

VILLAGE OF SHERIDAN, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2023

VILLAGE OF SHERIDAN, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

To the Honorable Mayor and
Village Board of Trustees
Village of Sheridan, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Sheridan, Illinois, as of and for the year ended , and the related notes to the financial statements, which collectively comprise 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 the Village of Sheridan, Illinois, as of , and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Sheridan, 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States and 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 error or fraud.

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

Auditors' Responsibility 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 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the pension data schedules, and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Sheridan, Illinois' basic financial statements. The supplementary information, including the combining and individual fund financial statements and the required supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information comprises the schedule of assessed valuations, tax rates, tax extensions and tax collections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We previously audited Village of Sheridan, Illinois' March 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 11, 2022. The summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2023, on our consideration of the Village of Sheridan, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Sheridan, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.
Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
July 10, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2023

The Village of Sheridan, Illinois' (the "Village") management's discussion and analysis (MD&A) is intended to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activities, identify changes in the Village's financial position (its ability to meet future financial demands and conditions), identify any material deviations from the governmental unit's financial plan (budget), and identify individual fund issues or concerns.

This discussion and analysis of the Village of Sheridan's financial performance provides an overview of the Village's financial activities for the fiscal year ended March 31, 2023. Please read it in conjunction with the Village's financial statements, which begin on page 10.

Governmental Financial Highlights:

- The Village's governmental assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,747,450 (net position). Of this amount, \$1,731,855 (unrestricted net position) may be used to meet the Village's ongoing obligations.
- The Village's total governmental net position increased by \$144,777 during fiscal year 2023 as reported in the Statement of Activities.
- The Village's major governmental revenues consisted of \$73,716 in property tax revenues, \$220,582 in grant revenue, \$1,052,463 in other state taxes (sales, income, use, replacement, motor fuel, utility, telecommunication, and video gaming), and \$53,325 in charges for services.
- As of March 31, 2023, the Village's General Fund ended the year with a fund balance of \$430,722, the Police Fund ended the year with a fund balance of \$415,416, the Streets Fund ended the year with a fund balance of \$208,176, the Capital Project Fund ended the year with a fund balance of \$177,737, the Motor Fuel Tax Fund ended the year with a fund balance of \$376,274, the Sewer Fund ended the year with a fund balance of \$157,046, the American Rescue Plan Act Fund ended the year with a fund balance of \$342,934, and overall the Village ended the year with a fund balance of \$2,451,442.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the Village of Sheridan's basic financial statements. The Village of Sheridan's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Sheridan's finances, in a manner similar to a private-sector business, using the accrual basis of accounting. The government-wide financial statements can be found on pages 10-11 of this report.

The Statement of Net Position presents the Village of Sheridan's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Sheridan is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported when earned/incurred.

The governmental activities of the Village of Sheridan include general government, public safety, streets and lighting, and parks and recreation.

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2023

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Sheridan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund financial statements are reported using the accrual basis of accounting.

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

The Village maintains fifteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major governmental funds (the General Fund, Police Fund, Streets Fund, Capital Project Fund, Motor Fuel Tax Fund, Sewer Fund, and the American Rescue Plan Act Fund). The governmental fund financial statements can be found on pages 12-14 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-31 of this report.

Required Supplementary Information

This information addresses the Village's pension and budgetary comparison schedules. The Village adopts an annual estimate of appropriations for its General Fund and Special Revenue Fund. A budgetary comparison schedule has been provided for the Village's major governmental funds to demonstrate compliance with this appropriated budget. Required supplementary information can be found on pages 32-44 of this report.

Supplementary Information

The combining and individual non-major fund financial statements on pages 47-56 and component unit combining schedule on page 57, and schedule of assessed valuations, tax rates, extensions and collections is presented on page 58 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Although not required, the Village has elected to report the balance sheet for each fund with the corresponding income statement for ease of reading.

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2023

Government-wide Financial Analysis

Program revenues are generated from charges for services (which includes sewer, miscellaneous licenses, permits, and fees). General revenues were generated from local property taxes, other taxes (consisting of income tax, sales tax, use tax, motor fuel tax, replacement tax, utility taxes, video gaming tax, and excise tax), investment interest, donations, reimbursements and miscellaneous sources.

Financial Analysis of the Village's Major Funds

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. An emphasis is placed on the Village's major governmental funds.

Budgetary Highlights

The Village's budget is prepared according to Illinois law and is based on accounting for certain transactions on a cash basis of accounting. A budget to actual schedule is provided as required supplementary information for all major funds.

The Village's General Fund expenditures were under appropriations by \$29,175. All major Village funds operated within the confines of the Board approved Budget & Appropriations Ordinance.

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2023

Discussion of Financial Statements (Current Year Compared to Prior Year):

**Table 1
Net Position**

	Governmental Activities		% Change
	2023	2022	2023-2022
<u>Assets:</u>			
Current and other assets	2,531,143	2,375,327	6.56%
Capital assets	2,296,387	2,298,031	-0.07%
Total assets	4,827,530	4,673,358	3.30%
<u>Deferred Inflows of Resources:</u>			
Deferred inflows for pension	84,626	82,927	2.05%
<u>Liabilities:</u>			
Accounts payable	14,699	22,437	-34.49%
Net pension liability	79,469	66,898	18.79%
Total liabilities	94,168	89,335	5.41%
<u>Deferred Inflows of Resources:</u>			
Property taxes levied for subsequent years	65,002	62,522	3.97%
Deferred outflows for pension	5,536	1,755	215.44%
Total deferred inflows of resources	70,538	64,277	9.74%
<u>Net Position:</u>			
Net investment in capital assets	2,296,387	2,298,031	-0.07%
Restricted	719,208	618,359	16.31%
Unrestricted	1,731,855	1,686,283	2.70%
Total net position	\$ 4,747,450	4,602,673	3.15%

Condensed Financial Information: (Statement of Net Position)

As shown above, the Village's governmental net position increased by 3.15% during the current fiscal year. The Village completed several road and sidewalk repair projects. While completing these projects along with various street maintenance, the Village managed to operate at a slight profit during the 2023 fiscal year. The Village has \$1,731,855 in unrestricted net position to fund daily operations. In total, the Village's increase in net position indicates the Village's financial position slightly improved during the current fiscal year.

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2023

Table 2
Change in Net Position

	Governmental Activities		% Change
	2023	2022	2023-2022
Revenues			
Program Revenues:			
Charges for services	\$ 53,325	57,605	-7.43%
Operating grants & contributions	220,582	186,927	18.00%
General Revenues:			
Property taxes	73,716	73,038	0.93%
Other taxes	1,055,039	1,042,576	1.20%
Other general revenues	29,649	13,252	123.73%
Total revenues	1,432,311	1,373,398	4.29%
Program expenses			
General government	332,017	263,124	26.18%
Transportation and public works	563,355	262,701	114.45%
Public safety	166,831	187,321	-10.94%
Sewer	61,237	40,950	49.54%
Unallocated depreciation	164,094	154,443	6.25%
Total expenses	1,287,534	908,539	41.71%
Change in net position	144,777	464,859	-68.86%
Net position at beg. of the year	4,602,673	4,137,814	11.23%
Net position at end of year	\$ 4,747,450	4,602,673	3.15%

Condensed Financial Information: (Statement of Activities)

Governmental revenues increased by 4.29% (\$58,913) from 2022 to 2023. Governmental expenditures increased by 41.71% during the current fiscal year. There were significant changes in transportation and public works expenses due to multiple street infrastructure paving projects.

VILLAGE OF SHERIDAN, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2023

Capital Asset and Long-term Debt Activity

Capital Assets

The Village's investment in capital assets for its governmental activities at year end totaled \$2,296,387 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. The capital asset additions totaled \$162,450 during the year, and \$164,094 of depreciation charges were expensed. See footnote 4 for details of capital assets.

	Governmental Net Book Value of Capital Assets	
	2023	2022
Land	71,594	71,594
Buildings & Improvements	3,244,656	3,110,191
Vehicles & Equipment	671,773	643,788
Accumulated Depreciation	(1,691,636)	(1,527,542)
Total	<u>\$ 2,296,387</u>	<u>2,298,031</u>

Debt Administration

At March 31, 2023, the Village had no outstanding long-term debt obligations.

Economic Factors

Financial and budget planning is directly related to and supportive of the Village's budget plan and operational needs. The Village's financial outlook is influenced by factors such as the economy, employment rates, and commercial and residential growth.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and potential creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Village of Sheridan, Illinois
115 N. Robinson Street
Sheridan, Illinois 60551
Phone: (815) 496-2251

BASIC FINANCIAL STATEMENTS

**Government-wide Financial Statement
Statement of Net Position
March 31, 2023**

	Primary Government		Component
	2023	2022	Units
			2023
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 2,234,088	2,084,420	168,613
Due from State of Illinois	221,287	198,363	-
Property taxes receivable	65,002	62,522	-
Accounts receivable	10,766	30,022	-
Total current assets	<u>2,531,143</u>	<u>2,375,327</u>	<u>168,613</u>
Non-current assets:			
Capital Assets:			
Land	71,594	71,594	-
Building and Equipment	3,916,429	3,753,979	-
Accumulated Depreciation	<u>(1,691,636)</u>	<u>(1,527,542)</u>	<u>-</u>
Total non-current assets	<u>2,296,387</u>	<u>2,298,031</u>	<u>-</u>
Total assets	<u>4,827,530</u>	<u>4,673,358</u>	<u>168,613</u>
<u>Deferred outflows of resources</u>			
Deferred outflows for pension	<u>84,626</u>	<u>82,927</u>	<u>-</u>
Total deferred outflows of resources	<u>84,626</u>	<u>82,927</u>	<u>-</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	14,699	22,437	-
Net pension liability	<u>79,469</u>	<u>66,898</u>	<u>-</u>
Total liabilities	<u>94,168</u>	<u>89,335</u>	<u>-</u>
<u>Deferred inflows of resources</u>			
Property taxes levied for subsequent years	65,002	62,522	-
Deferred inflows for pension	<u>5,536</u>	<u>1,755</u>	<u>-</u>
Total deferred inflows of resources	<u>70,538</u>	<u>64,277</u>	<u>-</u>
<u>Net Position</u>			
Net investment in capital assets	2,296,387	2,298,031	-
Restricted	719,208	618,359	168,613
Unrestricted	<u>1,731,855</u>	<u>1,686,283</u>	<u>-</u>
Total net position	<u>\$ 4,747,450</u>	<u>4,602,673</u>	<u>168,613</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Government-wide Financial Statement
Statement of Activities
For the Year Ended March 31, 2023

Program Activities	Expenditures	Program Revenues			Net (Expenditures) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					2023	2022	
Governmental activities:							
Administrative	\$ 332,017	9,640	-	-	(322,377)	(254,525)	-
Transportation & Public Works	563,355	-	-	-	(563,355)	(262,701)	-
Public Safety	166,831	2,862	220,582	-	56,613	7,548	-
Sewer	61,237	40,823	-	-	(20,414)	114	-
Unallocated Depreciation	164,094	-	-	-	(164,094)	(154,443)	-
Total primary government	1,287,534	53,325	220,582	-	(1,013,627)	(664,007)	-
Component units:							
Social Services	12,740	-	4,724	-	-	-	(8,016)
Culture & Recreation	3,180	-	7,402	-	-	-	4,222
Total component units	\$ 15,920	-	12,126	-	-	-	(3,794)
General revenues:							
Taxes:							
Property taxes					\$ 73,716	73,038	-
Utility tax					70,401	68,290	-
Sales tax					349,746	224,965	-
Income tax					374,110	414,855	-
Cannabis Tax					3,784	1,964	-
Replacement tax					4,798	3,073	-
Local use tax					99,098	104,296	-
Interest Income					2,576	1,765	1,382
Motor fuel tax					106,118	177,107	-
Video gaming tax					44,408	46,261	-
Miscellaneous					29,649	13,252	-
Total general revenues					1,158,404	1,128,866	1,382
Change in net position					144,777	464,859	(2,412)
Net position, beginning of year					4,602,673	4,137,814	171,025
Net position, end of year					\$ 4,747,450	4,602,673	168,613

The Notes to Basic Financial Statements are an integral part of this statement.

Balance Sheet - Governmental Funds
March 31, 2023

	Major Funds								Total	
	General Fund	Police Fund	Streets Fund	Capital Project Fund	Motor Fuel Tax Fund	Sewer Fund	American Rescue Plan Act Fund	Non-major Governmental Funds	Governmental Funds	
									2023	2022
<u>Assets</u>										
Cash and cash equivalents	\$ 413,118	339,811	144,906	170,678	351,419	153,481	342,934	317,741	2,234,088	2,084,420
Due from State of Illinois	19,447	75,605	65,709	9,387	24,855	-	-	26,284	221,287	198,363
Accounts receivable	-	-	-	-	-	10,766	-	-	10,766	30,022
Property taxes receivable	55,785	8,129	1,088	-	-	-	-	-	65,002	62,522
Total assets	<u>\$ 488,350</u>	<u>423,545</u>	<u>211,703</u>	<u>180,065</u>	<u>376,274</u>	<u>164,247</u>	<u>342,934</u>	<u>344,025</u>	<u>2,531,143</u>	<u>2,375,327</u>
<u>Liabilities</u>										
Accounts payable	\$ 1,843	-	2,439	2,328	-	7,201	-	888	14,699	22,437
Total liabilities	<u>1,843</u>	<u>-</u>	<u>2,439</u>	<u>2,328</u>	<u>-</u>	<u>7,201</u>	<u>-</u>	<u>888</u>	<u>14,699</u>	<u>22,437</u>
<u>Deferred inflows of resources</u>										
Property taxes levied for subsequent years	55,785	8,129	1,088	-	-	-	-	-	65,002	62,522
Total deferred inflows	<u>55,785</u>	<u>8,129</u>	<u>1,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,002</u>	<u>62,522</u>
<u>Fund Balances</u>										
Unassigned	430,722	-	-	-	-	-	-	-	430,722	420,835
Assigned	-	415,416	208,176	177,737	-	157,046	-	343,137	1,301,512	1,251,174
Restricted	-	-	-	-	376,274	-	342,934	-	719,208	618,359
Total fund balances	<u>430,722</u>	<u>415,416</u>	<u>208,176</u>	<u>177,737</u>	<u>376,274</u>	<u>157,046</u>	<u>342,934</u>	<u>343,137</u>	<u>2,451,442</u>	<u>2,290,368</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 488,350</u>	<u>423,545</u>	<u>211,703</u>	<u>180,065</u>	<u>376,274</u>	<u>164,247</u>	<u>342,934</u>	<u>344,025</u>	<u>2,531,143</u>	<u>2,375,327</u>
Reconciliation to Statement of Net Position:										
Total fund balances, government funds									2,451,442	2,290,368
Amounts reported for governmental activities in the Statement of Net Position are different because:										
Capital assets used in governmental activities of \$3,988,023 (net of accumulated depreciation of \$1,691,636) are not financial resources and, therefore, are not reported in the funds.										
									2,296,387	2,298,031
Long-term liabilities, including net pension liability and deferred outflows/inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:										
Net pension liability									(79,469)	(66,898)
Net deferred pension outflows (inflows)									79,090	81,172
Net position of governmental activities									<u>\$ 4,747,450</u>	<u>4,602,673</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2023

	Major Funds							Non-major Governmental Funds	Total Governmental Funds	
	General Fund	Police Fund	Streets Fund	Capital Project Fund	Motor Fuel Tax Fund	Sewer Fund	American Rescue Plan Act Fund		2023	2022
Revenues:										
Property taxes	\$ 51,564	8,824	13,328	-	-	-	-	-	73,716	73,038
Utility tax	4,224	28,160	24,640	3,521	-	-	-	9,856	70,401	68,290
Sales tax	20,985	139,898	122,411	17,487	-	-	-	48,965	349,746	224,965
Income tax	22,447	149,644	130,938	18,706	-	-	-	52,375	374,110	414,855
Replacement tax	290	1,919	1,678	240	-	-	-	671	4,798	3,073
Local use tax	5,946	39,639	34,684	4,955	-	-	-	13,874	99,098	104,296
Cannabis tax	227	1,514	1,325	189	-	-	-	529	3,784	1,964
Video gaming tax	44,408	-	-	-	-	-	-	-	44,408	46,261
Interest income	1,084	455	398	57	423	-	-	159	2,576	1,765
Motor fuel tax	-	-	-	-	106,118	-	-	-	106,118	177,107
Charges for services	-	-	-	-	-	40,823	-	-	40,823	41,064
Fines, fees, and forfeitures	-	842	-	-	-	-	-	-	842	6,867
Licenses and permits	2,328	2,020	1,768	253	-	-	-	5,291	11,660	9,764
Donations	-	-	-	-	-	-	-	120	120	140
Grants	-	210	-	-	48,785	-	171,467	-	220,462	186,787
Miscellaneous	662	-	7,668	3,000	-	5,379	-	12,940	29,649	13,252
Total revenues	154,165	373,125	338,838	48,408	155,326	46,202	171,467	144,780	1,432,311	1,373,398
Expenditures:										
Current:										
Administrative	144,104	-	50,621	-	-	-	-	111,950	306,675	264,440
Public safety	-	155,084	-	-	-	-	-	-	155,084	175,617
Transportation and public works	-	-	264,829	-	225,944	-	-	-	490,773	180,443
Sewer	-	-	-	-	-	61,237	-	-	61,237	40,950
Capital outlay	174	11,747	-	235,032	-	-	-	10,515	257,468	148,093
Total expenditures disbursed	144,278	166,831	315,450	235,032	225,944	61,237	-	122,465	1,271,237	809,543
Excess (deficiency) of revenues over (under) expenditures	9,887	206,294	23,388	(186,624)	(70,618)	(15,035)	171,467	22,315	161,074	563,855
Fund balance, beginning of year	420,835	209,122	184,788	364,361	446,892	172,081	171,467	320,822	2,290,368	1,726,513
Fund balances, ending of year	\$ 430,722	415,416	208,176	177,737	376,274	157,046	342,934	343,137	2,451,442	2,290,368

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended March 31, 2023

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds	\$	161,074	563,855
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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. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.

Purchase of capital assets	162,450	41,173
Depreciation	(164,094)	(154,443)

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension expense	(14,653)	14,274
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Change in net position of governmental activities (Statement B)	\$	144,777	464,859
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The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Sheridan, Illinois is an Illinois unit of local government. The Village provides general governmental services to citizens.

The financial statements of the Village of Sheridan have been prepared using accounting principles generally accepted in the United States of America.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Village's accounting policies are described below.

A. Reporting Entity

The Village Board is the basic level of government which has oversight responsibility and control over all activities related to the operation of the Village of Sheridan, the primary government unit. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding sources entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The Village follows the provision of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of Statement No. 14." As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

The Village is not aware of any entity which would exercise such oversight as to result in the Village being considered a component unit of the entity.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

A. *Reporting Entity - (Continued)*

The Village has two component units that meet the definition on the previous page:

1. Sheridan Cemetery Association was established by the Village of Sheridan to administer the cemetery owned by the Village. The Village Board can remove appointed members at will. The Association accounts for the receipts and disbursements of the Sheridan Cemetery and prepares a budget annually. The Association is presented as a discretely presented component unit in the accompanying financial statements, as the Association's governing body is not substantively the same as that of the Village of Sheridan.
2. Sheridan Historical Society was established by the Village of Sheridan to manage the historical museum owned by the Village. The Village Board can remove appointed members at will. The Society accounts for the receipts and disbursements of the Sheridan Historical Society and prepares a budget annually. The Society is presented as a discretely presented component unit in the accompanying financial statements, as the Society's governing body is not substantively the same as that of the Village of Sheridan.

Neither component unit has separately audited financial statements.

B. *Government-wide and Fund Financial Statements*

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Village. 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. For the most part, the effect of the inter-fund activity has been removed from these statements. The Village has no business-type funds.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to citizens 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 operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Earnings on investments not included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using accounting principles generally accepted in the United States of America. Revenues are recognized when they are realized and are earned, no matter when cash is received.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Government-wide and Fund Financial Statements – (Continued)

Fund Financial Statements:

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, or expenses, as appropriate. Village resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Village has the following funds:

Governmental Fund Types - Governmental funds are those through which general governmental functions of the Village are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the Village’s major governmental funds:

General Fund - The General Fund is the general operating fund of the Village. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds to specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes. The Village’s major special revenue funds are:

Police Fund – accounts for taxes restricted for payment of police service related expenditures.

Streets Fund – accounts for funds restricted for maintenance and upkeep of Village streets, sidewalks, and infrastructure.

Capital Project Fund – accounting for the accumulation of funds reserved for capital projects.

Motor Fuel Tax Fund - accounts for the motor fuel tax monies received from the State of Illinois, restricted for street and road project expenditures approved by the State of Illinois.

American Rescue Plan Act Fund – accounts for American Rescue Plan Act grant monies and related expenditures.

Sewer Fund – accounts for tax revenues reserved for repairs and maintenance of the sewer system within the Village.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Measurement Focus and Basis of Accounting – (Continued)

Measurement Focus

In the Government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the governmental activities are presented using the “current financial resources” measurement focus.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses).

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All of the funds are maintained during the year by the Village using the cash basis of accounting. At the end of the year, the financial statements are converted to the modified accrual basis of accounting through the posting of journal entries.

1. Government-wide financial statements

The governmental activities in the government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Governmental fund financial statements:

The governmental fund financial statements are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Assets, Liabilities, and Net Position

Cash and Investments

Illinois statute authorizes the Village to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by the federal depository insurance. The Village may also invest in commercial paper of U.S. corporations with assets exceeding \$500,000,000 provided that (a) the obligations are rated with the three highest classifications by at least two standards rating services and they mature within 180 days from the date of purchase, and (b) no more than 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

Cash and cash equivalents, for reporting purposes, include bank accounts, petty cash and all short-term investments with a remaining maturity of three months or less when purchased, such as certificates of deposit. All amounts are stated at cost which approximates market.

Capital Assets and Long-term Liabilities

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets.

The reported fund balance (net position) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Depreciation is provided in amounts sufficient to relate costs of the depreciable assets to operations over their estimated service lives on the straight-line basis. A capitalization threshold of \$2,500 for individual equipment, \$10,000 for building and improvements, and \$50,000 for infrastructure (road, bridges, culverts, curbs, sidewalks, lighting, gutters and drainage systems) is used to report capital assets. The service lives by type of asset are as follows:

Buildings	40-50 years
Improvements, other than buildings	10-25 years
Machinery, furniture, and equipment	3-20 years

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Assets, Liabilities, and Net Position - (Continued)

Net Position

In the government-wide statements, equity is classified as net position 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 that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2023, net investment in capital assets consists of the following:

	Governmental Activities
Capital assets, at cost	\$ 3,988,023
Less: Accumulated depreciation	<u>(1,691,636)</u>
Net investment in capital assets	<u>\$ 2,296,387</u>

- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definitions of “restricted” or “net investment in capital assets.”

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

E. Property Taxes

The Village’s property tax levy must be adopted by the board by the last Tuesday of December. Property taxes are recognized as revenues when they are received. Property taxes receivable and deferred property tax revenue is recorded as deferred outflows and inflows to disclose the tax levy amount to be received in the subsequent year. Property taxes are levied and attach as an enforceable lien on property on January 1 and are payable in two installments due on June 1 and September 1 subsequent to the year of levy.

The 2021 property tax levy, in the amount of \$62,519, adjusted to \$62,522, was adopted on November 8, 2021 and was received by the Village in the current fiscal year. The 2022 tax levy, in the amount of \$64,998, adjusted to \$65,002, was adopted on November 14, 2022 and will be received by the Village in the subsequent fiscal year.

The Village reported the entire 2022 tax levy as deferred outflows as required by GAAP. If the Village would receive a portion of that property tax levy within the first 60 days of the subsequent fiscal year, revenue would be recognized as required.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. Change in Accounting Standards

During the year ended March 31, 2023, the Village implemented GASB 87 – Leases, which established a single model for lease accounting based on the foundational principles that leases are financings of the right to use an underlying asset. At March 31, 2023, the Village had no leases to record.

NOTE 2: DEPOSITS & INVESTMENTS

Separate bank accounts are not maintained for all Village funds. Funds maintain their cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board. Such overdrafts constitute inter-fund loans. As of March 31, 2023, the funds participating in the common bank account had the following cash balances:

<u>Fund</u>	<u>Balance</u>
General Fund	\$ 413,118
Police Fund	339,811
Streets Fund	144,906
Parks Fund	57,139
Zoning & Building Fund	79,852
Cemetery Fund	8,421
Sewer Fund	153,481
Sewer Special Reserve Fund	68,772
Street Equipment Reserve Fund	35,338
Police Vehicle Reserve Fund	63,650
American Rescue Plan Act Fund	342,934
Capital Project Fund	170,678
Total	<u>\$ 1,878,100</u>

The Village's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Village's deposits at each financial institution. Deposit balances over FDIC limits are collateralized with securities held by the pledging financial institution. At March 31, 2023, the bank balance of the Village's deposits was \$2,253,918 and the carrying amount was \$2,234,088. All of the Village's uninsured deposits were collateralized with securities held by the pledging financial institution.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 2: DEPOSITS & INVESTMENTS – (Continued)

Custodial Credit Risk:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of another party. The Village does not have a deposit policy for custodial credit risk.

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The Village receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 71,594	-	-	71,594
Total capital assets not being depreciated:	71,594	-	-	71,594
Capital assets being depreciated				
Machinery & equipment	643,788	27,985	-	671,773
Buildings & Improvements	3,110,191	134,465	-	3,244,656
Total capital assets being depreciated	3,753,979	162,450	-	3,916,429
Total capital assets, cost	3,825,573	162,450	-	3,988,023
Less accumulated depreciation for:				
Machinery & equipment	(524,217)	(43,035)	-	(567,252)
Buildings	(1,003,325)	(121,059)	-	(1,124,384)
Total accumulated depreciation	(1,527,542)	(164,094)	-	(1,691,636)
Governmental activities capital assets, net	\$ 2,298,031	(1,644)	-	2,296,387

Significant additions for the year ended March 31, 2023 included the following:

Governmental Activities:	
Sidewalk improvements	\$71,957
Village hall roof	62,508
Cameras	18,951
Transmission	5,669
School repeater sign	3,365

Depreciation is reported as an unallocated expense in the government-wide financial statements.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 5: RISK MANAGEMENT

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village has obtained liability insurance coverage from a commercial insurance company.

During the year ended March 31, 2023, there were no significant reductions in insurance coverage from the prior year. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

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

Benefits Provided – IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All of the Village's employees participate in the regular plan.

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

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (Continued)

Benefits Provided – (Continued)

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

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

Employees Covered by Benefit Terms – As of December 31, 2022, the following Village employees were covered by the benefit terms:

Retirees and Beneficiaries	-
Inactive, Non-retired Members	4
Active Members	<u>3</u>
Total	<u><u>7</u></u>

Contributions – As set by statute, the Village's Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate and actual Township contributions for calendar year 2022 and the fiscal year ended March 31, 2023 are summarized below. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
Village required contribution rate for 2022	7.66%
Village required contribution rate for 2023	9.10%
Village actual contributions for 2022	\$ 11,797
Village actual contributions for fiscal year 2023	\$ 12,810

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (Continued)

Net Pension Liability – The Village's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At December 31, 2022, the Village had a net pension liability for the plan, determined as follows:

Total Pension Liability	\$	164,418
Plan Fiduciary Net Position		<u>84,949</u>
Net Pension Liability	\$	<u>79,469</u>

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For Non-Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (Continued)

Actuarial Assumptions – (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.5%	6.50%
International Equity	18%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternative Investments	9.5%	6.25-9.90%
Cash Equivalents	<u>1%</u>	4.00%
Total	100%	

Single Discount Rate – A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2021	\$ 139,768	72,870	66,898
Changes for the Year:			
Service Cost	18,431	-	18,431
Interest on the Total Pension Liability	10,801	-	10,801
Differences Between Expected and Actual Experience of the Total Pension Liability	(4,582)	-	(4,582)
Contributions - Employer	-	11,797	(11,797)
Contributions - Employees	-	6,931	(6,931)
Net Investment Income	-	(4,638)	4,638
Other (Net Transfer)	-	(2,011)	2,011
Net Changes	24,650	12,079	12,571
Balances at December 31, 2022	<u>\$ 164,418</u>	<u>84,949</u>	<u>79,469</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 187,292	164,418	146,454
Plan Fiduciary Net Position	84,949	84,949	84,949
Net Pension Liability (Asset)	<u>\$ 102,343</u>	<u>79,469</u>	<u>61,505</u>

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (Continued)

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

For the year ended March 31, 2023, the Village recognized pension expense of \$14,653. At March 31, 2023, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,095	4,043
Net difference between projected and actual earnings on pension plan investments	8,800	233
Changes of assumptions	-	1,260
Contributions made after the valuation date	3,731	-
Total deferred amounts to be recognized in future periods	<u>\$ 84,626</u>	<u>5,536</u>

The amount reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ended December 31,	Net Deferred Outflow of Resources
2023	\$ 11,758
2024	11,756
2025	11,566
2026	11,647
2027	9,540
Thereafter	19,092
Total	<u>\$ 75,359</u>

NOTE 7: CONTINGENCIES

Litigation

The Village is not a defendant in any current litigation. With regards to other pending matters, the eventual outcome and the related liability, if any, is not determinable at this time.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 8: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of March 31, 2023:

Assessed valuation - 2022	<u>\$ 13,363,013</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 1,152,560
Debt outstanding at March 31, 2023:	<u>-</u>
Legal debt margin	<u>\$ 1,152,560</u>

NOTE 9: MOTOR FUEL TAX ALLOTMENTS

Allotments to the Village are received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois. The Village's Motor Fuel Tax Allotments are accounted for in a separate Motor Fuel Tax Fund.

NOTE 10: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. *Non-spendable Fund Balance*

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 10: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The Village has several different funds that also fall into these categories:

The Motor Fuel Tax Fund has a restricted fund balance in the amount of \$376,274 as of fiscal year end.

The American Rescue Plan Act Fund has a restricted fund balance in the amount of \$342,934.

Cash receipts and the related disbursements of the following restricted tax levies are accounted for in the General Fund. A portion of the General Fund's equity represents cumulative receipts over cumulative disbursements which is restricted for future expenditures for the following purposes.

	Beginning Balance	Levy	Expenditure	Restricted Balance
Audit	\$ -	8,337	8,600	-
Liability Insurance*	-	26,963	29,550	-
Total	<u>\$ -</u>	<u>35,300</u>	<u>38,150</u>	<u>-</u>

*Liability insurance expenditures include \$29,550 in risk management expenditures.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Village Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The Village had no committed balances as of March 31, 2023.

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 10: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Village Board itself or (b) the finance committee or by the Treasurer/Administrator when the Village Board has delegated the authority to assign amounts to be used for specific purposes. Annually, the Village Board approves the allocation of state tax revenues (income, sales, use, replacement and utility). The Board approves the percentage to be allocated to specific funds. As of March 31, 2023, the Village has the following assigned fund balances:

<u>Fund</u>	<u>Balance</u>
Police Fund	\$ 415,416
Streets Fund	208,176
Sewer Fund	157,046
Capital Project Fund	177,737
Zoning and Building Fund	86,474
Cemetery Fund	8,421
Parks Fund	75,913
Street Equipment Reserve Fund	35,338
Police Vehicle Reserve Fund	63,650
DARE Fund	3,858
Veterans Memorial Park Fund	711
Special Sewer Reserve Fund	68,772
Total	<u>\$ 1,301,512</u>

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 11: SUBSEQUENT EVENTS

Management evaluated subsequent events through July 10, 2023, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of March 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SHERIDAN, ILLINOIS
GENERAL FUND

SCHEDULE A-1

Balance Sheet
March 31, 2023

<u>Assets</u>	
Cash	\$ 212,181
State Bank CD	200,937
Due from State of Illinois	19,447
Property taxes receivable	<u>55,785</u>
Total assets	<u>\$ 488,350</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>	
Liabilities:	
Accounts payable	<u>\$ 1,843</u>
Deferred Inflows of Resources:	
Property taxes levied for subsequent years	<u>55,785</u>
Fund Balance:	
Unassigned fund balance	<u>430,722</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 488,350</u>

**VILLAGE OF SHERIDAN, ILLINOIS
GENERAL FUND**

SCHEDULE A-2

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
General property taxes	\$ 15,638	15,613	15,615
IMRF tax levy	532	651	431
Audit tax levy	8,350	8,337	8,338
Insurance tax levy	27,006	26,963	26,966
Municipal telephone & utility tax	3,097	4,224	8,858
Liquor licenses	362	303	822
Business & gaming licenses	2,025	2,025	-
State income taxes	18,150	22,447	53,931
Replacement taxes	76	290	399
Sales tax	8,197	20,985	29,245
Use tax	5,878	5,946	13,559
Cannabis tax	106	227	276
Interest income	1,008	1,084	824
Video gaming tax	35,000	44,408	46,261
Miscellaneous	500	662	718
Total revenues	125,925	154,165	206,243
Expenditures:			
Administrative:			
Salaries - Mayor and Trustees	14,400	14,400	14,450
Salary - Administrator	44,928	44,825	41,405
Salaries - Custodial & cleaning	1,200	1,180	950
Salary - Clerk	1,875	1,600	1,300
Salaries - Administrator overtime	200	-	-
Unused Vacation Days	1,000	886	599
Unemployment insurance	500	231	196
Social security	4,200	3,994	3,760
Medicare	1,000	934	880
IMRF	4,000	4,008	5,407
Contractual services:			
Maintenance service - building	2,200	880	1,611
Accounting service	8,600	8,600	8,350
Engineering	1,000	1,331	34
Legal service	25,000	12,769	22,992
LOCIS services	1,500	1,176	1,116
Internet service provider	2,000	1,800	1,672
Telephone	1,000	782	763
Publishing	1,000	1,710	994
Dues	1,200	836	763
Travel	500	-	999
Training	200	-	-
Utilities	4,200	5,638	3,471
NCICG local share	1,000	1,000	1,000
Risk management	29,500	29,550	28,064

**VILLAGE OF SHERIDAN, ILLINOIS
GENERAL FUND**

**SCHEDULE A-2
(Continued)**

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Expenditures (continued):			
Commodities:			
Postage	\$ 750	490	636
Office supplies	3,000	2,896	2,514
Miscellaneous/contingency	16,000	2,588	20,393
Capital outlay:			
Equipment	1,500	174	428
Total expenditures	173,453	144,278	164,747
Net change in fund balance	<u>\$ (47,528)</u>	9,887	41,496
Fund balance, beginning of year		420,835	379,339
Fund balance, end of year		<u>\$ 430,722</u>	<u>420,835</u>

VILLAGE OF SHERIDAN, ILLINOIS
POLICE FUND

SCHEDULE B-1

Balance Sheet
March 31, 2023

<u>Assets</u>	
Cash	\$ 339,811
Due from State of Illinois	75,605
Property taxes receivable	<u>8,129</u>
Total assets	<u>\$ 423,545</u>
<u>Deferred Inflows of Resources and Fund Balance</u>	
Deferred Inflows of Resources:	
Property taxes levied for subsequent years	<u>\$ 8,129</u>
Fund Balance:	
Assigned fund balance	<u>415,416</u>
Total deferred inflows and fund balance	<u>\$ 423,545</u>

**VILLAGE OF SHERIDAN, ILLINOIS
POLICE FUND**

SCHEDULE B-2

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Police protection levy	\$ 7,818	7,806	7,807
IMRF tax levy	1,357	1,018	1,567
Utility tax	20,644	28,160	11,180
Liquor licenses	2,410	2,020	1,075
Income tax	121,001	149,644	65,512
Replacement tax	508	1,919	501
Sales tax	54,649	139,898	35,918
Use tax	39,188	39,639	16,781
Cannabis Tax	704	1,514	323
Court fines	3,500	842	6,517
Forfeits drug & DUI fines	300	-	350
Training reimbursement	3,000	-	6,020
Interest income	120	455	121
Grant revenue	-	210	20
Miscellaneous income	100	-	-
Total revenues	255,299	373,125	153,692
Expenditures:			
Administrative:			
Full-Time Officer - Chief	70,274	70,004	66,859
Full-Time Officer	52,000	-	26,559
Part-Time Officers	67,000	27,968	16,887
Salaries - overtime	1,500	738	1,961
Unused Vacation Time	5,000	3,514	3,093
Full time officer holiday	500	-	-
Life insurance	2,000	1,662	1,662
Unemployment insurance	1,400	326	227
Social security	13,000	6,338	7,152
Medicare	3,000	1,482	1,673
IMRF	11,000	5,615	11,714
Uniform allowance	4,000	1,236	2,568
Contractual services:			
Maintenance Service - building	2,500	625	797
Maintenance Service - equipment	2,000	-	250
Maintenance service- vehicle	6,000	1,249	5,481
Engineering service	500	-	289
Legal service	8,000	6,056	7,035
Communications service	3,000	2,507	1,910
Regular phone & long distance	5,000	2,840	3,496
Cell phone	1,000	942	624
Dues	900	1,290	365
Travel	5,400	3,618	-
Training	16,000	2,010	314

**VILLAGE OF SHERIDAN, ILLINOIS
POLICE FUND**

**SCHEDULE B-2
(continued)**

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Expenditures (continued):			
Commodities:			
Office supplies	\$ 2,500	1,788	1,458
Operating	9,000	5,978	4,750
Postage	50	-	-
Impound fee	800	-	-
Automotive fuel/oil	11,000	6,926	7,600
Animal control	100	-	-
Miscellaneous/contingency	2,000	372	893
Capital outlay:			
Equipment	21,000	11,747	11,704
Total expenditures	327,424	166,831	187,321
Net change in fund balance	<u>\$ (72,125)</u>	206,294	(33,629)
Fund balance, beginning of year		209,122	242,751
Fund balance, end of year		<u>\$ 415,416</u>	<u>209,122</u>

VILLAGE OF SHERIDAN, ILLINOIS
STREETS FUND

SCHEDULE B-3

Balance Sheet
March 31, 2023

<u>Assets</u>	
Cash	\$ 144,906
Due from State of Illinois	65,709
Property tax receivable	<u>1,088</u>
Total assets	<u>\$ 211,703</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>	
Liabilities:	
Accounts payable	<u>\$ 2,439</u>
Deferred Inflows of Resources:	
Property taxes levied for subsequent years	<u>1,088</u>
Fund Balance:	
Assigned fund balance	<u>208,176</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 211,703</u>

**VILLAGE OF SHERIDAN, ILLINOIS
STREETS FUND**

SCHEDULE B-4

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Property taxes	\$ 10,700	12,343	11,692
IMRF tax levy	745	985	622
Utility tax	18,064	24,640	15,834
Liquor license	2,109	1,768	1,455
Income tax	105,876	130,938	95,417
Replacement tax	444	1,678	707
Sales tax	47,818	122,411	51,741
Use tax	34,289	34,684	23,988
Cannabis Tax	616	1,325	327
Interest income	150	398	164
Miscellaneous	100	7,668	36
Total revenues	220,911	338,838	201,983
Expenditures:			
Administrative:			
Regular salaries	68,000	43,820	38,554
Unemployment insurance	600	274	215
Social security	4,500	2,637	2,390
Medicare	1,200	617	559
IMRF	5,600	3,187	4,065
Boot Allowance	500	86	-
Contractual services:			
Maintenance service - building	20,000	26,672	1,999
Maintenance service - equipment	6,000	13,613	4,954
Maintenance service - vehicles	3,000	2,329	1,660
Maintenance service - streets	150,000	143,902	36,287
Engineering services	15,000	36,549	3,688
4201st St Road Fund	2,500	-	-
Legal services	3,000	3,519	373
Internet Service Provider	2,700	-	-
Tree removal	20,000	19,425	17,000
Regular telephone	800	763	758
Cell phone	800	1,548	689
Utilities	2,200	2,548	1,604
Street lighting	7,500	4,280	3,177
Commodities:			
Operating supplies	500	-	-
Fuel and oil	5,000	4,716	3,661
De-icing/chloride	6,000	3,394	6,610
Miscellaneous/contingency	20,000	1,571	7,271
Total expenditures	345,400	315,450	135,514
Net change in fund balance	\$ (124,489)	23,388	66,469
Fund balance, beginning of year		184,788	118,319
Fund balance, end of year		\$ 208,176	184,788

VILLAGE OF SHERIDAN, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE B-5

Balance Sheet
March 31, 2023

<u>Assets</u>	
Cash	\$ 301,220
Investment CD	50,199
Due from State of Illinois	24,855
Total assets	<u>\$ 376,274</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 376,274
Total fund balance	<u>\$ 376,274</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)

SCHEDULE B-6

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Motor fuel tax	\$ 171,800	106,118	177,107
Interest income	400	423	336
TARP Grant	-	48,785	15,300
Total revenues	<u>172,200</u>	<u>155,326</u>	<u>192,743</u>
Expenditures:			
Engineering service	75,000	-	-
Street improvements	300,000	225,776	90,610
Miscellaneous	40,000	168	102
Total expenditures	<u>415,000</u>	<u>225,944</u>	<u>90,712</u>
Net change in fund balance	<u>\$ (242,800)</u>	(70,618)	102,031
Fund balance, beginning of year		446,892	344,861
Fund balance, end of year		<u>\$ 376,274</u>	<u>446,892</u>

**VILLAGE OF SHERIDAN, ILLINOIS
SEWER FUND**

SCHEDULE B-7

**Balance Sheet
March 31, 2023**

<u>Assets</u>	
Cash	\$ 153,481
Accounts receivable	10,766
Total assets	<u>\$ 164,247</u>
<u>Liabilities & Fund Balance</u>	
Liabilities:	
Accounts payable	\$ 7,201
Total liabilities	<u>7,201</u>
Fund balance:	
Assigned fund balance	<u>157,046</u>
Total liabilities & fund balance	<u>\$ 164,247</u>

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

SCHEDULE B-8

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Utility tax	-	-	1,844
Liquor license	-	-	190
Income tax	-	-	9,938
Replacement tax	-	-	81
Sales tax	-	-	5,586
Use tax	-	-	2,654
Cannabis tax	-	-	44
Interest income	15	-	21
Sewer maintenance fees	35,000	40,823	41,064
Miscellaneous Income	-	5,379	500
Total revenues	<u>35,015</u>	<u>46,202</u>	<u>61,922</u>
Expenditures:			
Maintenance Service- Equip	13,000	13,064	-
Maintenance service sewer	50,000	24,213	34,791
Engineering services	5,000	13,076	2,766
Legal services	3,000	1,466	755
Postage	600	763	562
Publications	100	-	-
Utilities	700	393	350
Miscellaneous	6,000	8,262	1,726
Total expenditures	<u>78,400</u>	<u>61,237</u>	<u>40,950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,385)</u>	<u>(15,035)</u>	<u>20,972</u>
Other financing sources (uses):			
Transfers in (out)	-	-	(80,000)
Change in net position	<u>\$ (43,385)</u>	<u>(15,035)</u>	<u>(59,028)</u>
Fund balance, beginning of year		<u>172,081</u>	<u>231,109</u>
Fund balance, end of year		<u>\$ 157,046</u>	<u>172,081</u>

VILLAGE OF SHERIDAN, ILLINOIS
AMERICAN RESCUE PLAN ACT FUND

SCHEDULE B-9

Balance Sheet
March 31, 2023

		<u>Assets</u>	
Cash			\$ 342,934
Total assets			<u>\$ 342,934</u>
		<u>Fund Balance</u>	
Fund balance:			
Restricted fund balance			\$ 342,934
Total fund balance			<u>\$ 342,934</u>

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)

SCHEDULE B-10

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
ARPA grant	\$ 171,467	171,467	171,467
Total revenues	171,467	171,467	171,467
Expenditures:			
Sewer Lining Project	329,933		
Equipment	13,000	-	-
Total expenditures	342,933	-	-
Change in net position	<u>\$ -</u>	171,467	171,467
Fund balance, beginning of year		171,467	-
Fund balance, end of year		<u>\$ 342,934</u>	<u>171,467</u>

VILLAGE OF SHERIDAN

SCHEDULE B-11

Illinois Municipal Retirement Fund

Multi-year Schedule of Changes in Net Pension Liability and Related Ratios

Calendar Year Ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	\$ 18,431	18,893	16,999	-	-	-	-	-	-	-
Interest on the Total Pension Liability	10,801	6,249	616	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(4,582)	37,878	60,948	-	-	-	-	-	-	-
Assumption Changes	-	-	(1,815)	-	-	-	-	-	-	-
Benefit Payments and Refunds	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	24,650	63,020	76,748	-	-	-	-	-	-	-
Total Pension Liability - Beginning	139,768	76,748	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 164,418</u>	<u>139,768</u>	<u>76,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position										
Employer Contributions	\$ 11,797	24,717	17,876	-	-	-	-	-	-	-
Employee Contributions	6,931	20,048	9,070	-	-	-	-	-	-	-
Pension Plan Net Investment Income	(4,638)	3,837	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	-	-	-	-	-	-	-	-	-	-
Other	(2,011)	(1,880)	(798)	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	12,079	46,722	26,148	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	72,870	26,148	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 84,949</u>	<u>72,870</u>	<u>26,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Pension Liability (Asset)	<u>\$ 79,469</u>	<u>66,898</u>	<u>50,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.67%	52.14%	34.07%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 154,012	185,423	134,109	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	51.60%	36.08%	37.73%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

**Illinois Municipal Retirement Fund
Multi-year Schedule of Contributions**

Calendar Year Ending,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2022	\$ 11,797	11,797	-	154,012	7.66%
12/31/2021	14,389	24,717	(10,328)	185,423	13.33%
12/31/2020	-	17,876	(17,876)	134,109	13.33%

Notes to Schedule:

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year,

Methods and Assumptions used to Determine 2022 Contribution Rate:

<i>Actuarial Cost Method</i>	Aggregate Entry Age Normal
<i>Amortization Method</i>	Level Percentage of Payroll, Closed
<i>Remaining Amortization Period</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 21-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; three employers were financed over 25 years; four employers were financed over 26 years; and one employer was financed over 27 years.
<i>Asset Valuation Method</i>	5-Year smoothed market; 20% corridor
<i>Wage Growth</i>	2.75%
<i>Price Inflation</i>	2.25%
<i>Salary Increases</i>	2.85% to 13.75% including inflation
<i>Investment Rate of Return</i>	7.25%
<i>Retirement Age</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study for the period 2014- 2016.
<i>Mortality</i>	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub- 2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes There were no benefit changes during the year.

This schedule is intended to show information for ten years and additional years'
information will be displayed as it becomes available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SHERIDAN, ILLINOIS

Notes to Required Supplementary Information For the Year Ended March 31, 2023

NOTE 1: BUDGETARY PROCEDURES

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

1. The municipal budget officer compiles a budget containing estimates of revenues available to the Village for the fiscal year for which the budget is drafted, together with recommended expenditures for the Village and all the Village's departments, commissions and boards.
2. The annual budget is adopted by the Board of Trustees before the beginning of the fiscal year to which it applies.
3. Formal budgetary integration is employed as a management control device at the fund level during the year for the General Fund and Special Revenue Funds.
4. The Budget is adopted on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Budgetary amounts presented in this report are on this non-GAAP budgetary basis, which differs from the GAAP basis used in the Schedule of Revenues, Expenditures, and Changes in Fund Balance. The difference was determined to be immaterial, and no reconciliation has been included.
5. On May 10, 2022, the Village approved Ordinance No. 2022-16 adopting the annual budget for the fiscal year ending March 31, 2023. The budget was not amended.

NOTE 2: BUDGETARY COMPARISONS – MAJOR FUNDS

The following is an analysis of budget versus actual amounts for the Village's major funds for the year ended March 31, 2023:

Fund	Budget	Actual	Variance	Percent Variance
General Fund	\$ 173,453	144,278	29,175	16.82%
Police Fund	327,424	166,831	160,593	49.05%
Streets Fund	345,400	315,450	29,950	8.67%
Capital Project Fund	315,000	235,032	79,968	25.39%
Motor Fuel Tax Fund	415,000	225,944	189,056	45.56%
American Rescue Plan Act Fund	342,933	-	342,933	N/A
Sewer Fund	78,400	61,237	17,163	21.89%

NOTE 3: EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Village's major fund expenditures were within budgetary limitations.

SUPPLEMENTARY INFORMATION

**VILLAGE OF SHERIDAN, ILLINOIS
CAPITAL PROJECT FUND**

SCHEDULE C-1

**Balance Sheet
March 31, 2023**

<u>Assets</u>	
Cash	\$ 170,678
Due from State of Illinois	9,387
Total assets	<u>\$ 180,065</u>
<u>Liabilities & Fund Balance</u>	
Liabilities:	
Accounts payable	<u>\$ 2,328</u>
Fund Balance:	
Committed fund balance	177,737
Total fund balance	<u>\$ 180,065</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

SCHEDULE C-2

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Utility tax	\$ 5,161	3,521	20,432
Liquor licenses	301	253	1,834
Income tax	30,250	18,706	128,665
Replacement tax	127	240	926
Sales tax	13,662	17,487	69,116
Use tax	9,797	4,955	31,828
Cannabis tax	176	189	683
Interest income	50	57	207
Miscellaneous	-	3,000	-
Total revenues	<u>59,524</u>	<u>48,408</u>	<u>253,691</u>
Expenditures:			
Capital projects	<u>315,000</u>	<u>235,032</u>	<u>123,431</u>
Total expenditures	<u>315,000</u>	<u>235,032</u>	<u>123,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(255,476)</u>	<u>(186,624)</u>	<u>130,260</u>
Other financing sources (uses):			
Transfers in	-	-	80,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>80,000</u>
Net change in fund balance	<u>\$ (255,476)</u>	<u>(186,624)</u>	<u>210,260</u>
Fund balance, beginning of year		364,361	154,101
Fund balance, end of year		<u>\$ 177,737</u>	<u>364,361</u>

VILLAGE OF SHERIDAN, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE D-1

Combining Balance Sheet
March 31, 2023

	Special Revenue Funds								Total Non-Major Governmental Funds	
	Zoning and Building Fund	Cemetery Fund	Parks Fund	Street Equip. Reserve Fund	Police Vehicle Reserve Fund	DARE Fund	Veterans Memorial Park Fund	Special Sewer Reserve Fund	Year Ended March 31,	
									2023	2022
<u>Assets</u>										
Cash in bank	\$ 79,852	8,421	57,139	35,338	63,650	3,858	711	68,772	317,741	305,712
Due from State of Illinois	7,510	-	18,774	-	-	-	-	-	26,284	27,982
Total assets	<u>\$ 87,362</u>	<u>8,421</u>	<u>75,913</u>	<u>35,338</u>	<u>63,650</u>	<u>3,858</u>	<u>711</u>	<u>68,772</u>	<u>344,025</u>	<u>333,694</u>
<u>Liabilities</u>										
Accounts payable	\$ 888	-	-	-	-	-	-	-	888	12,872
<u>Fund balances</u>										
Assigned	<u>86,474</u>	<u>8,421</u>	<u>75,913</u>	<u>35,338</u>	<u>63,650</u>	<u>3,858</u>	<u>711</u>	<u>68,772</u>	<u>343,137</u>	<u>320,822</u>
Total liabilities & fund balances	<u>\$ 87,362</u>	<u>8,421</u>	<u>75,913</u>	<u>35,338</u>	<u>63,650</u>	<u>3,858</u>	<u>711</u>	<u>68,772</u>	<u>344,025</u>	<u>333,694</u>

VILLAGE OF SHERIDAN, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE D-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended March 31, 2023

	Special Revenue Funds								Total Non-Major Governmental Funds	
	Zoning and Building Fund	Cemetery Fund	Parks Fund	Street Equip. Reserve Fund	Police Vehicle Reserve Fund	DARE Fund	Veterans Memorial Park Fund	Special Sewer Reserve Fund	Year Ended March 31,	
									2023	2022
Revenues:										
Replacement tax	\$ 191	-	480	-	-	-	-	-	671	459
Sales tax	13,990	-	34,975	-	-	-	-	-	48,965	33,359
Income tax	14,964	-	37,411	-	-	-	-	-	52,375	61,392
Use tax	3,964	-	9,910	-	-	-	-	-	13,874	15,486
Cannabis tax	151	-	378	-	-	-	-	-	529	311
Utility tax	2,816	-	7,040	-	-	-	-	-	9,856	10,142
Building and zoning	4,584	-	-	-	-	-	-	-	4,584	3,348
Liquor licenses	202	-	505	-	-	-	-	-	707	950
Interest income	45	-	114	-	-	-	-	-	159	92
Donations	-	-	-	-	-	-	120	-	120	140
Miscellaneous	3	-	8,402	-	4,535	-	-	-	12,940	5,978
Total revenues	40,910	-	99,215	-	4,535	-	120	-	144,780	131,657
Expenditures:										
General government	8,842	271	47,249	-	-	-	-	55,588	111,950	54,338
Capital outlay	-	-	-	4,846	5,669	-	-	-	10,515	12,530
Total expenditures	8,842	271	47,249	4,846	5,669	-	-	55,588	122,465	66,868
Excess (deficiency) of revenues over (under) expenditures	32,068	(271)	51,966	(4,846)	(1,134)	-	120	(55,588)	22,315	64,789
Fund balance, beginning of year	54,406	8,692	23,947	40,184	64,784	3,858	591	124,360	320,822	256,033
Fund balance end of year	\$ 86,474	8,421	75,913	35,338	63,650	3,858	711	68,772	343,137	320,822

**VILLAGE OF SHERIDAN, ILLINOIS
ZONING AND BUILDING FUND**

SCHEDULE D-3

**Balance Sheet
March 31, 2023**

<u>Assets</u>	
Cash	\$ 79,852
Due from State of Illinois	7,510
Total assets	<u>\$ 87,362</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts payable	\$ 888
Total liabilities	<u>888</u>
Fund balance:	
Assigned fund balance	86,474
Total liabilities and fund balance	<u>\$ 87,362</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

SCHEDULE D-4

	Original and Final Budget	Year Ended March 31,	
		2022	2021
Revenues:			
Utility tax	\$ 2,064	2,816	4,769
IMRF tax levy	27	3	38
Liquor license	241	202	443
Building permits	3,500	4,209	3,348
Special Zoning Permits	1,000	-	-
Zoning permits	600	375	-
State income tax	12,100	14,964	29,040
Replacement tax	51	191	216
Sales tax	5,465	13,990	15,748
Use tax	3,919	3,964	7,301
Cannabis tax	70	151	149
Interest income	50	45	50
Miscellaneous	100	-	-
Total revenues	<u>29,187</u>	<u>40,910</u>	<u>61,102</u>
Expenditures:			
Salary - Clerk	1,500	125	200
Salaries - Zoning enforcement	2,400	2,400	2,400
Salaries - Zoning & planning	1,470	210	360
Salaries - Inspections	5,000	2,914	5,803
Special inspections	300	-	-
Payroll expenses	550	1	2
Professional services	30,000	2,447	32,834
Postage	200	-	-
Publishing	1,500	153	298
Water and Soil testing	3,000	500	596
Miscellaneous/contingency	4,950	92	88
Total expenditures	<u>50,870</u>	<u>8,842</u>	<u>42,581</u>
Net change in fund balance	<u>\$ (21,683)</u>	32,068	18,521
Fund balance, beginning of year		54,406	35,885
Fund balance, end of year		<u>\$ 86,474</u>	<u>54,406</u>

**VILLAGE OF SHERIDAN, ILLINOIS
CEMETERY FUND**

SCHEDULE D-5

**Balance Sheet
March 31, 2023**

<u>Assets</u>	
Cash	\$ 8,421
Total assets	<u>\$ 8,421</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 8,421
Total fund balance	<u>\$ 8,421</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

SCHEDULE D-6

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Donations	\$ 100	-	-
Miscellaneous	100	-	-
Total revenues	<u>200</u>	<u>-</u>	<u>-</u>
Expenditures:			
Maintenance services	5,000	-	-
Grave decorations	200	-	-
Utilities	300	271	171
Office supplies	50	-	-
Miscellaneous	<u>100</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,650</u>	<u>271</u>	<u>171</u>
Net change in fund balance	<u>\$ (5,450)</u>	<u>(271)</u>	<u>(171)</u>
Fund balance, beginning of year		8,692	8,863
Fund balance, end of year		<u>\$ 8,421</u>	<u>8,692</u>

**VILLAGE OF SHERIDAN, ILLINOIS
PARKS FUND**

SCHEDULE D-7

**Balance Sheet
March 31, 2023**

<u>Assets</u>	
Cash	\$ 57,139
Due from State of Illinois	18,774
Total assets	<u>\$ 75,913</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 75,913
Total fund balance	<u>\$ 75,913</u>

**Statement of Received, Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

SCHEDULE D-8

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Utility tax	\$ 5,161	7,040	614
Liquor license	603	505	63
Income tax	30,250	37,411	3,313
Replacement tax	127	480	27
Sales tax	13,662	34,975	1,862
Use tax	9,797	9,910	885
Cannabis tax	176	378	15
Interest income	10	114	7
Total revenues	<u>59,786</u>	<u>99,215</u>	<u>6,786</u>
Expenditures:			
Utilities	4,000	3,473	2,952
Operating supplies	200	161	-
Rentals	2,500	-	-
Community relations	35,000	26,650	-
Park improvement	10,000	3,032	2,948
Decoration	3,000	463	2,778
Mulch/playground equipment	10,000	13,236	2,598
Miscellaneous	2,000	234	395
Total expenditures	<u>66,700</u>	<u>47,249</u>	<u>11,671</u>
Net change in fund balance	<u>\$ (6,914)</u>	51,966	(4,885)
Fund balance, beginning of year		23,947	28,832
Fund balance, end of year		<u>\$ 75,913</u>	<u>23,947</u>

VILLAGE OF SHERIDAN, ILLINOIS
STREET EQUIPMENT RESERVE FUND

SCHEDULE D-9

Balance Sheet
March 31, 2023

		<u>Assets</u>	
Cash		\$	35,338
Total assets		\$	35,338
		<u>Fund Balance</u>	
Assigned fund balance		\$	35,338
Total fund balance		\$	35,338

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)

SCHEDULE D-10

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Utility tax	\$ -	-	1,363
Liquor licenses	-	-	127
Income tax	-	-	8,297
Replacement tax	-	-	62
Sales tax	-	-	4,500
Use tax	-	-	2,086
Cannabis tax	-	-	42
Interest income	10	-	14
Total revenues	10	-	16,491
Expenditures:			
Equipment	30,000	4,846	-
Miscellaneous	1,500	-	-
Total expenditures	31,500	4,846	-
Excess (deficiency) of revenues over (under) expenditures	\$ (31,490)	(4,846)	16,491
Fund balance, beginning of year		40,184	23,693
Fund balance, end of year		\$ 35,338	40,184

**VILLAGE OF SHERIDAN, ILLINOIS
POLICE VEHICLE RESERVE FUND**

SCHEDULE D-11

**Balance Sheet
March 31, 2023**

<u>Assets</u>	
Cash	\$ 63,650
Total assets	<u>\$ 63,650</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 63,650
Total fund balance	<u>\$ 63,650</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

SCHEDULE D-12

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Utility tax	\$ -	-	2,046
Liquor licenses	-	-	190
Income tax	-	-	12,445
Replacement tax	-	-	92
Sales tax	-	-	6,749
Use tax	-	-	3,128
Cannabis tax	-	-	63
LaSalle police vehicle fund	100	-	244
Interest income	15	-	21
Miscellaneous	250	4,535	5,696
Total revenues	<u>365</u>	<u>4,535</u>	<u>30,674</u>
Expenditures:			
Vehicle	35,000	5,669	12,530
Miscellaneous	2,000	-	-
Total expenditures	<u>37,000</u>	<u>5,669</u>	<u>12,530</u>
Net change in fund balance	<u>\$ (36,635)</u>	(1,134)	18,144
Fund balance, beginning of year		64,784	46,640
Fund balance, end of year		<u>\$ 63,650</u>	<u>64,784</u>

Balance Sheet
March 31, 2023

<u>Assets</u>	
Cash	\$ 3,858
Total assets	<u>\$ 3,858</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 3,858
Total fund balance	<u>\$ 3,858</u>

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)

SCHEDULE D-14

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Donations	\$ 500	-	-
Total revenues	<u>500</u>	<u>-</u>	<u>-</u>
Expenditures:			
DARE Expenses	3,500	-	-
Community Relations	50	-	-
Total expenditures	<u>3,550</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (3,050)</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year		3,858	3,858
Fund balance, end of year		<u>\$ 3,858</u>	<u>3,858</u>

Balance Sheet
March 31, 2023

<u>Assets</u>	
Cash	\$ 711
Total assets	<u>\$ 711</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 711
Total fund balance	<u>\$ 711</u>

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)

SCHEDULE D-16

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Donations	\$ 500	120	140
Total revenues	<u>500</u>	<u>120</u>	<u>140</u>
Expenditures:			
Park improvements	500	-	(100)
Miscellaneous/contingency	80	-	-
Total expenditures	<u>580</u>	<u>-</u>	<u>(100)</u>
Net change in fund balance	<u>\$ (80)</u>	120	240
Fund balance, beginning of year		591	351
Fund balance, end of year		<u>\$ 711</u>	<u>591</u>

**VILLAGE OF SHERIDAN, ILLINOIS
SPECIAL SEWER RESERVE FUND**

SCHEDULE D-17

**Balance Sheet
March 31, 2023**

<u>Assets</u>	
Cash	\$ 68,772
Total assets	<u>\$ 68,772</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 68,772
Total fund balance	<u>\$ 68,772</u>

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2023
(With Comparative Figures for 2022)**

SCHEDULE D-18

	Original and Final Budget	Year Ended March 31,	
		2023	2022
Revenues:			
Utility tax	\$ -	-	1,350
Liquor licenses	-	-	127
Income tax	-	-	8,297
Replacement tax	-	-	62
Sales tax	-	-	4,500
Use tax	-	-	2,086
Cannabis tax	-	-	42
Interest income	10	-	-
Total revenues	<u>10</u>	<u>-</u>	<u>16,464</u>
Expenditures:			
Maintenance Road Work	50,000	55,588	-
Miscellaneous	5,000	-	15
Total expenditures	<u>55,000</u>	<u>55,588</u>	<u>15</u>
Net change in fund balance	<u>\$ (54,990)</u>	<u>(55,588)</u>	<u>16,449</u>
Fund balance, beginning of year		124,360	107,911
Fund balance, end of year		<u>\$ 68,772</u>	<u>124,360</u>

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended March 31, 2023**

	Sheridan Cemetery Association	Sheridan Historical Society	Total Component Units
Revenues:			
Memberships	\$ -	195	195
Donations	2,470	2,942	5,412
Fundraisers & programs	-	4,265	4,265
Interest income	1,382	-	1,382
Lots sold	1,700	-	1,700
Miscellaneous	554	-	554
Total revenues	6,106	7,402	13,508
Expenditures:			
Caretaker	12,001	-	12,001
Miscellaneous	739	3,180	3,919
Total expenditures	12,740	3,180	15,920
Net change in fund balance	(6,634)	4,222	(2,412)
Fund balance, beginning of year	150,578	20,447	171,025
Fund balance, end of year	\$ 143,944	24,669	168,613

SUPPLEMENTAL INFORMATION

**Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections**

	Maximum Rate	2018	2019	2020	2021	2022
Assessed valuations		<u>\$ 10,931,589</u>	<u>11,397,190</u>	<u>11,927,919</u>	<u>12,400,885</u>	<u>13,363,013</u>
Tax Rates:						
General	0.2500	0.1372	0.1316	0.1311	0.1261	0.1217
Police Protection	0.0750	0.0686	0.0658	0.0656	0.0631	0.0608
Audit	N/A	0.0549	0.0527	0.0700	0.0673	0.0650
Liability Insurance	N/A	0.2241	0.1930	0.2264	0.2178	0.2101
Street & Bridge	0.1000	0.0092	0.0088	0.0088	0.0084	0.0081
IMRF	N/A	-	0.0224	0.0223	0.0215	0.0207
Totals		<u>0.4940</u>	<u>0.4743</u>	<u>0.5242</u>	<u>0.5042</u>	<u>0.4864</u>
Tax extensions:						
General		\$ 15,000	15,001	15,639	15,639	16,259
Police Protection		7,500	7,501	7,819	7,819	8,129
Audit		6,000	6,001	8,351	8,351	8,682
Liability Insurance		24,501	22,001	27,006	27,006	28,077
Street & Bridge		1,000	1,000	1,046	1,046	1,088
IMRF		-	2,551	2,661	2,661	2,767
Totals		<u>\$ 54,002</u>	<u>54,055</u>	<u>62,522</u>	<u>62,522</u>	<u>65,002</u>
Road & Bridge (from townships)		<u>\$ 9,827</u>	<u>9,587</u>	<u>10,647</u>	<u>11,298</u>	<u>-</u>
Tax collections		<u>\$ 94,677</u>	<u>63,652</u>	<u>73,038</u>	<u>73,716</u>	<u>-</u>

OTHER REPORTS



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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and
Village Board of Trustees
Village of Sheridan, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Sheridan, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise Village of Sheridan's basic financial statements, and have issued our report thereon dated July 10, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Sheridan'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 Sheridan's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Sheridan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance (2023-01 and 2023-02).

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
July 10, 2023

Schedule of Findings
March 31, 2023

We consider the deficiency in internal control described below to be a significant deficiency:

2023-01: Financial Statement Preparation

Condition:

The Village's personnel do not prepare the Village's financial statements and related disclosures. The Village engages the external auditors to assist in preparing these reports using the financial reports provided by the Village. While the Village's financial reports are adequate, the Village does not prepare the required related disclosures. In addition, the Village's financial statements are presented using Generally Accepted Accounting Principles (GAAP). However, the Village records governmental activities using the cash basis of accounting. Receivables, payables, prepaids, and accruals are not reported or calculated by the Village.

Criteria:

The Board of Trustees has the ultimate responsibility for the Village's system of internal control over financial reporting. As independent auditors, the external auditors cannot be considered a part of the Village's system of internal controls. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors.

While it is common practice for the auditors to prepare the financial statements for many entities, this is considered an internal control deficiency in accordance with generally accepted auditing standards, which requires written communication to those charged with governance.

Cause:

The Village lacks the resources to prepare complete and accurate financial statements and related note disclosures.

Effect:

Because the auditors, not management, have prepared the financial statements and related disclosures, material misstatements to the financial statements may not be prevented or detected by the Village's system of internal controls.

Recommendation:

We recommend the Village consider the costs and benefits of dedicating the necessary staff resources, technical training, and oversight to ensure:

- The Village's financial statements are accurately prepared in accordance with accounting principles generally accepted in the United States of America.
- Someone knowledgeable of financial reporting requirements and independent of the financial statement preparation process performs a thorough review of the Village's financial statement, supporting schedules, and related disclosures to ensure they are accurate, complete and presented in accordance with the applicable basis of accounting.

Schedule of Findings
March 31, 2023

2023-02: Significant Audit Adjustments

Condition:

The Village does not record their current year accounts receivable and accounts payable. The Village does not remove their prior year accounts receivable and accounts payable entries from the adjustments in the prior period. These adjustments for receivables and payables are material to the financial statements.

Criteria:

The Board of Trustees has the ultimate responsibility for the Village's system of internal control over financial reporting. As independent auditors, the external auditors cannot be considered a part of the Village's system of internal controls. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors.

While it is common practice for the auditors to prepare these significant audit adjustments for many entities, this is considered an internal control deficiency in accordance with generally accepted auditing standards, which requires written communication to those charged with governance.

Cause:

The Village lacks the resources to prepare and complete accurate accounts receivable and accounts payable entries.

Effect:

The Village's financial statements required significant correcting adjustments to accurately depict accounts receivable and accounts payable for the year.

Recommendation:

The Village should continue to refine and improve processes and ensure that procedures are performed by individuals possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the Village's activities and operations. The Village should develop a process to accurately adjust the accounts receivable and accounts payable for the year.

Management Comment:

The Village is aware to make proper journal entries going forward and will ensure that this is resolved for next year.