

Annual Financial Statements and  
Independent Auditors' Report



Village of Sherman, Illinois

For the year ended April 30, 2024

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## Independent Auditors' Report

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The Board of Trustees  
Village of Sherman, Illinois

### Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Sherman, Illinois as of April 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with 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). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Sherman, 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.

### Responsibilities of Management for the Financial Statements

Village management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material 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 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, 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 required supplementary information listed in the table of contents 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 the 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.

The Village has not presented a management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

*Kerber, Eck + Braeckel LLP*

Springfield, Illinois  
December 18, 2024

**Village of Sherman, Illinois**  
**STATEMENT OF NET POSITION**  
**April 30, 2024**

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 4,390,358	\$ 224,498	\$ 4,614,856
Investments	256,371	-	256,371
Property tax receivable	365,300	-	365,300
Other receivables	222,648	84,318	306,966
Internal balances	(59,166)	59,166	-
Prepaid expenses	126,550	-	126,550
Total current assets	5,302,061	367,982	5,670,043
<b>Capital Assets</b>			
Land	1,707,225	295,156	2,002,381
Construction in progress	220,169	-	220,169
Other capital assets, net of accumulated depreciation	10,614,625	291,876	10,906,501
Total capital assets	12,542,019	587,032	13,129,051
Total assets	17,844,080	955,014	18,799,094
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	44,213	50,484	94,697
Accrued payroll	16,167	3,085	19,252
Accrued interest payable	280,486	-	280,486
Unearned revenue	636,412	-	636,412
Compensated absences payable, current	35,138	4,701	39,839
Notes payable, current	126,077	-	126,077
G.O. bonds payable, current	214,000	-	214,000
TIF bonds payable, current	1,073,764	-	1,073,764
Total current liabilities	2,426,257	58,270	2,484,527
<b>Noncurrent Liabilities</b>			
Compensated absences payable, noncurrent	23,788	5,329	29,117
Notes payable, noncurrent	337,412	-	337,412
G.O. bonds payable, noncurrent	2,888,000	-	2,888,000
Total noncurrent liabilities	3,249,200	5,329	3,254,529
Total liabilities	5,675,457	63,599	5,739,056
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	365,300	-	365,300
Total deferred inflows of resources	365,300	-	365,300
Total liabilities and deferred inflows of resources	6,040,757	63,599	6,104,356
<b>NET POSITION</b>			
Net investment in capital assets	9,284,782	587,032	9,871,814
Restricted for maintenance of roadways	898,382	-	898,382
Restricted for economic development	1,385,205	-	1,385,205
Restricted for public safety	20,619	-	20,619
Restricted for debt service	549,647	-	549,647
Unrestricted	(335,312)	304,383	(30,929)
Total net position	\$ 11,803,323	\$ 891,415	\$ 12,694,738

The accompanying notes are an integral part of this statement.

**Village of Sherman, Illinois**  
**STATEMENT OF ACTIVITIES**  
**Year ended April 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities</b>							
General government	\$ 582,660	\$ 90,531	\$ -	\$ -	\$ (492,129)	\$ -	\$ (492,129)
Public safety	946,845	31,123	76,986	14,380	(824,356)	-	(824,356)
Streets and public works	817,239	-	212,342	-	(604,897)	-	(604,897)
Culture and recreation	487,861	277,611	3,018	-	(207,232)	-	(207,232)
Economic development	11,603	-	-	-	(11,603)	-	(11,603)
Interest on long-term debt	100,922	-	-	-	(100,922)	-	(100,922)
Total governmental activities	2,947,130	399,265	292,346	14,380	(2,241,139)	-	(2,241,139)
<b>Business-type activities</b>	889,492	731,272	-	-	-	(158,220)	(158,220)
<b>Total</b>	<b>\$ 3,836,622</b>	<b>\$ 1,130,537</b>	<b>\$ 292,346</b>	<b>\$ 14,380</b>	<b>(2,241,139)</b>	<b>(158,220)</b>	<b>(2,399,359)</b>

General Revenues

Property taxes	410,090	-	410,090
Sales and use tax	977,260	-	977,260
Intergovernmental	848,159	-	848,159
Investment income	122,835	7,009	129,844
Other revenue	137,718	-	137,718
Total general revenues	2,496,062	7,009	2,503,071
Change in net position	254,923	(151,211)	103,712
Net position, beginning of year	11,548,400	1,042,626	12,591,026
Net position, end of year	\$ 11,803,323	\$ 891,415	\$ 12,694,738

The accompanying notes are an integral part of this statement.



**Village of Sherman, Illinois**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**April 30, 2024**

	General Fund	Tax Increment Financing fund	Motor Fuel Tax Fund	Infrastructure Project Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,677,739	\$ 1,375,052	\$ 944,162	\$ 393,405	\$ 4,390,358
Investments	256,371	-	-	-	256,371
Property tax receivable	365,300	-	-	-	365,300
Other receivables	205,841	-	16,807	-	222,648
Due from other funds	177,847	46,669	7,103	-	231,619
Prepaid expenses	126,550	-	-	-	126,550
	<hr/>				
Total assets	<u>\$ 2,809,648</u>	<u>\$ 1,421,721</u>	<u>\$ 968,072</u>	<u>\$ 393,405</u>	<u>\$ 5,592,846</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 42,216	\$ 1,997	\$ -	\$ -	\$ 44,213
Accrued payroll	16,167	-	-	-	16,167
Due to other funds	101,423	34,519	69,690	85,153	290,785
Unearned revenue	636,412	-	-	-	636,412
	<hr/>				
Total liabilities	796,218	36,516	69,690	85,153	987,577
Deferred inflows of resources					
Unavailable revenue - property taxes	365,300	-	-	-	365,300
	<hr/>				
Total liabilities and deferred inflows of resources	1,161,518	36,516	69,690	85,153	1,352,877
<b>FUND BALANCES</b>					
Nonspendable	126,550	-	-	-	126,550
Restricted					
Maintenance of roadways	-	-	898,382	-	898,382
Economic development	-	1,385,205	-	-	1,385,205
Public safety	20,619	-	-	-	20,619
Capital projects	-	-	-	308,252	308,252
Debt service	549,647	-	-	-	549,647
Unrestricted					
Assigned for culture and recreation	47,904	-	-	-	47,904
Unassigned	903,410	-	-	-	903,410
	<hr/>				
Total fund balances	1,648,130	1,385,205	898,382	308,252	4,239,969
	<hr/>				
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,809,648</u>	<u>\$ 1,421,721</u>	<u>\$ 968,072</u>	<u>\$ 393,405</u>	<u>\$ 5,592,846</u>

The accompanying notes are an integral part of this statement.

**Village of Sherman, Illinois**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**April 30, 2024**

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**RECONCILIATION TO STATEMENT OF NET POSITION**

Fund balance - governmental funds	\$ 4,239,969
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in the governmental activities of \$ 17,306,230, net of accumulated depreciation of \$ 4,764,211, are not financial resources, and therefore, are not reported in the funds	12,542,019
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences payable	(58,926)
Accrued interest payable	(280,486)
Notes payable, current	(126,077)
G.O. bond payable, current	(214,000)
TIF bonds payable, current	(1,073,764)
Notes payable, noncurrent	(337,412)
G.O. bond payable, noncurrent	<u>(2,888,000)</u>
Total long-term liabilities	<u>(4,978,665)</u>
Net position of governmental activities	<u>\$ 11,803,323</u>

The accompanying notes are an integral part of this statement.

**Village of Sherman, Illinois**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year ended April 30, 2024**

	General Fund	Tax Increment Financing fund	Motor Fuel Tax Fund	Infrastructure Project Fund	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 410,090	\$ -	\$ -	\$ -	\$ 410,090
Sales and use taxes	976,052	1,208	-	-	977,260
Intergovernmental	848,159	-	212,342	-	1,060,501
Licenses and permits	90,531	-	-	-	90,531
Fines	31,123	-	-	-	31,123
Investment income	43,280	31,850	37,899	9,806	122,835
Grants	89,380	-	-	-	89,380
Contributions	5,004	-	-	-	5,004
Park events	277,611	-	-	-	277,611
Other revenues	137,718	-	-	-	137,718
<b>Total revenues</b>	<b>2,908,948</b>	<b>33,058</b>	<b>250,241</b>	<b>9,806</b>	<b>3,202,053</b>
<b>EXPENDITURES</b>					
Current					
General government	520,938	-	-	-	520,938
Public safety	879,716	-	-	-	879,716
Streets and public works	342,088	-	144,184	-	486,272
Culture and recreation	277,496	-	-	-	277,496
Economic development	-	6,555	-	-	6,555
Debt service					
Principal	332,306	-	-	-	332,306
Interest	78,708	-	-	-	78,708
Capital outlay	379,319	232,842	-	111,159	723,320
<b>Total expenditures</b>	<b>2,810,571</b>	<b>239,397</b>	<b>144,184</b>	<b>111,159</b>	<b>3,305,311</b>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	98,377	(206,339)	106,057	(101,353)	(103,258)
<b>OTHER FINANCING SOURCES (USES)</b>					
Loans proceeds	165,473	-	-	-	165,473
<b>Total other financing sources (uses)</b>	<b>165,473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,473</b>
Net change in fund balances	263,850	(206,339)	106,057	(101,353)	62,215
Fund balances at beginning of year	1,384,280	1,591,544	792,325	409,605	4,177,754
<b>Fund balances at end of year</b>	<b>\$ 1,648,130</b>	<b>\$ 1,385,205</b>	<b>\$ 898,382</b>	<b>\$ 308,252</b>	<b>\$ 4,239,969</b>

The accompanying notes are an integral part of this statement.

**Village of Sherman, Illinois**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year ended April 30, 2024**

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**RECONCILIATION TO STATEMENT OF ACTIVITIES**

Net change in fund balances - total governmental funds \$ 62,215

Amounts reported for governmental activities in the Statement of Activities  
are different because:

The issuance of long-term debt (e.g. bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position.

Capital debt obligation principal payments	332,306
Loan proceeds	(165,473)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	3,950
Change in accrued interest payable	(22,214)

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of assets.

Capital asset purchases	623,824
Depreciation expense	<u>(579,685)</u>

Change in net position of governmental activities	<u><u>\$ 254,923</u></u>
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The accompanying notes are an integral part of this statement.

**Village of Sherman, Illinois**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**April 30, 2024**

	<u>Sewer Fund</u>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 224,498
Accounts receivable	84,318
Due from General Fund	<u>82,170</u>
Total current assets	390,986
<b>Noncurrent assets</b>	
Land	295,156
Capital assets, net of accumulated depreciation	<u>291,876</u>
Total noncurrent assets	<u>587,032</u>
Total assets	<u>978,018</u>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	50,484
Accrued payroll	3,085
Due to General Fund	23,004
Compensated absences payable - current	<u>4,701</u>
Total current liabilities	81,274
<b>Noncurrent liabilities</b>	
Compensated absences payable - noncurrent	<u>5,329</u>
Total noncurrent liabilities	<u>5,329</u>
Total liabilities	<u>86,603</u>
<b>NET POSITION</b>	
Net investment in capital assets	587,032
Unrestricted	<u>304,383</u>
Total net position	<u>\$ 891,415</u>

The accompanying notes are an integral part of this statement.

**Village of Sherman, Illinois**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**Year ended April 30, 2024**

	<u>Sewer Fund</u>
<b>Operating revenues</b>	
Charges for services	\$ 731,272
<b>Operating expenses</b>	
Salaries	124,636
Maintenance and supplies	122,320
Sanitary usage	530,548
Collection fees	13,241
Depreciation	62,147
Professional fees	10,500
Miscellaneous	<u>26,100</u>
Total operating expenses	<u>889,492</u>
Operating loss	<u>(158,220)</u>
<b>Nonoperating revenues (expenses)</b>	
Investment income	<u>7,009</u>
Total nonoperating revenues (expenses)	<u>7,009</u>
Change in net position	(151,211)
Total net position, beginning of year	<u>1,042,626</u>
Total net position, end of year	<u><u>\$ 891,415</u></u>

The accompanying notes are an integral part of this statement.

**Village of Sherman, Illinois**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**Year ended April 30, 2024**

	Sewer Fund
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 754,790
Cash paid to suppliers	(697,608)
Cash paid to employees	(122,824)
	<u>(65,642)</u>
Net cash from operating activities	<u>(65,642)</u>
<b>Cash flows from noncapital financing activities</b>	
Payments to interfund accounts	(2,345,805)
Proceeds from interfund accounts	2,216,270
	<u>(129,535)</u>
Net cash from noncapital financing activities	<u>(129,535)</u>
<b>Cash flows from investing activities</b>	
Interest received	7,009
	<u>7,009</u>
Net cash from investing activities	<u>7,009</u>
Net decrease in cash and cash equivalents	(188,168)
Cash and cash equivalents, beginning of year	<u>412,666</u>
Cash and cash equivalents, end of year	<u>\$ 224,498</u>
<b>Reconciliation of operating loss to net cash from operating activities</b>	
Operating loss	\$ (158,220)
Adjustment to reconcile operating loss to net cash from operating activities	
Depreciation	62,147
Changes in assets and liabilities	
Accounts receivable	23,518
Accounts payable	5,101
Accrued payroll	996
Compensated absences payable	816
	<u>816</u>
Net cash from operating activities	<u>\$ (65,642)</u>

The accompanying notes are an integral part of this statement.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Village of Sherman, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village's significant accounting policies are described below.

*1. Reporting Entity*

The Village operates under a President-Trustee form of government. All significant activities and organizations on which the Village exercises oversight responsibility have been included in the Village's financial statements for the year ended April 30, 2024.

In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity is based upon the significance of its operational or financial relationship with the primary government.

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

*2. Government-Wide and Fund Financial Statements*

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all of the activities of the primary government. As a general rule, the effect of material interfund activity has been eliminated from these statements. Exceptions to this general rule are administrative charges between the Village's General Fund and the Sewer Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.



**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*2. Government-Wide and Fund Financial Statements*

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the Village at year end. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the Village.

Fund Financial Statements

The accounts of the Village are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*3. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In determining when to recognize intergovernmental revenue (grants and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for revenue recognition. In one, monies are virtually unrestricted as to the purpose of expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenue is recognized based upon the expenditure recorded.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay current liabilities. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims judgments, are recorded only when payment is due.

Property taxes, sales taxes, licenses and permits, charges for services, fines and forfeitures, miscellaneous revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Personal property replacement taxes are considered to be measurable when they have been collected and allocated by the state and are recognized as revenue at that time. All other revenue items are considered to be measurable and available only when cash is received by the Village.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*3. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

An emphasis is placed on major funds within the government. A fund is considered major if it is the primary operating fund of the Village, designated as such by the Village, or meets the following criteria:

- a. Total assets, deferred outflow of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets, deferred outflow of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

The Village reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all activities except those required to be accounted for in another fund.

Tax Increment Financing Fund - The Tax Increment Financing Fund is used to account for the activities relating to the Tax Increment Financing Districts.

Motor Fuel Tax Fund - The Motor Fuel Tax Fund is used to account for motor fuel taxes received and the use of those funds for certain projects.

Infrastructure Project Fund - The Infrastructure Project Fund is used to account for the activities relating to capital projects.

The Village reports the following major proprietary fund:

Sewer Fund - The Sewer Fund is used to account for the revenues and expenses related to operating and maintaining the Village's sewer operations.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*3. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the sewer enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*4. Cash and Cash Equivalents*

For the purpose of financial reporting, cash and cash equivalents include all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

*5. Capital Assets*

Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are valued at acquisition value. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004. Prior to May 1, 2004, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004, are recorded at cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Vehicles	5 years
Equipment	5-10 years
Computers	5 years
Infrastructure	20-40 years
Sewer plant treatment facilities	40 years

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*5. Capital Assets*

The minimum capitalization amount for buildings is \$ 100,000, for vehicles is \$ 15,000, for equipment is \$ 5,000, for computers is \$ 2,500, and for infrastructure is \$ 1,000,000.

*6. Long-Term Debt*

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

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

*7. Equity Classification*

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

- *Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- *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. None of the restricted net position result from enabling legislation adopted by the Village.
- *Unrestricted net position* – All other net positions that do not meet the definition of restricted or net investment in capital assets.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*7. Equity Classification*

It is the Village's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Governmental Fund Financial Statements

In the fund financial statements, governmental funds report the following components of fund balance:

*Non-spendable:* Amounts that are not in spendable form or legally or contractually required to be maintained intact.

*Restricted:* Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. None of the restricted fund balances result from enabling legislation adopted by the Village.

*Committed:* Amounts that have been formally set aside by the Village Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Village Board.

*Assigned:* Intent to spend resources on specific purposes expressed by the Village Board but are neither restricted nor committed.

*Unassigned:* Amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Village to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the Village that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

The Village has not established fund balance reserve policies for their governmental funds.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*8. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption/acquisition of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents a consumption/acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

*9. Use of Estimates*

Management of the Village has made certain estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the period. Actual results could differ from those estimates.

*10. Investments*

Investments are stated at fair value using the quoted market price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

*11. Compensated Absences*

Vested or accumulated vacation leave is accrued when incurred by the Village in the government-wide and proprietary fund financial statements. Vested or accumulated vacation leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. A liability in the governmental funds is reported only if the benefit has matured.

Full-time permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Village. Employees are allowed to accumulate two years vacation time. Employees are entitled to all accrued vacation leave upon termination. Sick leave also accrues to full-time employees; however, unused sick leave is not payable upon termination of employment.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*12. Subsequent Events*

Management has evaluated subsequent events for recognition and disclosure in the financial statements through December 18, 2024. See Note K for subsequent events.

**NOTE B | CASH AND CASH EQUIVALENTS**

The Village's Board of Trustees have adopted an investment policy to invest in investments allowed by the Illinois Compiled Statutes (ILCS) which authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

It is the policy of the Village to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds. The primary objectives of the policy, in order of priority, are conformance with legal requirements, protection of investment, liquidity, and attainment of market rates of return.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions the Village's investment policy requires all deposits with financial institutions in excess of federal depository insurance to be collateralized with collateral held at an independent third-party institution in the name of the Village as evidenced by a written agreement. As of April 30, 2024, the Village's deposits held at various financial institutions were in excess of FDIC insurance and collateral by \$ 6,371.

b. Investments

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The Village's policy limits investments to securities maturing less than one year from the date of purchase. The reserve funds of the Village may be invested in securities exceeding one year if the maturity of such investments coincides with the expected use of funds. Below is a schedule of investment maturities in years.



**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE B | CASH AND CASH EQUIVALENTS**

b. Investments

	Fair Value	Less than 1	1-5	6-10	More Than 10
Negotiable CDs	\$ 256,371	\$ 256,371	\$ -	\$ -	\$ -

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity by primarily investing in certificates of deposit. Certificates of deposit and money market funds are not rated.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments that are in the possession of the outside party. The Village limits its exposure to custodial credit risk by utilizing independent, third-party institutions, selected by the Village, to act as custodian for its securities and collateral.

Concentration of credit risk – The Village places no limit on the amount the Village may invest in any one issuer. The Village’s investments are in certificates of deposit.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Village categorizes its fair value measurements within the fair value established by generally accepted accounting principles. The hierarchy of inputs are used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs. Certificates of deposit are reported at fair value using quoted matrix pricing models (Level 2 inputs).

**NOTE C | PROPERTY TAXES**

The property tax levy ordinance must be filed in Sangamon County by the last Tuesday in December on the assessed valuation as of January 1. The 2023 tax levy becomes an enforceable lien against the property on January 1, 2023. These taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each government unit their respective share of the collections. Since the 2023 levy will be collected in fiscal year 2025 and is intended to finance the 2025 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources. The 2024 tax levy has not been recorded as a receivable at April 30, 2024. Although the tax attached as a lien on the property as of January 1, 2024, the tax will not be levied until December 2024, and, accordingly, is not measurable at April 30, 2024.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE C | PROPERTY TAXES**

Taxes levied in one year become due and payable in two installments during the following year. The Sangamon County installments are due June 1 and September 1.

**NOTE D | RECEIVABLES**

The following receivables are included in other receivables on the statement of net position as of April 30, 2024:

Sales and use tax receivable	\$ 181,610
Video gaming tax receivable	14,615
Motor fuel tax allotment receivable	16,807
Other receivables	<u>9,616</u>
Total governmental activities	222,648
Sewer accounts receivable	<u>84,318</u>
Total primary government	<u>\$ 306,966</u>

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE E | CAPITAL ASSETS**

Activity for general fixed assets capitalized by the Village is summarized below:

	Balance <u>May 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>April 30, 2024</u>
<i>Governmental activities</i>				
Capital assets not being depreciated				
Land	\$ 1,707,225	\$ -	\$ -	\$ 1,707,225
Construction in progress	<u>236,229</u>	<u>7,508</u>	<u>23,568</u>	<u>220,169</u>
Total	1,943,454	7,508	23,568	1,927,394
Other capital assets				
Buildings	750,502	-	-	750,502
Vehicles	812,829	152,751	74,308	891,272
Equipment	1,201,060	373,114	29,178	1,544,996
Computers	47,501	12,157	-	59,658
Infrastructure	<u>12,030,546</u>	<u>101,862</u>	<u>-</u>	<u>12,132,408</u>
Total other capital assets	14,842,438	639,884	103,486	15,378,836
Less accumulated depreciation for				
Buildings	381,432	18,762	-	400,194
Vehicles	610,039	68,299	74,308	604,030
Equipment	751,985	104,475	29,178	827,282
Computers	35,658	3,846	-	39,504
Infrastructure	<u>2,508,898</u>	<u>384,303</u>	<u>-</u>	<u>2,893,201</u>
Total accumulated depreciation	<u>4,288,012</u>	<u>579,685</u>	<u>103,486</u>	<u>4,764,211</u>
Other capital assets, net	<u>10,554,426</u>	<u>60,199</u>	<u>-</u>	<u>10,614,625</u>
Governmental activities capital assets, net	<u>\$12,497,880</u>	<u>\$ 67,707</u>	<u>\$ 23,568</u>	<u>\$12,542,019</u>

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

**NOTE E | CAPITAL ASSETS**

	Balance <u>May 1, 2023</u>	Additions	Deletions	Balance <u>April 30, 2024</u>
<i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 295,156	\$ -	\$ -	\$ 295,156
Other capital assets				
Sewer plant treatment facility	2,359,500	-	-	2,359,500
Vehicles	89,793	-	-	89,793
Equipment	44,982	-	-	44,982
Total other capital assets	2,494,275	-	-	2,494,275
Less accumulated depreciation for				
Sewer plant treatment facility	2,023,071	58,988	-	2,082,059
Vehicles	89,793	-	-	89,793
Equipment	27,388	3,159	-	30,547
Total accumulated depreciation	2,140,252	62,147	-	2,202,399
Other capital assets, net	354,023	(62,147)	-	291,876
Business-type activities capital assets, net	\$ 649,179	\$ (62,147)	\$ -	\$ 587,032

Depreciation expense was charged to functions as follows in the Statement of Activities:

Governmental activities	
General government	\$ 28,927
Public safety	51,363
Streets and public works	317,053
Culture and recreation	182,342
	<u>\$ 579,685</u>
Business-type activities	
Sewer	<u>\$ 62,147</u>

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE F | RISK MANAGEMENT ASSOCIATION**

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 participates in the Illinois Municipal League Risk Management Association (IMLRMA). The Village pays an annual premium to IMLRMA for its coverage. Settled claims have not exceeded the coverage in any of the past three fiscal years. The Village's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The Village is not aware of any additional assessments owed as of April 30, 2024.

Employee life and health risks are insured through the purchase of a commercial insurance plan.

**NOTE G | DEFERRED COMPENSATION PLAN**

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to full-time employees, permits them to defer a portion of their salary until future years. The Village also elected to make a matching contribution up to 4% of an employee's annual salary. An employee is eligible to participate when hired and is vested 100% immediately. The amounts deferred and earnings thereon, are not available to employees until termination, retirement, death, or an unforeseeable emergency. During the year, the Village contributed \$ 26,633 for the matching contribution.

Contributions are administered by a third-party agent and the assets and income thereon are held in trust for the exclusive benefit of participants and their beneficiaries.

**NOTE H | LONG-TERM DEBT**

*Governmental Activities*

Notes Payable (Direct Borrowing)

In fiscal year 2020 the Village entered into an agreement with a financial institution to finance the purchase of a police vehicle. The Village borrowed \$ 50,000, at an interest rate of 2.75% to be paid in monthly payments of \$ 894 beginning October 4, 2019, with a final payment due September 4, 2024. The principal balance as of April 30, 2024, was \$ 5,457.

In fiscal year 2020 the Village entered into an agreement with a financial institution to finance the purchase of a mower for streets and public works. The Village borrowed \$ 27,211, at an interest rate of 3.40% to be paid in monthly payments of \$ 494 beginning October 10, 2019, with a final payment due September 10, 2024. The principal balance as of April 30, 2024, was \$ 2,372.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE H | LONG-TERM DEBT**

In fiscal year 2022 the Village entered into an agreement with a financial institution to finance the purchase of a truck for streets and public works. The Village borrowed \$ 59,950, at an interest rate of 0.80% to be paid in monthly payments of \$ 1,020 beginning August 16, 2021, with a final payment due July 16, 2026. The principal balance as of April 30, 2024, was \$ 27,279.

In fiscal year 2022 the Village entered into an agreement with a financial institution to finance the purchase of a police vehicle. The Village borrowed \$ 50,000, at an interest rate of 0.80% to be paid in monthly payments of \$ 851 beginning August 6, 2021, with a final payment due July 6, 2026. The principal balance as of April 30, 2024, was \$ 22,751.

In fiscal year 2022 the Village entered into an agreement with a financial institution to finance the purchase of a police vehicle. The Village borrowed \$ 50,000, at an interest rate of 0.80% to be paid in monthly payments of \$ 851 beginning December 5, 2021, with a final payment due November 5, 2026. The principal balance as of April 30, 2024, was \$ 26,086.

In fiscal year 2022 the Village entered into an agreement with a financial institution to finance the purchase of a police vehicle. The Village borrowed \$ 23,005, at an interest rate of 1.63% to be paid in monthly payments of \$ 655 beginning May 1, 2022, with a final payment due April 1, 2025. The principal balance as of April 30, 2024, was \$ 7,796.

In fiscal year 2022 the Village entered into an agreement with a financial institution to finance the purchase of a truck for streets and public works. The Village borrowed \$ 46,346, at an interest rate of 0.80% to be paid in monthly payments of \$ 788 beginning October 2, 2021, with a final payment due September 2, 2026. The principal balance as of April 30, 2024, was \$ 22,635.

In fiscal year 2023 the Village entered into an agreement with a financial institution to finance the purchase of a mower and utility trailer. The village borrowed \$ 33,871, at an interest rate of 3.59% to be paid in monthly payments of \$ 994 beginning December 2022, with a final payment due in November 2025. The principal balance as of April 30, 2024, was \$ 18,338.

In fiscal year 2023, the Village entered into an agreement with a financial institution to finance the purchase of a Ford F150 Police responder. The village borrowed \$ 50,250, at an interest rate of 3.33% to be paid in monthly payments of \$ 911 beginning October 2022, with a final payment due in September 2027. The principal balance as of April 30, 2024, was \$ 35,244.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE H | LONG-TERM DEBT**

In fiscal year 2023, the Village entered into an agreement with a financial institution to finance the purchase of a snowplow truck. The Village borrowed \$ 160,000, at an interest rate of 4.24% to be paid in monthly payments of \$ 1,643 beginning December 2022, with a final payment due in November 2032. The principal balance as of April 30, 2024, was \$ 142,479.

In fiscal year 2024, the Village entered into an agreement with a financial institution to finance the purchase of a police vehicle. The Village borrowed \$ 55,000, at an interest rate of 4.70% to be paid in monthly payments of \$ 1,032 beginning December 2023, with a final payment due in November 2028. The principal balance as of April 30, 2024, was \$ 50,901.

In fiscal year 2024, the Village entered into an agreement with a financial institution to finance the purchase of two trucks. The Village borrowed \$ 88,272, at an interest rate of 5.15% to be paid in monthly payments of \$ 1,675 beginning January 2024, with a final payment due in December 2028. The principal balance as of April 30, 2024, was \$ 83,207.

In fiscal year 2024, the Village entered into an agreement with a financial institution to finance the purchase of a mower. The Village borrowed \$ 22,473, at an interest rate of 4.62% to be paid in monthly payments of \$ 670 beginning November 2023, with a final payment due in October 2026. The principal balance as of April 30, 2024, was \$ 18,944.

The assets and related obligations of the notes payable are accounted for as governmental activities. Future principal and interest payments on the notes payable are as follows:

<u>Year ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 126,077	\$ 14,959	\$ 141,036
2026	108,828	11,432	120,260
2027	74,282	8,361	82,643
2028	50,909	5,815	56,724
2029	36,567	3,445	40,012
2030 - 2033	<u>66,826</u>	<u>5,530</u>	<u>72,356</u>
	<u>\$ 463,489</u>	<u>\$ 49,542</u>	<u>\$ 513,031</u>

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE H | LONG-TERM DEBT**

General Obligation Bonds (Direct Borrowing)

\$ 3,730,000 General Obligation Bonds, Series 2021 dated February 23, 2021, due in semi-annual installments of \$ 207,000 to \$ 270,000 through November 1, 2036; interest at 1.08% to 2.30%. These bonds were issued for the purpose of financing costs of refunding the Village’s General Obligation Bonds, Series 2016 and costs of construction of street improvements and other municipal projects within the Village. The amount of bonds outstanding as of April 30, 2024 was \$ 3,102,000.

The assets and related obligations of the general obligation bonds are accounted for as governmental activities. Future principal and interest payments on the general obligation bonds are as follows:

<u>Year ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 214,000	\$ 62,709	\$ 276,709
2026	217,000	59,756	276,756
2027	221,000	56,544	277,544
2028	224,000	53,052	277,052
2029	228,000	49,289	277,289
2030 - 2034	1,207,000	178,599	1,385,599
2035 - 2037	<u>791,000</u>	<u>40,428</u>	<u>831,428</u>
	<u>\$ 3,102,000</u>	<u>\$ 500,377</u>	<u>\$ 3,602,377</u>

Tax Increment Financing Bonds

The tax increment financing bonds are a limited obligation of the tax increment financing district of the Village payable solely and only from collections of incremental taxes from each specific “Project Increment Area.” These taxes are deemed to be “Pledged Taxes,” irrevocable until the obligations are discharged.

The bonds do not constitute a general obligation of the Village. However, the bonds payable are required to be reported on the Village’s financial statements.



**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE H | LONG-TERM DEBT**

Tax Increment Revenue Bonds, Series 2011 (Direct Borrowing)

The Village issued \$ 2,000,000 Tax Increment Revenue Bonds, Series 2011 for the purpose of paying a portion of redevelopment project costs. The Village pays debt service expenditures from incremental property taxes collected within the Tax Increment Financing District. Principal payments range from \$ 95,000 to \$ 262,000, and are due each January 1 from 2015 through 2024. Interest is 4.50% and interest payments are due annually in January beginning in fiscal year 2012. As of April 30, 2024, there was a remaining balance of \$ 1,073,764, which represents payments past due. The Series 2011 bond covenant requires punctual payment of the principal and interest payments when they come due in strict conformity with the terms of the bond ordinance. While this is an instance of noncompliance with the bond covenant, the bonds are only required to be repaid with incremental taxes from the project increment area. There were not enough incremental taxes generated by the project increment area for the unpaid principal and interest payments as of April 30, 2024. The unpaid principal and interest is included in the year ending April 30, 2025, debt service payments below.

The annual debt service requirements are as follows:

<u>Year ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 1,073,764</u>	<u>\$ 249,132</u>	<u>\$ 1,322,896</u>

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE H | LONG-TERM DEBT**

Changes in Long-Term Liabilities:

The activity relating to governmental long-term liabilities during the fiscal year is as follows:

	Balance			Amount Due	
	May 1, 2023	Additions	Reductions	Balance April 30, 2024	Within One Year
Governmental activities					
Notes payable	\$ 418,322	\$ 165,473	\$ 120,306	\$ 463,489	\$ 126,077
General obligation bonds	3,314,000	-	212,000	3,102,000	214,000
TIF Bonds	1,073,764	-	-	1,073,764	1,073,764
Compensated absences	<u>62,876</u>	<u>42,059</u>	<u>46,009</u>	<u>58,926</u>	<u>35,138</u>
Total	<u>\$ 4,868,962</u>	<u>\$ 207,532</u>	<u>\$ 378,315</u>	<u>\$ 4,698,179</u>	<u>\$ 1,448,979</u>

	Balance			Amount Due	
	May 1, 2023	Additions	Reductions	Balance April 30, 2024	Within One Year
Business-type activities					
Compensated absences	<u>\$ 9,214</u>	<u>\$ 15,541</u>	<u>\$ 14,725</u>	<u>\$ 10,030</u>	<u>\$ 4,701</u>
Total	<u>\$ 9,214</u>	<u>\$ 15,541</u>	<u>\$ 14,725</u>	<u>\$ 10,030</u>	<u>\$ 4,701</u>

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE I | INTERFUND BALANCES**

Interfund receivable and payable balances at April 30, 2024, consisted of:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund		
TIF Fund	\$ -	\$ 12,150
Motor Fuel Tax Fund	69,690	7,103
Infrastructure Project Fund	85,153	-
Sewer	<u>23,004</u>	<u>82,170</u>
	177,847	101,423
TIF Fund		
General Fund	12,150	-
TIF Fund	<u>34,519</u>	<u>34,519</u>
	46,669	34,519
Motor Fuel Tax Fund		
General Fund	7,103	69,690
Infrastructure Project Fund		
General Fund	-	85,153
Sewer Fund		
General Fund	<u>82,170</u>	<u>23,004</u>
Total interfund receivables/payables	<u>\$ 313,789</u>	<u>\$ 313,789</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NOTE J | COMMITMENTS**

The Village has multiple construction contract commitments for capital improvements. Total outstanding construction commitments as of April 30, 2024, are \$ 414,152.

**Village of Sherman, Illinois**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**April 30, 2024**

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**NOTE K | SUBSEQUENT EVENTS**

In May 2024, Village-wide capital project funding allocations not to exceed \$ 1,328,696 were approved.

In July 2024, the Village entered into an agreement with a financial institution to finance the purchase of a police vehicle. The Village borrowed \$ 65,272, at an interest rate of 5.05% to be paid in monthly increments beginning August 2024, with a final payment due in July 2029.

In November 2024, the Village entered into an agreement with a financial institution to finance the purchase of a truck. The Village borrowed \$ 47,291 at an interest rate of 3.89% to be paid in monthly increments beginning December 2024 with a final payment due in November 2029.

## REQUIRED SUPPLEMENTARY INFORMATION

**Village of Sherman, Illinois**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**MAJOR FUNDS**  
**Year ended April 30, 2024**

	<b>General Fund</b>			Variance with Final Budget Over/ (Under)
	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	
<b>REVENUES</b>				
Property taxes	\$ 361,898	\$ 361,898	\$ 360,335	\$ (1,563)
Road and bridge taxes	45,000	45,000	49,755	4,755
Sales and use taxes	750,000	750,000	974,321	224,321
Personal property replacement taxes	360	360	866	506
Income taxes	726,184	726,184	765,039	38,855
Video gaming tax	50,000	50,000	73,327	23,327
Cannabis tax	10,000	10,000	7,251	(2,749)
Franchise fees	22,685	22,685	47,221	24,536
Licenses	26,350	26,350	27,065	715
Building permits	8,000	8,000	16,245	8,245
Fines	3,500	3,500	31,123	27,623
Charges for services	22,400	22,400	22,400	-
Investment income	25,001	25,001	43,280	18,279
Contributions	10,000	10,000	5,004	(4,996)
Grants	684,000	684,000	89,380	(594,620)
Surplus vehicle sales	2,000	2,000	2,887	887
Park events revenue	210,000	210,000	277,611	67,611
Miscellaneous	9,000	9,000	102,815	93,815
Total revenues	<u>2,966,378</u>	<u>2,966,378</u>	<u>2,895,925</u>	<u>(70,453)</u>
<b>EXPENDITURES</b>				
General government				
Finance				
Insurance	66,000	66,000	71,374	5,374
Auditing	60,000	60,000	21,500	(38,500)
Finance total	<u>126,000</u>	<u>126,000</u>	<u>92,874</u>	<u>(33,126)</u>
Legal				
Attorney	25,000	25,000	13,847	(11,153)
Legal total	<u>25,000</u>	<u>25,000</u>	<u>13,847</u>	<u>(11,153)</u>

See accompanying independent auditors' report.

**Village of Sherman, Illinois**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**MAJOR FUNDS**  
**Year ended April 30, 2024**

	<b>General Fund (Continued)</b>			Variance with Final Budget Over/ (Under)
	Original Budget	Final Budget	Actual	
Village Hall				
Salaries	\$ 163,573	\$ 163,573	\$ 163,717	\$ 144
Payroll expenditures	30,891	30,891	40,988	10,097
EPA	1,000	1,000	-	(1,000)
Telecommunications	4,500	4,500	4,370	(130)
IT support	2,000	2,000	4,368	2,368
Office supplies	2,500	2,500	3,412	912
Printing	5,000	5,000	3,520	(1,480)
Postage	1,000	1,000	932	(68)
Training	7,000	7,000	5,886	(1,114)
Dues and membership	25,000	25,000	45,681	20,681
Public relations	20,000	20,000	26,305	6,305
Utilities	32,000	32,000	25,595	(6,405)
Building maintenance	10,000	10,000	7,740	(2,260)
Community events	55,000	55,000	36,650	(18,350)
Website	3,000	3,000	4,057	1,057
Miscellaneous	-	-	37,033	37,033
Village Hall total	<u>362,464</u>	<u>362,464</u>	<u>410,254</u>	<u>47,790</u>
Contingency				
Contingency	264,850	264,850	330	(264,520)
Contingency total	<u>264,850</u>	<u>264,850</u>	<u>330</u>	<u>(264,520)</u>
General government total	<u>778,314</u>	<u>778,314</u>	<u>517,305</u>	<u>(261,009)</u>
Public Safety				
Public health and safety				
Salaries	7,200	7,200	-	(7,200)
Payroll expenditures	551	551	-	(551)
Animal control	1,000	1,000	1,073	73
Computer/software	700	700	298	(402)
Equipment repairs	3,000	3,000	1,831	(1,169)
Training	520	520	121	(399)
Uniforms	500	500	154	(346)
Miscellaneous	75	75	94	19
Community Events	500	500	-	(500)
Public health and safety total	<u>14,046</u>	<u>14,046</u>	<u>3,571</u>	<u>(10,475)</u>

See accompanying independent auditors' report.

**Village of Sherman, Illinois**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**MAJOR FUNDS**  
**Year ended April 30, 2024**

	<b>General Fund (Continued)</b>			Variance with Final Budget Over/ (Under)
	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	
Police				
Salaries	\$ 521,260	\$ 521,260	535,998	\$ 14,738
Payroll expenditures	156,531	156,531	177,963	21,432
Telecommunications	25,000	25,000	24,044	(956)
IT support	7,500	7,500	575	(6,925)
Gasoline	40,000	40,000	45,265	5,265
Vehicle repairs and maintenance	20,000	20,000	16,353	(3,647)
Equipment repairs and maintenance	2,500	2,500	4,871	2,371
Building maintenance	8,500	8,500	2,861	(5,639)
Training	7,000	7,000	6,448	(552)
Ammunition and firearms	10,000	10,000	3,447	(6,553)
Uniforms and equipment	16,000	16,000	38,408	22,408
Calendar fund	6,000	6,000	-	(6,000)
Neighborhood watch	-	-	3,802	3,802
Supplies	4,000	4,000	4,497	497
Utilities	9,500	9,500	8,698	(802)
Community events	-	-	175	175
Police total	<u>833,791</u>	<u>833,791</u>	<u>873,405</u>	<u>39,614</u>
Public safety total	<u>847,837</u>	<u>847,837</u>	<u>876,976</u>	<u>29,139</u>
Streets and public works				
Streets and alleys				
Salaries	246,534	246,534	211,497	(35,037)
Payroll expenditures	32,972	32,972	35,734	2,762
Gas and oil	15,000	15,000	6,872	(8,128)
Diesel fuel	6,500	6,500	3,269	(3,231)
Equipment maintenance and repair	15,000	15,000	18,614	3,614
Vehicle maintenance and repair	15,000	15,000	-	(15,000)
Telephone	2,000	2,000	3,264	1,264
Miscellaneous/supplies	23,000	23,000	27,105	4,105
Clean-up day	5,000	5,000	3,986	(1,014)
Streets and alleys total	<u>361,006</u>	<u>361,006</u>	<u>310,341</u>	<u>(50,665)</u>
Engineering				
Engineering	65,000	65,000	34,122	(30,878)
Engineering total	<u>65,000</u>	<u>65,000</u>	<u>34,122</u>	<u>(30,878)</u>
Streets and public works total	<u>426,006</u>	<u>426,006</u>	<u>344,463</u>	<u>(81,543)</u>

See accompanying independent auditors' report.



**Village of Sherman, Illinois**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**MAJOR FUNDS**  
**Year ended April 30, 2024**

	<b>General Fund (Continued)</b>			Variance with Final Budget Over/ (Under)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Culture and recreation				
Parks and recreation				
Diesel fuel	\$ 5,000	\$ 5,000	\$ 3,448	\$ (1,552)
Park maintenance	30,000	30,000	29,733	(267)
Utilities	10,000	10,000	-	(10,000)
Supplies	60,000	60,000	59,066	(934)
Park events	180,000	180,000	273,599	93,599
Parks and recreation total	<u>285,000</u>	<u>285,000</u>	<u>365,846</u>	<u>80,846</u>
Culture and recreation total	<u>285,000</u>	<u>285,000</u>	<u>365,846</u>	<u>80,846</u>
Debt service				
Bond payment	212,000	212,000	212,000	-
Bond interest	64,066	64,066	65,422	1,356
Capital lease principal	160,563	160,563	120,306	(40,257)
Capital lease interest	-	-	13,286	13,286
Debt service total	<u>436,629</u>	<u>436,629</u>	<u>411,014</u>	<u>(25,615)</u>
Capital outlay				
Police	104,992	104,992	102,388	(2,604)
Streets and alleys	117,345	117,345	138,616	21,271
Parks and recreation	88,295	88,295	96,805	8,510
Village hall	105,000	105,000	139,599	34,599
Capital outlay total	<u>415,632</u>	<u>415,632</u>	<u>477,408</u>	<u>61,776</u>
Total expenditures	<u>3,189,418</u>	<u>3,189,418</u>	<u>2,993,012</u>	<u>(196,406)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	<u>(223,040)</u>	<u>(223,040)</u>	<u>(97,087)</u>	<u>125,953</u>

See accompanying independent auditors' report.

**Village of Sherman, Illinois**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**MAJOR FUNDS**  
**Year ended April 30, 2024**

	<b>General Fund (Continued)</b>			Variance with Final Budget Over/ (Under)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	\$ 210,250	\$ 210,250	\$ 165,473	\$ (44,777)
Total other financing sources (uses)	<u>210,250</u>	<u>210,250</u>	<u>165,473</u>	<u>(44,777)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (12,790)</u>	<u>\$ (12,790)</u>	68,386	<u>\$ 81,176</u>
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>			<u>195,464</u>	
<b>NET CHANGE IN FUND BALANCE - MODIFIED ACCRUAL BASIS</b>			263,850	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,384,280</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,648,130</u>	

See accompanying independent auditors' report.

**Village of Sherman, Illinois**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**MAJOR FUNDS**  
**Year ended April 30, 2024**

	<b>Tax Increment Financing Fund</b>			Variance with Final Budget Over/ (Under)
	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	
<b>REVENUES</b>				
Property taxes	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Investment income	1,000	1,000	31,850	30,850
Sales tax	-	-	1,208	1,208
Total revenues	<u>401,000</u>	<u>401,000</u>	<u>33,058</u>	<u>(367,942)</u>
<b>EXPENDITURES</b>				
Economic development				
Salaries	-	-	348	348
Engineering	120,000	120,000	-	(120,000)
Legal fees	40,000	40,000	495	(39,505)
Audit	6,000	6,000	6,000	-
Surplus distribution	565,000	565,000	-	(565,000)
Miscellaneous	-	-	60	60
Debt service				
Principal	300,000	300,000	-	(300,000)
Interest	25,000	25,000	-	(25,000)
Capital outlay	<u>883,613</u>	<u>883,613</u>	<u>232,842</u>	<u>(650,771)</u>
Total expenditures	<u>1,939,613</u>	<u>1,939,613</u>	<u>239,745</u>	<u>(1,699,868)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,538,613)</u>	<u>\$ (1,538,613)</u>	(206,687)	<u>\$ 1,331,926</u>
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>				
			<u>348</u>	
<b>NET CHANGE IN FUND BALANCE - MODIFIED ACCRUAL BASIS</b>			(206,339)	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,591,544</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,385,205</u>	

See accompanying independent auditors' report.

**Village of Sherman, Illinois**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**MAJOR FUNDS**  
**Year ended April 30, 2024**

	<b>Motor Fuel Tax Fund</b>			Variance with Final Budget Over/ (Under)
	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	
<b>REVENUES</b>				
Motor fuel tax	\$ 180,000	\$ 180,000	\$ 212,137	\$ 32,137
Investment income	3,000	3,000	37,899	34,899
Total revenues	<u>183,000</u>	<u>183,000</u>	<u>250,036</u>	<u>67,036</u>
<b>EXPENDITURES</b>				
Streets and public works				
Snow removal, patching, mowing	19,500	19,500	10,575	(8,925)
Engineering	2,422	2,422	2,686	264
Commodities	12,600	12,600	1,395	(11,205)
Miscellaneous projects	-	-	43,401	43,401
Operating supplies	23,500	23,500	14,409	(9,091)
Street lighting	60,000	60,000	67,929	7,929
Signal maintenance	3,000	3,000	6,079	3,079
Contingency	12,102	12,102	-	(12,102)
Total expenditures	<u>133,124</u>	<u>133,124</u>	<u>146,474</u>	<u>13,350</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 49,876</u>	<u>\$ 49,876</u>	103,562	<u>\$ 53,686</u>
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>				
			<u>2,495</u>	
<b>NET CHANGE IN FUND BALANCE - MODIFIED ACCRUAL BASIS</b>			106,057	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>792,325</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 898,382</u>	

See accompanying independent auditors' report.

**Village of Sherman, Illinois**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**April 30, 2024**

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**NOTE A | BUDGET**

The appropriations ordinance and budget is prepared on a cash basis by fund. Prior to passage, the governing body holds public hearings and may add to, subtract from, or change appropriations. A final appropriation ordinance and budget must be filed with the County Clerk within 30 days of its adoption. Expenditures are budgeted by operational line item which constitutes the legal level of control. The amounts reflected in the financial statements represent the final amended appropriations.

**NOTE B | RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS**

The budgetary comparison schedules for the General Fund, Tax Increment Financing Fund, and Motor Fuel Tax Fund present comparisons of the budget on a cash basis with actual data on the cash basis. Because accounting principles applied for the purpose of developing data on a budgetary basis differ from those used to present basic financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis and timing differences in excess (deficiency) of revenue over expenditures for the year ended April 30, 2024 is presented on each budgetary comparison schedule in the line item titled “Reconciliation to modified accrual basis – net change resulting from recording accounts receivable, payable, and other accrued items.”

**NOTE C | EXCESS OVER BUDGET**

The following operational line items had an excess of expenditures over appropriations for the year ended April 30, 2024:

General Fund		
Finance Insurance	\$	5,374
Village Hall Salaries		144
Village Hall Payroll Expenditures		10,097
Village Hall IT Support		2,368
Village Hall Office Supplies		912
Village Hall Dues and Membership		20,681
Village Hall Public Relations		6,305
Village Hall Website		1,057
Village Hall Miscellaneous		37,033
Public Safety Animal Control		73
Public Safety Miscellaneous		19
Police Salaries		14,738
Police Payroll Expenditures		21,432
Police Gasoline		5,265

**Village of Sherman, Illinois**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**April 30, 2024**

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**NOTE C | EXCESS OVER BUDGET**

General Fund (Continued)		
Police Equipment Repairs and Maintenance	\$	2,371
Police Uniforms and Equipment		22,408
Police Neighborhood Watch		3,802
Police Supplies		497
Police Community Events		175
Streets and Alleys Payroll Expenditures		2,762
Streets and Alleys Equipment Maintenance		3,614
Streets and Alleys Telephone		1,264
Streets and Alleys Misc./Supplies		4,105
Parks and Recreation Park Events		93,599
Debt Service Bond Interest		1,356
Debt Service Capital Lease Interest		13,286
Capital Outlay Streets and Alleys		21,271
Capital Outlay Parks and Recreation		8,510
Capital Outlay Village Hall		34,599
Tax Increment Financing Fund		
Salaries	\$	348
Miscellaneous		60
Motor Fuel Tax Fund		
Engineering	\$	264
Miscellaneous Projects		43,401
Street Lighting		7,929
Signal Maintenance		3,079

## SUPPLEMENTARY INFORMATION

**Village of Sherman, Illinois**  
**TAX INCREMENT FINANCING FUND**  
**COMBINING BALANCE SHEET BY SUBFUND**  
**April 30, 2024**

	<u>Original TIF District</u>	<u>Route 66 TIF District</u>	<u>Rail Pointe TIF District</u>	<u>Total TIF Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 661,080	\$ 174,402	\$ 539,570	\$ 1,375,052
Due from other funds	46,500	-	169	46,669
	<hr/>			
Total assets	\$ 707,580	\$ 174,402	\$ 539,739	\$ 1,421,721
<hr/>				
<b>LIABILITIES</b>				
Liabilities				
Accounts payable	\$ 1,997	\$ -	\$ -	\$ 1,997
Due to other funds	-	-	34,519	34,519
	<hr/>			
Total liabilities	1,997	-	34,519	36,516
<hr/>				
<b>FUND BALANCES</b>				
Restricted for economic development	705,583	174,402	505,220	1,385,205
	<hr/>			
Total fund balances	705,583	174,402	505,220	1,385,205
	<hr/>			
Total liabilities and fund balances	\$ 707,580	\$ 174,402	\$ 539,739	\$ 1,421,721
	<hr/>			

The accompanying notes are an integral part of this statement.



**Village of Sherman , Illinois**  
**TAX INCREMENT FINANCING FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY SUBFUND**  
**Year ended April 30, 2024**

	<u>Original TIF District</u>	<u>Route 66 TIF District</u>	<u>Rail Pointe TIF District</u>	<u>Total TIF Fund</u>
<b>REVENUES</b>				
Investment income	\$ 15,407	\$ 3,576	\$ 12,867	\$ 31,850
Sales tax	-	-	1,208	1,208
Total revenues	15,407	3,576	14,075	33,058
<b>EXPENDITURES</b>				
Miscellaneous	60	-	-	60
Audit	6,000	-	-	6,000
Legal	495	-	-	495
Capital outlay	232,842	-	-	232,842
Total expenditures	239,397	-	-	239,397
Net change in fund balances	(223,990)	3,576	14,075	(206,339)
Fund balances at beginning of year	929,573	170,826	491,145	1,591,544
<b>Fund balances at end of year</b>	<b>\$ 705,583</b>	<b>\$ 174,402</b>	<b>\$ 505,220</b>	<b>\$ 1,385,205</b>

The accompanying notes are an integral part of this statement.



**Independent Accountant’s Report on Management’s Assertion of Compliance**

The Board of Trustees  
Village of Sherman, Illinois

We have examined management’s assertion that the Village of Sherman, Illinois, complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142) during the year ended April 30, 2024. Management is responsible for the Village of Sherman, Illinois’ assertion. Our responsibility is to express an opinion on management’s assertion about the Village’s compliance with the specific requirements based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to provide reasonable assurance about whether management’s assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management’s assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Village of Sherman, Illinois’ compliance with statutory requirements.

In our opinion, management’s assertion that the Village of Sherman, Illinois complied with the aforementioned requirements for the year ended April 30, 2024, is fairly stated in all material respects.

This report is intended solely for the information and use of the Village Board, management and the Illinois Department of Revenue, Illinois State Comptroller’s Office and the Joint Review Board, and should not be used by anyone other than those specified parties.

*Kerber, Eck & Braeckel LLP*

Springfield, Illinois  
December 18, 2024