VILLAGE OF BURNHAM, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2024

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VILLAGE OF BURNHAM, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the Village's independent auditing firm.

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INDEPENDENT AUDITOR'S REPORT

April 30, 2026

The Honorable Village President
Members of the Board of Trustees
Village of Burnham, Illinois

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Burnham, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters 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 schedules, and supplementary pension, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 the Village of Burnham, Illinois' basic financial statements. The other supplementary information is 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, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the overall financial position and results of operations for the year ended April 30, 2024, for the Village of Burnham. Please read it in conjunction with the Village's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of the governmental activities increased by $643,039, or 15.1 percent. Business-type activities increased $101,385, or 47.2 percent.

- During the year, government-wide revenues totaled $7,751,923, while expenses totaled $7,007,499, resulting in an increase to net position of $744,424.

- The Village's net position totaled a deficit of $3,288,425 on April 30, 2024, which includes $1,758,263 investment in capital assets, $3,653,799 subject to external restrictions, and deficit of $8,700,487 in unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.

- The General Fund reported an increase this year of $742,638, resulting in ending fund balance of $4,838,873, an increase of 18.1 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows of resources and liabilities/deferred inflows of resources, 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 is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements - Continued

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Village reports governmental and business-type activities. The governmental activities of the Village include general government, public safety, streets and transportation, health and welfare, culture and recreation, and environment. The business-type activities include the water and sewer operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village are reported as governmental, business-type, or fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, and the BAGS Grant Fund which are considered major funds.

The Village adopts an annual appropriated budget for the General Fund, a budgetary comparison schedule for this fund has been provided to demonstrate compliance with this budget.

Proprietary Funds

The Village maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water and sewer operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and the Sewer Fund, which are both major funds of the Village.

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

Notes to the 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's Police Pension obligations and budgetary comparison schedules for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents the net position as of April 30, 2024. Net position serves over time as a useful indicator of a government's financial position. The following tables show that liabilities/deferred inflows exceeded assets/deferred outflows by $3,288,425.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	$ 10,364,048	8,638,017	183,851	226,070	10,547,899	8,864,087
Capital Assets	1,549,929	1,602,916	208,334	51,215	1,758,263	1,654,131
Total Assets	11,913,977	10,240,933	392,185	277,285	12,306,162	10,518,218
Deferred Outflows	2,611,277	3,261,571	—	—	2,611,277	3,261,571
Total Assets/Deferred Outflows	14,525,254	13,502,504	392,185	277,285	14,917,439	13,779,789
Noncurrent Liabilities	11,497,580	12,676,343	—	—	11,497,580	12,676,343
Other Liabilities	559,960	772,219	75,932	62,417	635,892	834,636
Total Liabilities	12,057,540	13,448,562	75,932	62,417	12,133,472	13,510,979
Deferred Inflows	6,072,392	4,301,659	—	—	6,072,392	4,301,659
Total Liabilities/Deferred Inflows	18,129,932	17,750,221	75,932	62,417	18,205,864	17,812,638
Net Position						
Net Investment in Capital Assets	1,549,929	1,602,916	208,334	51,215	1,758,263	1,654,131
Restricted	3,653,799	4,948,982	—	—	3,653,799	4,948,982
Unrestricted (Deficit)	(8,808,406)	(10,799,615)	107,919	163,653	(8,700,487)	(10,635,962)
Total Net Position	(3,604,678)	(4,247,717)	316,253	214,868	(3,288,425)	(4,032,849)

A portion of the Village's net position, $1,758,263, reflects its investment in capital assets (for example, land, land improvements, buildings and improvements, infrastructure, equipment, vehicles, and furniture and fixtures), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion, $3,653,799, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of $8,700,487, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	$ 494,194	487,559	1,058,093	1,137,613	1,552,287	1,625,172
Operating Grants/Contributions	256,057	302,971	—	—	256,057	302,971
Capital Grants/Contributions	475,451	1,241,599	—	—	475,451	1,241,599
General Revenues						
Property Taxes	3,636,419	3,006,999	—	—	3,636,419	3,006,999
Utility Taxes	93,470	99,080	—	—	93,470	99,080
Other Taxes	1,700,477	1,627,678	—	—	1,700,477	1,627,678
ARPA Grant	—	138,879	—	—	—	138,879
Other General Revenues	37,762	46,978	—	—	37,762	46,978
Total Revenues	6,693,830	6,951,743	1,058,093	1,137,613	7,751,923	8,089,356
Expenses						
General Government	1,624,678	1,235,510	—	—	1,624,678	1,235,510
Public Safety	3,044,319	2,849,889	—	—	3,044,319	2,849,889
Streets and Transportation	1,039,065	2,172,227	—	—	1,039,065	2,172,227
Culture and Recreation	73,958	34,485	—	—	73,958	34,485
Environment	268,771	252,743	—	—	268,771	252,743
Water	—	—	870,931	812,997	870,931	812,997
Sewer	—	—	85,777	80,052	85,777	80,052
Total Expenses	6,050,791	6,544,854	956,708	893,049	7,007,499	7,437,903
Change in Net Position Before Transfers	643,039	406,889	101,385	244,564	744,424	651,453
Transfers	—	(150,000)	—	150,000	—	—
Change in Net Position	643,039	256,889	101,385	394,564	744,424	651,453
Net Position - Beginning	(4,247,717)	(4,504,606)	214,868	(179,696)	(4,032,849)	(4,684,302)
Net Position - Ending	(3,604,678)	(4,247,717)	316,253	214,868	(3,288,425)	(4,032,849)

Net position of the Village's governmental activities increased by 15.1 percent (deficit of $4,247,717 in 2023 compared to a deficit of $3,604,678 in 2024). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of $8,808,406 at April 30, 2024.

Net position of the business-type activities increased by 47.2 percent ($214,868 in 2023 compared to $316,253 in 2024).

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

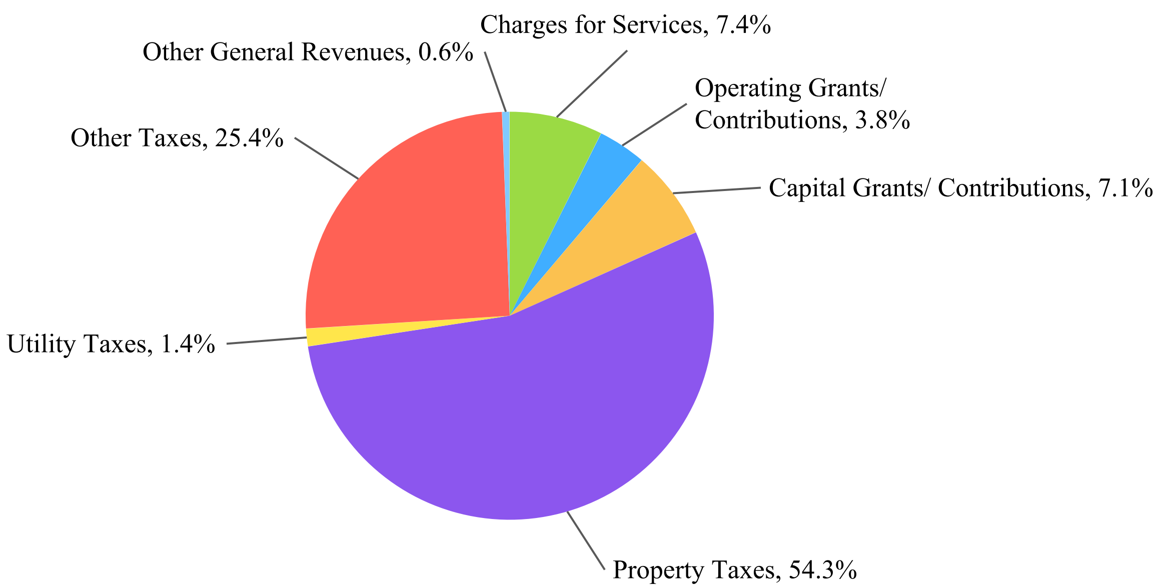
Governmental Activities

Revenues for governmental activities totaled $6,693,830, while the cost of all governmental functions totaled $6,050,791. This results in a surplus of $643,039. In 2023, revenues of $6,951,743 exceeded expenses of $6,544,854 resulting in a surplus of $406,889, prior to transfers out of $150,000. Revenues in 2024 decreased $257,913, primarily due to a decrease in capital grant funding.

Expenses in 2024 decreased $494,063 primarily due to a decrease in street and transportation expenses of $1,133,162 compared to the prior year.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes and other taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from sales and use taxes.

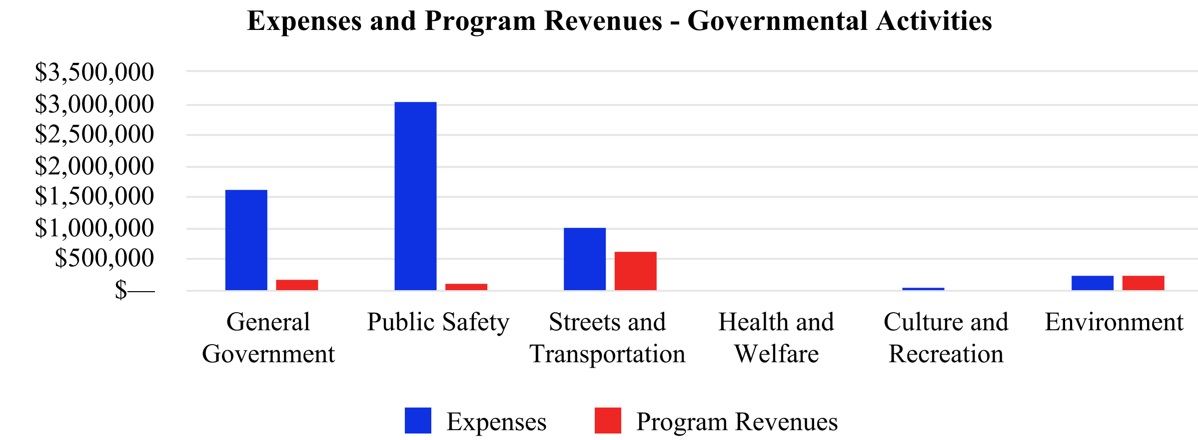
Revenue by Source - Governmental Activities



GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

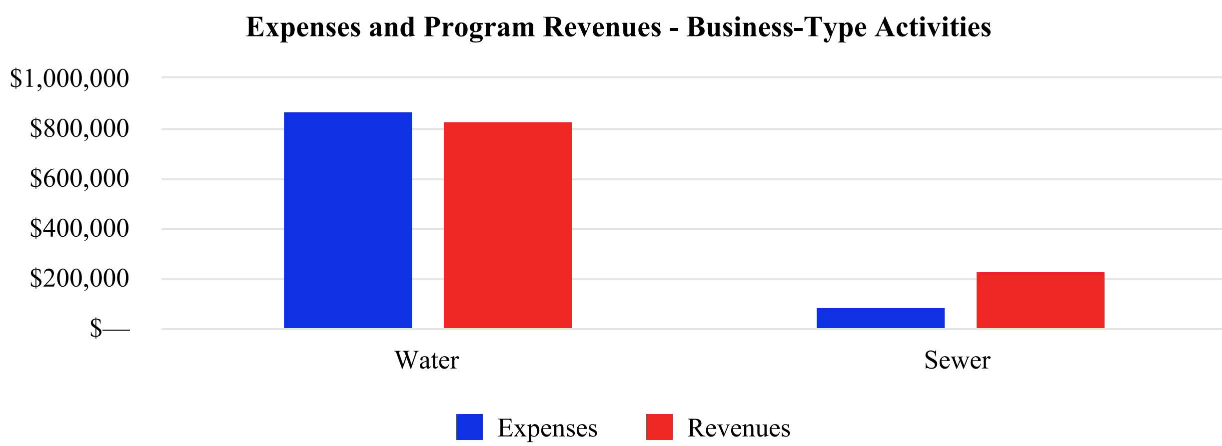
Governmental Activities - Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



Business-Type Activities

Revenues for business-type activities totaled $1,058,093, while expenses totaled $956,708, resulting in an increase to business-type net position of $101,385. Water Fund and Sewer Fund charges for services decreased from $1,137,613 in the prior year to $1,058,093 in the current year.



The graph above compares program revenues to expenses for water and sewer operations. The graph shows that revenues for the water and sewer operations cover expenses.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, 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. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of $7,031,546, which is $851,247, or 13.8%, higher than last year's total of $6,180,299. Of the $7,031,546 total, $3,377,747, or approximately 48.0%, of the fund balance constitutes unassigned fund balance.

The General Fund reported a surplus of $742,638 resulting in an ending fund balance of $4,838,873. The increase can be primarily attributed to property tax revenue, which had an increase of $629,420 compared to the prior year.

The Motor Fuel Tax Fund reported a surplus of $108,609 resulting in an ending fund balance of $692,673. The surplus can be attributed to streets and transportation expenditures decreasing by $144,164 compared to the prior year, which lowered the total expenditures for the fund.

The BAGS Fund reported no change resulting in an ending fund balance of $1,500,000.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water Fund and Sewer Fund as major proprietary funds. These funds account for all of the operations of the municipal water and sewer operations.

The Water Fund reported a deficit net change of $41,286, resulting in a deficit ending fund balance of $980,362. The decrease in fund balance is primarily due to a decrease in charges for services revenue compared to the prior year.

The Sewer Fund reported a surplus net change of $142,671, resulting in an ending fund balance of $1,296,615.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled $6,040,241 were higher than budgeted by $1,119,592.

The General Fund actual expenditures for the year were $522,599 higher than budgeted ($5,380,736 actual compared to $4,858,137 budgeted).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2024 was $1,758,263 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, building and improvements, infrastructure, equipment, vehicle, and furniture and fixtures.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	$ 321,871	321,871	—	—	321,871	321,871
Land Improvements	101,830	114,559	—	—	101,830	114,559
Building and Improvements	552,239	589,017	23,443	24,178	575,682	613,195
Infrastructure	116,784	122,065	—	—	116,784	122,065
Equipment	175,630	113,910	—	—	175,630	113,910
Vehicles	268,508	326,794	—	—	268,508	326,794
Furniture and Fixtures	13,067	14,700	184,891	27,037	197,958	41,737
Totals	1,549,929	1,602,916	208,334	51,215	1,758,263	1,654,131

This year's major additions included:

Equipment	$ 81,315
Vehicles	53,890
Furniture and Fixtures	168,535
	303,740

Additional information on the Village's capital assets can be found in Note 3 of this report.

Debt Administration

At year-end, the Village had total outstanding debt of $1,500,000 as compared to the same balance of $1,500,000 the previous year. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Loans Payable	$ 1,500,000	1,500,000	—	—	1,500,000	1,500,000

Additional information on the Village's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2025 budget, including tax rates, and fees that will be charged for its various activities. Some of those factors include continuing to balance the Water and Sewer Fund so that the Business-Type Funds can continue to reduce the deficit and to continue to increase the funding for the Police Pension Fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Burnham's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Hall at 14450 South Manistee Avenue, Burnham, IL 60633.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements

  Governmental Funds

  Proprietary Funds

  Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

Statement of Net Position
April 30, 2024

See Following Page

Statement of Net Position
April 30, 2024

		Governmental Activities	Business-Type Activities	Totals
ASSETS				
Current Assets				
Cash and Investments	$	4,430,032	1,445,684	5,875,716
Receivables - Net of Allowances		4,442,490	229,693	4,672,183
Internal Balances		1,491,526	(1,491,526)	—
Total Current Assets		10,364,048	183,851	10,547,899
Noncurrent Assets				
Capital Assets				
Nondepreciable		321,871	—	321,871
Depreciable		4,586,863	450,981	5,037,844
Accumulated Depreciation		(3,358,805)	(242,647)	(3,601,452)
Total Noncurrent Assets		1,549,929	208,334	1,758,263
Total Assets		11,913,977	392,185	12,306,162
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - Police Pension		2,611,277	—	2,611,277
Total Assets and Deferred Outflows of Resources		14,525,254	392,185	14,917,439

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 153,746	75,532	229,278
Accrued Payroll	57,089	400	57,489
Current Portion of Long-Term Liabilities	349,125	—	349,125
Total Current Liabilities	559,960	75,932	635,892
Noncurrent Liabilities			
Compensated Absences Payable	50,749	—	50,749
Net Pension Liability - Police Pension	10,283,269	—	10,283,269
Loans Payable	1,163,562	—	1,163,562
Total Noncurrent Liabilities	11,497,580	—	11,497,580
Total Liabilities	12,057,540	75,932	12,133,472
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,121,667	—	3,121,667
Deferred Items - Police Pension	2,950,725	—	2,950,725
Total Deferred Inflows of Resources	6,072,392	—	6,072,392
Total Liabilities and Deferred Inflows of Resources	18,129,932	75,932	18,205,864
NET POSITION			
Net Investment in Capital Assets	1,549,929	208,334	1,758,263
Restricted			
Police Forfeiture	18,023	—	18,023
Real Estate	1,443,103	—	1,443,103
Roads	2,192,673	—	2,192,673
Unrestricted (Deficit)	(8,808,406)	107,919	(8,700,487)
Total Net Position	(3,604,678)	316,253	(3,288,425)

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

Statement of Activities
For the Fiscal Year Ended April 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants/ Contributions	Program Revenues: Capital Grants/ Contributions
Governmental Activities				
General Government	$ 1,624,678	115,374	77,919	—
Public Safety	3,044,319	115,868	—	—
Streets and Transportation	1,039,065	—	178,138	475,451
Culture and Recreation	73,958	—	—	—
Environment	268,771	262,952	—	—
Total Governmental Activities	6,050,791	494,194	256,057	475,451
Business-Type Activities				
Water	870,931	829,645	—	—
Sewer	85,777	228,448	—	—
Total Business-Type Activities	956,708	1,058,093	—	—
Total Primary Government	7,007,499	1,552,287	256,057	475,451

General Revenues
- Taxes
  - Property Taxes
  - Utility Taxes
  - Other Taxes
- Intergovernmental - Unrestricted
  - Personal Property Replacement Tax
  - State and Local Sales Taxes
  - State Income Tax
- Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(1,431,385)	—	(1,431,385)
(2,928,451)	—	(2,928,451)
(385,476)	—	(385,476)
(73,958)	—	(73,958)
(5,819)	—	(5,819)
(4,825,089)	—	(4,825,089)
—	(41,286)	(41,286)
—	142,671	142,671
—	101,385	101,385
(4,825,089)	101,385	(4,723,704)
3,636,419	—	3,636,419
93,470	—	93,470
254,936	—	254,936
205,644	—	205,644
577,508	—	577,508
662,389	—	662,389
37,762	—	37,762
5,468,128	—	5,468,128
643,039	101,385	744,424
(4,247,717)	214,868	(4,032,849)
(3,604,678)	316,253	(3,288,425)

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

Balance Sheet - Governmental Funds
April 30, 2024

		Special Revenue		
	General	Motor Fuel Tax	BAGS Grant	Totals
ASSETS				
Cash and Investments	$ 3,340,724	678,122	411,186	4,430,032
Receivables - Net of Allowances				
Property Taxes	3,214,515	—	—	3,214,515
Accounts	65,695	14,551	1,147,729	1,227,975
Advances to Other Funds	1,491,526	—	—	1,491,526
Total Assets	8,112,460	692,673	1,558,915	10,364,048
LIABILITIES				
Accounts Payable	94,831	—	58,915	153,746
Accrued Payroll	57,089	—	—	57,089
Total Liabilities	151,920	—	58,915	210,835
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,121,667	—	—	3,121,667
Total Liabilities and Deferred Inflows of Resources	3,273,587	—	58,915	3,332,502
FUND BALANCES				
Restricted	1,461,126	692,673	1,500,000	3,653,799
Unassigned	3,377,747	—	—	3,377,747
Total Fund Balances	4,838,873	692,673	1,500,000	7,031,546
Total Liabilities and Fund Balances	8,112,460	692,673	1,558,915	10,364,048

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

Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities
April 30, 2024

Total Governmental Fund Balances	$ 7,031,546
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	1,549,929
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - Police Pension	(339,448)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(63,436)
Net Pension Liability - Police Pension	(10,283,269)
Loans Payable	(1,500,000)
Net Position of Governmental Activities	(3,604,678)

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

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2024

		Special Revenue		
	General	Motor Fuel Tax	BAGS Grant	Totals
Revenues				
Taxes	$ 3,984,825	—	—	3,984,825
Intergovernmental	1,523,460	178,138	475,451	2,177,049
Charges for Services	295,533	—	—	295,533
Licenses and Permits	82,793	—	—	82,793
Fines and Fees	115,868	—	—	115,868
Miscellaneous	37,762	—	—	37,762
Total Revenues	6,040,241	178,138	475,451	6,693,830
Expenditures				
General Government	1,671,710	—	—	1,671,710
Public Safety	2,774,451	—	—	2,774,451
Streets and Transportation	591,846	69,529	475,451	1,136,826
Culture and Recreation	73,958	—	—	73,958
Environment	268,771	—	—	268,771
Total Expenditures	5,380,736	69,529	475,451	5,925,716
Excess (Deficiency) of Revenues Over (Under) Expenditures	659,505	108,609	—	768,114
Other Financing Sources				
Disposal of Capital Assets	83,133	—	—	83,133
Net Change in Fund Balances	742,638	108,609	—	851,247
Fund Balances - Beginning	4,096,235	584,064	1,500,000	6,180,299
Fund Balances - Ending	4,838,873	692,673	1,500,000	7,031,546

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended April 30, 2024

Net Change in Fund Balances - Total Governmental Funds	$ 851,247
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	135,205
Depreciation Expense	(149,333)
Disposals - Cost	(73,366)
Disposals - Accumulated Depreciation	34,507
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - Police Pension	(1,333,180)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Compensated Absences	(4,023)
Change in Net Pension Liability - Police Pension	1,181,982
Changes in Net Position of Governmental Activities	643,039

Statement of Net Position - Proprietary Funds
April 30, 2024

	Business-Type Activities		
	Water	Sewer	Totals
ASSETS			
Current Assets			
Cash and Investments	$ 167,707	1,277,977	1,445,684
Receivables - Net of Allowances			
Accounts	184,476	45,217	229,693
Total Current Assets	352,183	1,323,194	1,675,377
Noncurrent Assets			
Capital Assets			
Depreciable	450,981	—	450,981
Accumulated Depreciation	(242,647)	—	(242,647)
Total Noncurrent Assets	208,334	—	208,334
Total Assets	560,517	1,323,194	1,883,711
LIABILITIES			
Current Liabilities			
Accounts Payable	49,353	26,179	75,532
Accrued Payroll	—	400	400
Advances from Other Funds	1,491,526	—	1,491,526
Total Liabilities	1,540,879	26,579	1,567,458
NET POSITION			
Investment in Capital Assets	208,334	—	208,334
Unrestricted (Deficit)	(1,188,696)	1,296,615	107,919
Total Net Position	(980,362)	1,296,615	316,253

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

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2024

	Business-Type Activities		
	Water	Sewer	Totals
Operating Revenues			
Charges for Services	$ 829,645	228,448	1,058,093
Operating Expenses			
Operations	859,515	85,777	945,292
Depreciation	11,416	—	11,416
Total Operating Expenses	870,931	85,777	956,708
Change in Net Position	(41,286)	142,671	101,385
Net Position - Beginning	(939,076)	1,153,944	214,868
Net Position - Ending	(980,362)	1,296,615	316,253

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

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2024

	Business-Type Activities		
	Water	Sewer	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	$ 827,870	225,765	1,053,635
Payments to Employees	(56,913)	—	(56,913)
Payments to Suppliers	(808,620)	(66,244)	(874,864)
	(37,663)	159,521	121,858
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(168,535)	—	(168,535)
Net Change in Cash and Cash Equivalents	(206,198)	159,521	(46,677)
Cash and Cash Equivalents - Beginning	373,905	1,118,456	1,492,361
Cash and Cash Equivalents - Ending	167,707	1,277,977	1,445,684
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	(41,286)	142,671	101,385
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	11,416	—	11,416
(Increase) Decrease in Current Assets	(1,775)	(2,683)	(4,458)
Increase (Decrease) in Current Liabilities	(6,018)	19,533	13,515
Net Cash Provided by Operating Activities	(37,663)	159,521	121,858

Statement of Fiduciary Net Position
April 30, 2024

	Pension Trust
	Police Pension
ASSETS	
Cash and Cash Equivalents	$ 713,991
Investments	
Illinois Police Officers' Pension Investment Fund	1,597,628
Prepaids	530
Total Assets	2,312,149
LIABILITIES	
Accounts Payable	9,791
NET POSITION	
Net Position Restricted for Pensions	2,302,358

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

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2024

	Pension Trust
	Police Pension
Additions	
Contributions - Employer	$ 518,127
Contributions - Plan Members	85,787
Total Contributions	603,914
Investment Income	
Interest Earned	140,683
Total Additions	744,597
Deductions	
Administration	26,091
Benefits and Refunds	525,304
Total Deductions	551,395
Change in Fiduciary Net Position	193,202
Net Position Restricted for Pensions	
Beginning	2,109,156
Ending	2,302,358

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Burnham (the Village) was incorporated in 1907. The Village is a home-rule municipality, under the 1970 Illinois constitution, located in Cook County, Illinois. The Village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), maintenance of highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there is one fiduciary component units that is required to be included in the financial statements of the Village as a pension trust fund and there are no discretely component units to include in the reporting entity.

Blended Component Unit

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). The Village's general administrative, public safety, streets and transportation, health and welfare, culture and recreation, and environment are classified as governmental activities. The Village's water service and sewer service are classified as business-type activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions (general government, public safety, streets and transportation, health and welfare, culture and recreation, and environment, etc.). These functions are supported by general government revenues (property taxes, certain intergovernmental revenues, and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property tax, intergovernmental revenues, etc.).

The Village does not allocate indirect costs. This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

> Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
>
> Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for the motor fuel tax allotments from the State of Illinois, and the expenditures for the purpose of street maintenance and improvements. The BAGS Grant Fund, also a major fund, is used to account for the revenues and expenditures associated with the Burnham Avenue Grade Separation grant.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major enterprise funds. The Water Fund is used to account for the water services to the residents of the Village. The Sewer Fund is used to account for the sewer services to the residents of the Village.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force.

The Village's fiduciary fund is presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/ deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

All proprietary, pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds, funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION

Cash and Investments

Cash and cash equivalents on the government-wide Statement of Net Position are considered to be cash on hand, demand deposits, cash held with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash held with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs 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 inputs are significant unobservable inputs. The Village has no investments at year-end.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report water and sewer charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of more than $2,000, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	15 - 20 Years
Buildings and Improvements	30 - 40 Years
Infrastructure	30 - 40 Years
Equipment	5 - 15 Years
Vehicles	5 - 15 Years
Furniture and Fixtures	15 Years

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

> Net investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation.
>
> Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.
>
> Unrestricted - All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements. For each fund, the total fund disbursements may not legally exceed the budgeted disbursements. The budget lapses at the end of each fiscal year. No supplemental appropriations were made during the year. Spending control for most funds is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels.

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

1. In February, the Board of Trustees (the Board) directs the Director and Treasurer to prepare a tentative budget.
2. During April, the Village submits to the Board a proposed operating budget for the fiscal year. The operating budget includes proposed disbursements and the means of financing them.
3. Public hearings are conducted at a public meeting to obtain taxpayer comments.
4. Prior to July 31, the budget is legally enacted through passage of an ordinance.
5. The Treasurer is authorized to transfer up to 10% of the total budget between budget items within the fund; however, the Board must approve any revisions that alter the total disbursements of any fund.
6. Formal budgetary integration is employed as a management control device during the year in all funds, except the BAGS Grant Fund, the Motor Fuel Tax Fund, and the Police Pension Fund.
7. Budgeted amounts are as adopted by the Board.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund has an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
General	$ 522,599

DEFICIT NET POSITION

The following fund had deficit net position as of the date of this report:

Fund	Deficit
Water	$ 980,362

Deficits will be eliminated by future revenues or transfers

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." As of April 30, 2024, the Village had no investments.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

Village

Deposits. At year-end, the carrying amount of the Village’s deposits totaled $5,875,716 and the bank balances totaled $5,489,729.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village has limited its exposure to interest rate risk by structuring the portfolios to provide liquidity for cash requirements for ongoing operations in money market funds.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village diversifies its investments to the best of its ability based on the type of funds invested and cash flow need for those funds. At April 30, 2024, the Village has no investments.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. The Village’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village - Continued

Custodial Credit Risk - Continued. In the case of investments, this 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 or collateral securities that are in the possession of an outside party.

Concentration Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy is to maintain most funds in FDIC insured money market funds and certificates of deposit maturing in one year or less to ensure that proper liquidity is maintained in order to meet ongoing obligations. At April 30, 2024, the Village has no investments.

Police Pension Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report, which can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled $713,991 and the bank balances totaled $714,084.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy states that all deposits in excess of FDIC insurable limits be secured by collateral, no less than 110% of the fair value of funds being secured, in order to protect deposits from default. At year-end, $76,738 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

Investments. At year-end the Fund has $1,597,628 invested in IPOPIF. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Continued

Rate of Return

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 321,871	—	—	321,871
Depreciable Capital Assets				
Land Improvements	222,830	—	—	222,830
Buildings and Improvements	1,840,999	—	—	1,840,999
Infrastructure	158,441	—	—	158,441
Equipment	562,231	81,315	—	643,546
Vehicles	1,673,136	53,890	73,366	1,653,660
Furniture and Fixtures	67,387	—	—	67,387
	4,525,024	135,205	73,366	4,586,863
Less Accumulated Depreciation				
Land Improvements	108,271	12,729	—	121,000
Buildings and Improvements	1,251,982	36,778	—	1,288,760
Infrastructure	36,376	5,281	—	41,657
Equipment	448,321	19,595	—	467,916
Vehicles	1,346,342	73,317	34,507	1,385,152
Furniture and Fixtures	52,687	1,633	—	54,320
	3,243,979	149,333	34,507	3,358,805
Total Net Depreciable Capital Assets	1,281,045	(14,128)	38,859	1,228,058
Total Net Capital Assets	1,602,916	(14,128)	38,859	1,549,929

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Governmental Activities - Continued

Depreciation expense was charged to governmental activities as follows:

General Government	$ 32,078
Public Safety	79,811
Streets and Transportation	37,444
	149,333

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Buildings and Improvements	$ 191,330	—	—	191,330
Furniture and Fixtures	91,116	168,535	—	259,651
	282,446	168,535	—	450,981
Less Accumulated Depreciation				
Buildings and Improvements	167,152	735	—	167,887
Furniture and Fixtures	64,079	10,681	—	74,760
	231,231	11,416	—	242,647
Total Net Capital Assets	51,215	157,119	—	208,334

Depreciation expense was charged to business-type activities as follows:

Water	$ 11,416

PROPERTY TAXES

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and are payable in two installments, on or about March 1 and August 1. The County collects such taxes and remits them periodically.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND ADVANCES

Advances are used to fund operations in the Water Fund. Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Water	$ 1,491,526

LONG-TERM OBLIGATIONS

Loans Payable

The Village entered into a loan payable with Cook County for the construction of the Burnham Avenue railroad grade separation. Loans payable are direct obligations and pledge the full faith and credit of the Village. Since annual installments are determined by federal reimbursements, a repayment schedule cannot be provided. Loans payable currently outstanding are as follows:

Issue	Beginning Balance	Issuances	Retirement	Ending Balance
$1,500,000 BAGS Intergovernmental Loan Payable of 2021 due in annual installments equal to 20% of the each federal reimbursement received from IDOT, non-interest bearing through April 30, 2025.	$ 1,500,000	—	—	1,500,000

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	$ 59,413	8,046	4,023	63,436	12,687
Net Pension Liability - Police Pension	11,465,251	—	1,181,982	10,283,269	—
Loans Payable	1,500,000	—	—	1,500,000	336,438
	13,024,664	8,046	1,186,005	11,846,705	349,125

For governmental activities, payments on the net pension liability and the loans payable are made by the General Fund.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of April 30, 2024:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 1,549,929
Less Capital Related Debt:	
None	—
Net Investment in Capital Assets	1,549,929
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	208,334
Less Capital Related Debt:	
None	—
Net Investment in Capital Assets	208,334

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

		Special Revenue		
	General	Motor Fuel Tax	BAGS Grant	Totals
Restricted				
Police Forfeiture	$ 18,023	—	—	18,023
Real Estate	1,443,103	—	—	1,443,103
Roads	—	692,673	1,500,000	2,192,673
	1,461,126	692,673	1,500,000	3,653,799
Unassigned	3,377,747	—	—	3,377,747
Total Fund Balances	4,838,873	692,673	1,500,000	7,031,546

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

NOTE 4 - OTHER INFORMATION

DEFERRED COMPENSATION PLAN

In October 1993, the Village established an Employees' Deferred Compensation Plan (the Plan) in accordance with Internal Revenue Code Section 457 (b). All employees of the Village are required to participate, except for police department employees who are participating in the Village of Burnham Police Pension Fund and volunteer fire department employees. Employees select their desired percentage of contribution, which must be between 4.00% and 10.00% of compensation. The Village contributes an additional 4.00% of participating employees' compensation. In accordance with GASB 32, the Village does not record the Plan's assets in the Village's financial statements.

CONTINGENT LIABILITIES

Litigation

The Village is not a defendant in any lawsuits.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

JOINTLY GOVERNED ORGANIZATION

Effective January 1, 2018, the Village established a Joint Emergency Telephone Systems Board "JETSB" with the Village of Dolton. The System's Board consists of seven members, of which three members are representatives from the Village. The System's Board is responsible for maintaining the Fund including receiving monies from surcharge fees and approving all disbursements from the Fund. The System's Board is responsible for coordinating the operating and maintenance of the System.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

The Village contributes to one defined benefit pension plan, the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension and may be obtained by writing to the Village at 14450 South Manistee Avenue, Burnham, Illinois 60633.

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. The Police Pension Plan is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2024, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	8
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	10
Total	18

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension - Continued

Plan Descriptions - Continued

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary.

Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2024, the Village's contribution was 59.30% of covered payroll.

Concentrations. At year-end, the Police Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions	
Interest Rate	5.00%
Salary Increases	4.25% - 24.19%
Cost of Living Adjustments	3.25%
Inflation	2.50%

Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate.

Discount Rate

A Single Discount Rate of 4.47% was used to measure the total pension liability and the prior year discount rate was 4.13%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the 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:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. 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 5.00%, the municipal bond rate is 4.07%, and the resulting single discount rate is 4.47%.

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.47%)	Current Discount Rate (4.47%)	1% Increase (5.47%)
Net Pension Liability	$ 12,201,582	10,283,269	8,732,443

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2023	$ 13,574,407	2,109,156	11,465,251
Changes for the Year:			
Service Cost	370,461	—	370,461
Interest on the Total Pension Liability	528,591	—	528,591
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(510,561)	—	(510,561)
Changes of Assumptions	(851,967)	—	(851,967)
Contributions - Employer	—	518,127	(518,127)
Contributions - Employees	—	85,787	(85,787)
Contributions - Other	—	—	—
Net Investment Income	—	140,683	(140,683)
Benefit Payments, Including Refunds of Employee Contributions	(525,304)	(525,304)	—
Other (Net Transfer)	—	(26,091)	26,091
Net Changes	(988,780)	193,202	(1,181,982)
Balances at April 30, 2024	12,585,627	2,302,358	10,283,269

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension Plan - Continued

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

For the year ended April 30, 2024, the Village recognized pension expense of $669,325. At April 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 1,275,208	(474,241)	800,967
Change in Assumptions	1,244,145	(2,476,484)	(1,232,339)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	91,924	—	91,924
Total Deferred Amounts Related to Police Pension	2,611,277	(2,950,725)	(339,448)

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:

Fiscal Year	Net Deferred (Inflows) of Resources
2025	$ (41,289)
2026	(8,797)
2027	(52,233)
2028	(71,833)
2029	(88,047)
Thereafter	(77,249)
Total	(339,448)

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS PLAN

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Additionally, the Village provides no explicit benefit. Therefore, the Village has not recorded a liability as of April 30, 2024.

SUBSEQUENT EVENT

IEPA Loan Agreement

On March 25, 2025, the Village issued $4,294,482 of IEPA Loans, which are interest-free and due in semi-annual installments starting January 14, 2027, through July 14, 2066.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
  Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
  Police Pension Fund

- Schedule of Investment Returns
  Police Pension Fund

- Budgetary Comparison Schedule
  General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

Police Pension Fund
Schedule of Employer Contributions
April 30, 2024

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 373,813	$ 234,513	$ 139,300	$ 613,559	38.22%
2017	387,214	223,292	163,922	587,770	37.99%
2018	526,238	269,763	256,475	606,873	44.45%
2019	562,661	327,380	235,281	481,938	67.93%
2020	564,001	415,139	148,862	621,543	66.79%
2021	604,613	479,233	125,380	695,914	68.86%
2022	707,853	487,128	220,725	656,329	74.22%
2023	793,589	402,947	390,642	716,402	56.25%
2024	730,027	518,127	211,900	873,808	59.30%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	5.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2024

		4/30/2016	4/30/2017
Total Pension Liability			
Service Cost	$	336,860	330,716
Interest		360,279	397,405
Changes in Benefit Terms		—	—
Differences Between Expected and Actual Experience		—	(78,819)
Change of Assumptions		—	(509,668)
Benefit Payments, Including Refunds of Member Contributions		(367,429)	(395,236)
Other (Net Transfer)		—	—
Net Change in Total Pension Liability		329,710	(255,602)
Total Pension Liability - Beginning		9,398,001	9,727,711
Total Pension Liability - Ending		9,727,711	9,472,109
Plan Fiduciary Net Position			
Contributions - Employer	$	234,513	223,292
Contributions - Members		57,805	86,297
Contributions - Other		—	—
Net Investment Income		7,691	75,007
Benefit Payments, Including Refunds of Member Contributions		(367,429)	(395,236)
Administrative Expenses		(12,930)	(13,454)
Net Change in Plan Fiduciary Net Position		(80,350)	(24,094)
Plan Net Position - Beginning		1,923,811	1,843,461
Plan Net Position - Ending		1,843,461	1,819,367
Employer's Net Pension Liability	$	7,884,250	7,652,742
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		18.95%	19.21%
Covered Payroll	$	613,559	587,770
Employer's Net Pension Liability as a Percentage of Covered Payroll		1,285.00%	1,302.00%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024
344,507	294,023	358,027	547,294	565,058	384,039	370,461
387,635	403,926	411,816	376,119	370,838	472,419	528,591
—	—	63,971	—	—	—	—
12,061	33,194	12,640	524,394	(64,143)	1,386,058	(510,561)
(29,836)	248,466	1,911,619	636,756	(2,484,801)	(351,996)	(851,967)
(352,640)	(387,218)	(414,934)	(506,243)	(498,037)	(536,478)	(525,304)
—	—	—	(16,236)	—	—	—
361,727	592,391	2,343,139	1,562,084	(2,111,085)	1,354,042	(988,780)
9,472,109	9,833,836	10,426,227	12,769,366	14,331,450	12,220,365	13,574,407
9,833,836	10,426,227	12,769,366	14,331,450	12,220,365	13,574,407	12,585,627
269,763	327,380	415,138	479,233	487,128	402,947	518,127
53,510	52,176	63,164	71,953	76,784	73,673	85,787
—	—	—	—	9,715	—	—
58,540	58,028	70,700	232,841	(120,145)	8,920	140,683
(352,640)	(387,218)	(414,934)	(506,243)	(498,037)	(536,478)	(525,304)
(17,769)	(20,109)	(17,905)	(16,236)	(16,727)	(17,363)	(26,091)
11,404	30,257	116,163	261,548	(61,282)	(68,301)	193,202
1,819,367	1,830,771	1,861,028	1,977,191	2,238,739	2,177,457	2,109,156
1,830,771	1,861,028	1,977,191	2,238,739	2,177,457	2,109,156	2,302,358
8,003,065	8,565,199	10,792,175	12,092,711	10,042,908	11,465,251	10,283,269
18.62%	17.85%	15.48%	15.62%	17.82%	15.54%	18.29%
606,873	481,938	621,543	695,914	656,329	716,402	873,808
1,318.74%	1,777.24%	1,736.35%	1,737.67%	1,530.16%	1,600.39%	1,176.83%

Police Pension Fund
Schedule of Investment Returns
April 30, 2024

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2016	3.91%
2017	4.14%
2018	3.14%
2019	2.54%
2020	4.09%
2021	12.80%
2022	(4.42%)
2023	6.25%
2024	9.58%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes	$ 3,116,661	3,116,661	3,984,825
Intergovernmental	1,490,583	1,490,583	1,523,460
Charges for Services	—	—	295,533
Licenses and Permits	98,593	98,593	82,793
Fines and Fees	60,017	60,017	115,868
Miscellaneous	154,795	154,795	37,762
Total Revenues	4,920,649	4,920,649	6,040,241
Expenditures			
General Government	1,561,754	1,561,754	1,671,710
Public Safety	2,261,215	2,261,215	2,774,451
Streets and Transportation	684,592	684,592	591,846
Health and Welfare	4,000	4,000	—
Culture and Recreation	83,576	83,576	73,958
Environment	263,000	263,000	268,771
Total Expenditures	4,858,137	4,858,137	5,380,736
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,512	62,512	659,505
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	—	83,133
Transfers Out	(150,000)	(150,000)	—
	(150,000)	(150,000)	83,133
Net Change in Fund Balance	(87,488)	(87,488)	742,638
Fund Balance - Beginning			4,096,235
Fund Balance - Ending			4,838,873

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Budgetary Comparison Schedule - Major Governmental Fund
  General Fund

- Budgetary Comparison Schedules - Major Enterprise Funds
  Water Fund
  Sewer Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the motor fuel tax allotments from the State of Illinois, and the expenditures for the purpose of street maintenance and improvements.

BAGS Grant Fund

The BAGS Grant Fund is used to account for the revenues and expenditures associated with the Burnham Avenue Grade Separation grant.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Fund

The Water Fund is used to account for the water services to the residents of the Village.

Sewer Fund

The Sewer Fund is used to account for the sewer services to the residents of the Village.

INDIVIDUAL FUND DESCRIPTIONS

TRUST FUND

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
General Government			
Administration	$ 1,561,754	1,561,754	1,671,710
Public Safety			
Police	2,009,300	2,009,300	2,494,991
Fire	229,365	229,365	271,600
Board of Fire and Police Commissioners	8,250	8,250	7,860
Emergency Services and Disaster	14,300	14,300	—
Total Public Safety	2,261,215	2,261,215	2,774,451
Streets and Transportation	684,592	684,592	591,846
Health and Welfare			
Social Services	4,000	4,000	—
Culture and Recreation			
Community Board	83,576	83,576	73,958
Environment			
Garbage Disposal	263,000	263,000	268,771
Total Expenditures	4,858,137	4,858,137	5,380,736

Water - Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	$ 510,576	510,576	829,645
Operating Expenses			
Operations			
Personal Services	113,319	113,319	72,603
Contractual Services	834,760	834,760	773,082
Commodities	15,000	15,000	13,830
Depreciation	100	100	11,416
Total Operating Expenses	963,179	963,179	870,931
Change in Net Position	(452,603)	(452,603)	(41,286)
Net Position - Beginning			(939,076)
Net Position - Ending			(980,362)

Sewer - Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	$ —	—	228,448
Operating Expenses			
Operations			
Personal Services	8,700	8,700	—
Purchased Services	123,400	123,400	85,777
Total Operating Expenses	132,100	132,100	85,777
Change in Net Position	(132,100)	(132,100)	142,671
Net Position - Beginning			1,153,944
Net Position - Ending			1,296,615

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

Lauterbach & Amen
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Naperville, IL 60563
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lauterbachamen.com

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

April 30, 2026

The Honorable Village President
Members of the Board of Trustees
Village of Burnham, 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 business-type activities, each major fund, and the aggregate remaining fund information of the Village of Burnham (the Village), Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP