30, 2024 are in process. Accordingly, compliance with applicable special requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined at this time. The Village expects such amounts, if any, to be immaterial.

NOTE K – OTHER INDIVIDUAL FUND DISCLOSURES

Accounting principles require disclosures of certain information concerning individual funds including:

1. Excess of expenditures over budgeted amounts in individual funds. There were none.
2. Deficit fund balances or retained earnings deficits of individual funds. There were none.

NOTE L – COMMITMENTS & CONTINGENCIES

1. The Village is under contract for police services through December 31, 2024. The maximum contract amount is \$3,240 per month.
2. The Village is under contract through December 31, 2024 for road maintenance services. The contract amount is based upon an hourly rate by service type.
3. The Village is under contract for aquatic management services. The estimated contract cost is \$6,850.

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

4. The Village is under contract through April 30, 2025 for engineering services. The contract amount is based upon an hourly rate by service type.
5. The Village is under contract for 2024 for mosquito management. The contract amount is \$10,392.
6. The Village is under contract for a road improvement project. The contract amount is \$776,020.

NOTE M – SUBSEQUENT EVENTS

The Village's management has performed an analysis of the activities and transactions subsequent to April 30, 2024 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended April 30, 2024. The Village has evaluated subsequent events through December 17, 2024, the date on which the financial statements were available to be issued.

VILLAGE OF THIRD LAKE, ILLINOIS
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND BALANCE (CASH BASIS)
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2024

| | Original and Final Budget | Actual | Over (Under) Budget |
|-------------------------------|------------------------------|------------------|------------------------|
| CASH RECEIPTS | | | |
| Intergovernmental | | | |
| State income tax | \$ 157,500 | \$ 181,887 | \$ 24,387 |
| Real estate taxes | | | |
| General levy | 63,972 | 66,053 | 2,081 |
| Road and bridge levy | 6,000 | 6,798 | 798 |
| Sales and other taxes | | | |
| Municipal sales tax | 400,000 | 403,097 | 3,097 |
| Local use tax | 45,000 | 42,438 | (2,562) |
| Video gaming tax | 47,500 | 57,928 | 10,428 |
| Cannabis tax | 1,000 | 1,724 | 724 |
| Replacement tax | 4,000 | 7,379 | 3,379 |
| Licenses and permits | | | |
| Liquor license | 16,000 | 17,300 | 1,300 |
| Gaming license | 6,000 | 7,750 | 1,750 |
| Business license | 3,500 | 6,190 | 2,690 |
| Building permits | 9,356 | 15,702 | 6,346 |
| Plan review permits | 1,000 | 1,185 | 185 |
| Water craft permits | 4,957 | 7,730 | 2,773 |
| Key permits | 489 | 440 | (49) |
| Other permits | - | 35 | 35 |
| Court fines | 500 | 27 | (473) |
| Parking tickets | 500 | 1,600 | 1,100 |
| Franchise fees | | | |
| Cable and phone franchise | 18,000 | 27,355 | 9,355 |
| Other revenue | | | |
| Recycling rebate | 500 | - | (500) |
| Interest income | 45,000 | 176,056 | 131,056 |
| Credit card convenience fee | 180 | 537 | 357 |
| Miscellaneous | 100 | 299 | 199 |
| Total cash receipts | <u>831,054</u> | <u>1,029,510</u> | <u>198,456</u> |
| CASH DISBURSEMENTS | | | |
| General government | | | |
| Salaries-employees | 106,300 | 67,901 | (38,399) |
| Salaries-elected | 73,100 | 54,413 | (18,687) |
| Maintenance service equipment | 600 | 520 | (80) |
| Accounting | 10,600 | 8,545 | (2,055) |
| Annexations | 6,300 | - | (6,300) |
| Legal services | 31,300 | 11,395 | (19,905) |
| Other professional services | 18,800 | 15,538 | (3,262) |
| Engineering fees | 12,500 | 5,300 | (7,200) |
| Postage | 800 | 353 | (447) |
| Telephone | - | - | - |
| On-line services | 10,000 | 10,992 | 992 |
| Publishing | 400 | 209 | (191) |
| Printing | 8,800 | 6,178 | (2,622) |
| Dues | 7,500 | 4,338 | (3,162) |
| Travel expenses | 600 | - | (600) |
| Training | 3,100 | 105 | (2,995) |

VILLAGE OF THIRD LAKE, ILLINOIS
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND BALANCE (CASH BASIS)
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2024

| | Original and Final Budget | Actual | Over (Under) Budget |
|---------------------------------|------------------------------|----------------|------------------------|
| Publications | 600 | 1,284 | 684 |
| Risk management | 12,500 | 8,890 | (3,610) |
| Office supplies | 3,800 | 3,992 | 192 |
| Equipment | 7,500 | 71 | (7,429) |
| Community relations | 71,500 | 50,701 | (20,799) |
| Bank convenience fees | 1,300 | 992 | (308) |
| Miscellaneous | 600 | 21 | (579) |
| Employer social security | 10,000 | 7,583 | (2,417) |
| Employer medicare | 2,500 | 1,774 | (726) |
| Unemployment | 1,300 | 449 | (851) |
| Total general government | <u>402,300</u> | <u>261,544</u> | <u>(140,756)</u> |
| Building and Zoning | | | |
| Salaries-commissioners | 2,100 | 320 | (1,780) |
| Inspecting services | 400 | - | (400) |
| Other professional services | 600 | - | (600) |
| Publishing | - | - | - |
| Printing | - | - | - |
| Zoning officer | - | - | - |
| Total building and zoning | <u>3,100</u> | <u>320</u> | <u>(2,780)</u> |
| Buildings and Grounds | | | |
| Maintenance service-building | 12,500 | 5,355 | (7,145) |
| Maintenance service-equipment | 12,500 | 1,951 | (10,549) |
| Maintenance service-grounds | 18,800 | 1,671 | (17,129) |
| Maintenance service-other | 1,300 | - | (1,300) |
| Utilities | 1,300 | 814 | (486) |
| Security services | 3,800 | 18,392 | 14,592 |
| Operating supplies | 1,300 | 762 | (538) |
| Total buildings and grounds | <u>51,500</u> | <u>28,945</u> | <u>(22,555)</u> |
| Police | | | |
| Other services - animal control | 13,800 | 10,090 | (3,710) |
| Police service contracted | 45,600 | 6,720 | (38,880) |
| Police service lakes | 15,000 | - | (15,000) |
| Legal services | 1,900 | - | (1,900) |
| EMA | - | - | - |
| Commodities | 600 | - | (600) |
| Total police | <u>76,900</u> | <u>16,810</u> | <u>(60,090)</u> |
| Streets | | | |
| Maintenance service-street | 12,500 | 164 | (12,336) |
| Maintenance service-snow | 37,500 | 9,480 | (28,020) |
| Maintenance service-storm | 93,800 | 22,590 | (71,210) |
| Engineering fees | 8,400 | 6,093 | (2,307) |
| Street lighting | 16,900 | 12,298 | (4,602) |
| Traffic signals | 5,000 | 5,110 | 110 |
| Maintenance supplies | - | - | - |
| Streets | - | - | - |
| Mariner's Cove | - | - | - |
| Storm sewer project | - | - | - |
| Lake Ave project | 62,500 | 87,303 | 24,803 |
| Other street projects | 2,500 | - | (2,500) |
| Total streets | <u>239,100</u> | <u>143,038</u> | <u>(96,062)</u> |

VILLAGE OF THIRD LAKE, ILLINOIS
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND BALANCE (CASH BASIS)
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2024

| | Original and Final Budget | Actual | Over (Under) Budget |
|--|------------------------------|---------------------|------------------------|
| Lakes Management | | | |
| Salaries | - | - | - |
| Salaries-lakes commissioners | - | - | - |
| Maintenance services - pump house | 8,800 | 10,163 | 1,363 |
| Aerator inspection | 12,500 | 9,220 | (3,280) |
| Maintenance services - dam | 6,300 | - | (6,300) |
| Maintenance services - other | 13,800 | 4,091 | (9,709) |
| Maintenance services - boat ramp | 600 | - | (600) |
| Maintenance services - shoreline | 6,300 | - | (6,300) |
| Maintenance services - lake | 500 | - | (500) |
| Consulting services | 1,300 | - | (1,300) |
| Electricity | 16,300 | 10,160 | (6,140) |
| Operating supplies | 1,500 | 1,092 | (408) |
| Buoy placement/removal | - | - | - |
| Fish stocking | 12,500 | - | (12,500) |
| Equipment | 4,800 | 11,859 | 7,059 |
| Other improvements | - | - | - |
| Total lakes management | <u>85,200</u> | <u>46,585</u> | <u>(38,615)</u> |
| Contingency | <u>65,000</u> | <u>-</u> | <u>(65,000)</u> |
| Total cash disbursements | <u>923,100</u> | <u>497,242</u> | <u>(425,858)</u> |
| Excess (deficiency) of cash receipts over cash disbursements | <u>(92,046)</u> | <u>532,268</u> | <u>624,314</u> |
| OTHER SOURCES (USES) | | | |
| Interfund transfers | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of cash receipts and other sources over (under) disbursements and other uses | <u>\$ (92,046)</u> | <u>532,268</u> | <u>\$ 624,314</u> |
| Fund Balance - Beginning | | <u>3,011,846</u> | |
| Fund Balance - Ending | | <u>\$ 3,544,114</u> | |

VILLAGE OF THIRD LAKE, ILLINOIS
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND BALANCE (CASH BASIS)
BUDGET AND ACTUAL - MOTOR FUEL TAX FUND
YEAR ENDED APRIL 30, 2024

| | Original and Final Budget | Actual | Over (Under) Budget |
|--|------------------------------|-------------------|------------------------|
| CASH RECEIPTS | | | |
| Motor fuel tax allotments | \$ 40,000 | \$ 48,746 | \$ 8,746 |
| Motor fuel other | - | - | - |
| Interest income | 51 | 11,974 | 11,923 |
| Total cash receipts | <u>40,051</u> | <u>60,720</u> | <u>20,669</u> |
| CASH DISBURSEMENTS | | | |
| Maintenance service streets | 225,000 | - | (225,000) |
| Engineering fees | - | - | - |
| Total cash disbursements | <u>225,000</u> | <u>-</u> | <u>(225,000)</u> |
| Excess (deficiency) of cash receipts over cash disbursements | <u>(184,949)</u> | <u>60,720</u> | <u>245,669</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Interfund transfers | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of cash receipts and other sources over (under) disbursements and other uses | <u>\$ (184,949)</u> | <u>60,720</u> | <u>\$ 245,669</u> |
| Fund Balance - Beginning | | <u>190,310</u> | |
| Fund Balance - Ending | | <u>\$ 251,030</u> | |

VILLAGE OF THIRD LAKE, ILLINOIS
NOTES TO SUPPLEMENTARY INFORMATION
APRIL 30, 2024

Note 1 - Budgetary Basis of Accounting

Budgets are adopted on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Budget expenditures are controlled at the department level with the Mayor's oversight. All budget amendments must be approved by the Village Board.

Note 2 - Over Expenditure of Budget

None of the funds had total expenditures which exceeded the total budget.