VILLAGE OF POSEN, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
APRIL 30, 2025

John Kasperek Co.
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

Frank A. Podbielniak, Village Mayor

BOARD OF TRUSTEES

Jeffrey Casillas, Trustee

Donald Schnering, Jr., Trustee

Aaron Wisniewski, Trustee

Elsa G. Velazquez, Trustee

Philip Novak, Trustee

Yesenia Lopez, Trustee

ADMINISTRATION

Melanie L. Myers, Village Clerk

Addie E. Taylor-Jackson, Treasurer

FINANCIAL SECTION

John Kasperek Co.
CERTIFIED PUBLIC ACCOUNTANTS

East Office: 1471 Ring Road • Calumet City, IL 60409
West Office: 9980 W. 190th St., Unit A • Mokena, IL 60448

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Posen, Illinois (the Village) as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 as of April 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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.

Emphasis of Matter – Changes in Accounting Principles

As discussed in Note 1 to the financial statements, the Village has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and Statement No. 101, *Compensated Absences*, effective May 1, 2024. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Adjustments and Restatements

As discussed in Note 16 to the financial statements, the financial statements have been adjusted and restated to reflect changes within the reporting entity and to correct errors related to the omission of certain expenditures and expenses from the Village's 2024 financial statements. Accordingly, the fund balance of the Tax Incremental Financing #1 Fund and net position of the Governmental Activities as of May 1, 2024 have been restated. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, 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 GAAS, 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's basic financial statements. The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, and the Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules and the Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We have also previously audited, in accordance with GAAS, the Village's basic financial statements for the year ended April 30, 2024, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The 2024 actual amounts in the schedules of revenues, expenditures (expenses) and changes in fund balance (net position) – budget and actual are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information was subjected to the audit procedures applied in the audit of those 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 GAAS. In our opinion, the 2024 actual amounts in the schedules of revenues, expenditures (expenses) and changes in fund balance (net position) – budget and actual are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other information, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 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 solely 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.

John Kasperek Co., Inc.

Calumet City, Illinois
June 19, 2026

The Village of Posen, Illinois (the Village) offers readers of its financial statements this narrative overview and analysis of the financial activity of the Village for the year ended April 30, 2025. Please read it in conjunction with the Village's financial statements.

Financial Highlights

- The Village's overall net position increased as a result of this year's operations. Net position of governmental activities increased by $3,603,730, and net position of the business-type activities increased by $52,807.
- During the year, government-wide revenues for the primary government totaled $15,012,218, while expenses totaled $11,355,681, resulting in an increase to net position of $3,656,537.
- The Village's net position totaled $19,281,632 on April 30, 2025, which includes $5,760,412 net investment in capital assets, $2,875,287 subject to external restrictions, and unrestricted net position of $10,645,933.
- The General Fund reported a net change this year of $5,585,630, resulting in a fund balance of $7,334,280.

USING THIS ANNUAL REPORT

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. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net position reports information on all of the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them 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. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). 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 governmental activities of the Village include general government, community and economic development, public works, and public safety. The business-type activities of the Village include water, sewer, and garbage collection.

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and 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, unlike the government-wide financial statements, 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 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 this comparison between governmental funds and governmental activities.

The Village maintains nine 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, Tax Incremental Financing #1 Fund, Tax Incremental Financing #2 Fund, Motor Fuel Tax Fund, and Capital Projects #2 Fund, all of which are considered to be major funds. Data from the other four governmental funds are aggregated into a single presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Proprietary Funds

The Village maintains two enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sewer, and garbage collections.

Proprietary funds 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 and Sewer Fund and Garbage Fund, both of which are considered to be major funds of the Village.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. 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 method of accounting used for fiduciary funds is similar to that used by 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.

Required Supplementary Information, Supplementary Information and Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's other postemployment benefit liability and IMRF, police and fire pension liabilities. The required supplementary information also contains the budgetary comparison schedules for the General Fund and major special revenue funds. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Other information consists of the schedule of valuations, rates and extensions for tax levies.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $19,281,632 at April 30, 2025.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	(Restated) 2024	2025	2024	2025	(Restated) 2024
Current and other assets	$ 16,568,080	$ 14,599,227	$ 3,528,018	$ 2,008,464	$ 20,096,098	$ 16,607,691
Capital assets, net	4,858,866	4,615,279	1,551,258	1,336,110	6,410,124	5,951,389
Total Assets	21,426,946	19,214,506	5,079,276	3,344,574	26,506,222	22,559,080
Deferred outflows	846,268	1,487,153	25,017	-	871,285	1,487,153
Total Assets and Deferred Outflows	22,273,214	20,701,659	5,104,293	3,344,574	27,377,507	24,046,233
Current liabilities	4,081,091	5,280,930	(1,414,024)	(3,070,291)	2,667,067	2,210,639
Long-term liabilities	2,771,443	3,328,420	40,311	-	2,811,754	3,328,420
Total Liabilities	6,852,534	8,609,350	(1,373,713)	(3,070,291)	5,478,821	5,539,059
Deferred inflows	2,606,720	2,882,079	10,334	-	2,617,054	2,882,079
Total Liabilities and Deferred Inflows	9,459,254	11,491,429	(1,363,379)	(3,070,291)	8,095,875	8,421,138
Net Position						
Net investment in capital assets	4,386,482	4,254,706	1,373,930	1,336,110	5,760,412	5,590,816
Restricted	2,875,287	3,384,570	-	-	2,875,287	3,384,570
Unrestricted	5,552,191	1,570,954	5,093,742	5,078,755	10,645,933	6,649,709
Total Net Position	$ 12,813,960	$ 9,210,230	$ 6,467,672	$ 6,414,865	$ 19,281,632	$ 15,625,095

A portion of the Village's net position, $5,760,412 reflects its investment in capital assets (for example, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, $2,875,287, of the Village's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for highway and streets of $892,413, economic development of $1,981,140, and employee benefits of $1,734. The remaining net position is reported as unrestricted net position of $10,645,933. Unrestricted net position represents amounts that may be used to meet the government's ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	(Restated) 2024	2025	2024	2025	(Restated) 2024
Revenues						
Program Revenues						
Charges for services	$ 1,846,545	$ 1,780,008	$ 2,209,466	$ 2,373,879	$ 4,056,011	$ 4,153,887
Operating grants/contrib.	1,490,569	272,044	-	-	1,490,569	272,044
Capital grants/contrib.	4,451	432,853	-	-	4,451	432,853
General Revenues						
Property taxes	3,676,201	3,196,269	3,559	3,129	3,679,760	3,199,398
Intergovernmental	3,617,457	3,571,550	-	-	3,617,457	3,571,550
Other	2,163,970	333,754	-	-	2,163,970	333,754
Total Revenues	12,799,193	9,586,478	2,213,025	2,377,008	15,012,218	11,963,486
Expenses						
General government	3,824,359	3,398,068	-	-	3,824,359	3,398,068
Public safety	3,916,826	3,948,625	-	-	3,916,826	3,948,625
Highways and streets	1,491,778	737,451	-	-	1,491,778	737,451
Interest on long-term debt and fiscal charges	47,972	30,242	-	-	47,972	30,242
Water and sewer	-	-	1,664,028	1,399,483	1,664,028	1,399,483
Garbage	-	-	410,718	390,454	410,718	390,454
Total Expenses	9,280,935	8,114,386	2,074,746	1,789,937	11,355,681	9,904,323
Increase in net position before transfers	3,518,258	1,472,092	138,279	587,071	3,656,537	2,059,163
Transfers	85,472	-	(85,472)	-	-	-
Change in net position	3,603,730	1,472,092	52,807	587,071	3,656,537	2,059,163
Net position-beginning	9,210,230	7,738,138	6,414,865	5,827,794	15,625,095	13,565,932
Net position-ending	$12,813,960	$ 9,210,230	$ 6,467,672	$ 6,414,865	$19,281,632	$15,625,095

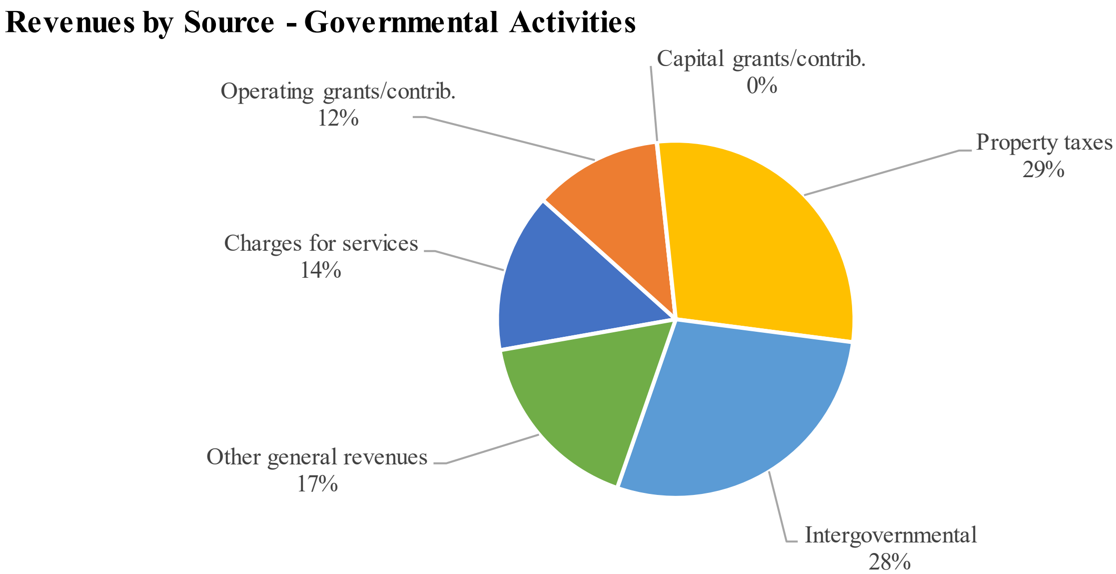
Net position of the Village's governmental activities increased from the prior year restated amount of $9,210,230 to $12,813,960 in 2025. Net position of business-type activities increased from the prior year of $6,414,865 to $6,467,672 in 2025.

Governmental Activities

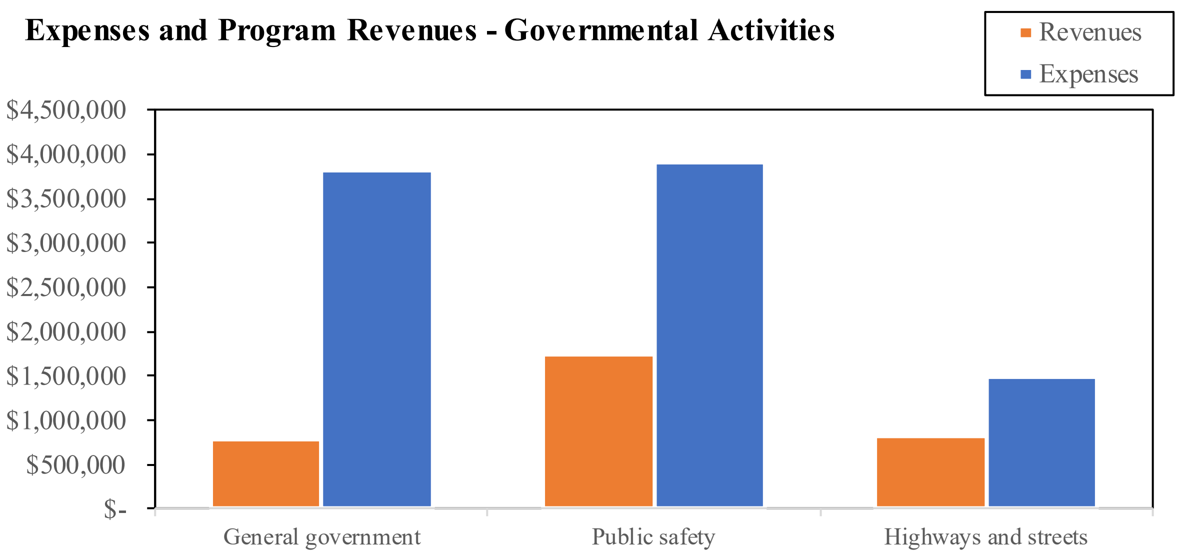
Revenues for governmental activities totaled $12,799,193, while the cost of all governmental functions totaled $9,280,935. This resulted in a surplus of $3,518,258. Governmental revenues increased by 34 percent while expenses increased by 14 percent. The increase in governmental revenues was primarily related to an increase in other revenues due to a sale of Village property during the year. The increase in expenses was primarily related to increases in highway and streets expenses of $750,429 and an increase in general government expenses of $415,506.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes and intergovernmental taxes (sales, income, other intergovernmental) to fund governmental activities.



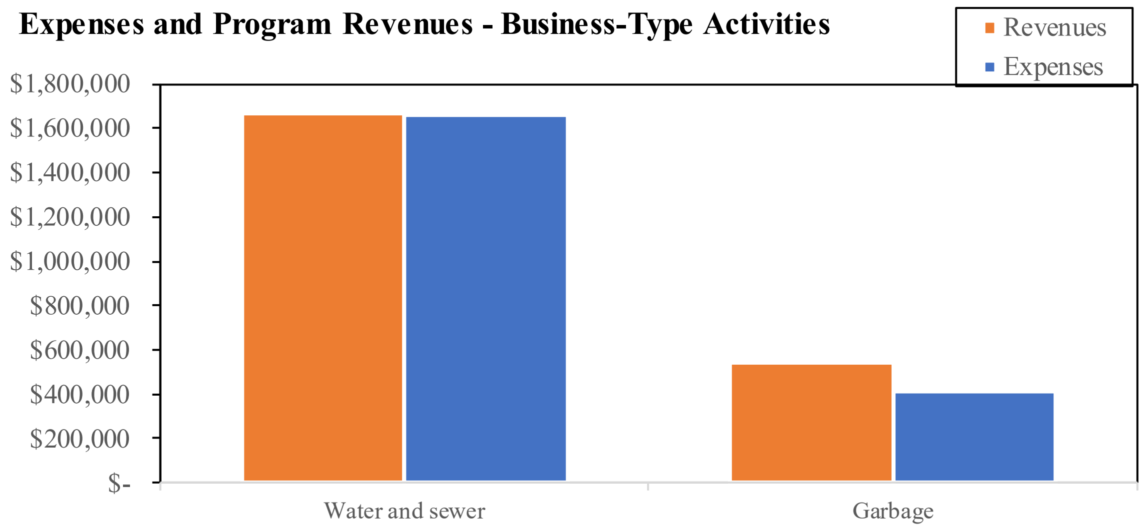
The following table summarizes the revenue and expenses of the governmental activities and identifies those governmental functions where program expenses greatly exceed revenues. Interest on long-term debt and fiscal charges was excluded from the table below due to minimal activity.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities

Business-type activities reported total revenues of $2,213,025, while the cost of all business-type activities totaled $2,074,746. The business-type activities net position increased by $138,279 in the current year. The primary contributing factor to the surplus took place within the Garbage Fund, where revenue exceeded expenses by $133,998.



The above table compares program revenues to expenses for business-type operations.

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, unrestricted 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 combined ending fund balances of $11,973,202 which is an increase of $3,668,288 from last year's restated total of $8,304,914. At April 30, 2025, the total unassigned fund balance for the governmental funds is a surplus of $3,535,463.

The General Fund reported an increase in fund balance for the year of $5,585,630. The fund balance increase was largely due to increases in transfers in and sale of Village property. Transfers in increased due to transfers from TIF #1 and TIF #2 to pay for administrative fees of prior fiscal years. Sale of Village assets increase primarily due to the sale of the Kedzie Mall Shopping Plaza during the year.

The Tax Incremental Financing #1 Fund is reported as a major special fund of the Village and accounts for the revenues and expenditures related to the Tax Incremental Financing #1 Fund. During the fiscal year, the Tax Incremental Financing #1 Fund reported a decrease for the year of $1,839,409, resulting in an ending fund balance of $3,069,471. The decrease was primarily related to transfers to the General Fund related to administrative fees from prior fiscal years.

The Tax Incremental Financing #2 Fund is reported as a major special fund of the Village and accounts for the revenues and expenditures related to the Tax Incremental Financing #2 Fund. During the fiscal year, the Tax Incremental Financing #2 Fund reported a decrease for the year of $1,400,855, resulting in a deficit ending fund balance of $814,743. The decrease was primarily related to transfers to the General Fund related to administrative fees from prior fiscal years.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

The Motor Fuel Tax Fund is reported as a major special revenue fund and reports the Village's receipt and expenditures related to the Motor Fuel Tax Fund. During the fiscal year, the Motor Fuel Tax Fund reported an increase to total fund balance of $169,938, resulting in an ending fund balance of $2,468,247.

The Capital Projects #2 Fund is reported as a major capital projects fund and reports the Village's receipt and expenditures of grants and other revenues for capital purposes. During the fiscal year, the Capital Projects #2 Fund reported an increase to total fund balance of $157,457, resulting in a deficit ending fund balance of $260,516. The increase was related to an increase in grant funding of $939,895.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide financial statements, reporting both short-term and long-term information about financial status. The Village's proprietary funds include the Water and Sewer and Garbage Funds. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing, and collection.

The Water and Sewer Fund and Garbage Fund reported increases in net position for the year of $4,281 and $48,526, respectively. The Water and Sewer Fund's operating results decreased by $412,709 from the prior year primarily due to decreased operating charges for services of $143,049 and increases in water purchase costs, depreciation expense, salaries and benefits, contractual services, and interest expense. The Garbage Fund's increase in net position decreased by $121,555 from the prior year primarily due to transfers out recorded during the year and a decrease in refuse pickup charges of $16,249.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village made no amendments to the General Fund budget in 2025. Actual revenues reported in the General Fund exceeded the budget by $1,771,509, with favorable variances of $488,035 related to property taxes, $299,484 related to charges for services, $277,987 related to fines and forfeitures and $1,492,785 related to miscellaneous revenue. Property taxes exceeded the budget primarily due to better-than-expected collection rates. Charges for services exceeded the budget primarily due to increased towing revenues and ambulance billing activity during the year. Miscellaenous revenue exceeded the budget primarily due to the sale of the Kedzie Mall Shopping Plaza. These favorable variances were partially offset by grant revenues falling short of budget by $961,047 primarily due to grant activity and reimbursements occurring below anticipated levels during the year.

On the expenditure side, General Fund expenditures were $6,548,930 versus the original and final budget of $4,817,882 for a total of $1,731,048 in excess of budgeted expenditures. The expenditure variance was largely related to public safety expenditures exceeding the budget by $584,338. These over-budgeted expenditures were primarily due to salaries and benefits and other operating costs in the police and fire departments.

**CONDENSED SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL, YEAR ENDED APRIL 30, 2025**

Fund	Budget	Actual	Actual to Budget Variance
General Fund			
Revenues	$ 7,368,250	$ 9,139,759	$ 1,771,509
Expenditures	4,817,882	6,548,930	1,731,048
Excess	2,550,368	2,590,829	40,461
Other financing sources (uses)			
Installment loans	-	432,214	432,214
Transfers in	-	3,588,223	3,588,223
Transfers out	-	(1,025,636)	(1,025,636)
Net change in fund balance	$ 2,550,368	$ 5,585,630	$ 3,035,262

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2025, was $6,410,124 (net of accumulated depreciation and amortization). This investment in capital assets includes land, infrastructure, buildings, and equipment, lease assets, etc.

	Capital Assets - Net of Depreciation and Amortization					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 197,018	$ 197,018	$ -	$ -	$ 197,018	$ 197,018
Construction in progress	6,993	-	-	-	6,993	-
Infrastructure	3,119,339	3,220,282	1,291,414	1,314,380	4,410,753	4,534,662
Buildings and improvements	429,072	433,169	11,472	12,619	440,544	445,788
Furniture, machinery and equip.	360,764	185,313	-	-	360,764	185,313
Vehicles and equipment	730,421	545,566	248,372	9,111	978,793	554,677
Equipment - lease assets	15,259	33,931	-	-	15,259	33,931
Total	$4,858,866	$4,615,279	$1,551,258	$1,336,110	$6,410,124	$5,951,389

This year's additions included the following:

Governmental Activities	$ 629,931
Business-type Activities	280,850
Total	$ 910,781

The Village also recognized depreciation and amortization expense of $393,337 and $65,702 for governmental activities and business-type activities, respectively.

Debt Administration

Outstanding general obligation debt, installment loans and lease liability as of April 30, 2025, is as follows:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ -	$ 175,000	$ -	$ -	$ -	$ 175,000
Lease liability	15,481	34,241	-	-	15,481	34,241
Installment loans	456,903	151,332	177,328	-	634,231	151,332
Total	$ 472,384	$ 360,573	$ 177,328	$ -	$ 649,712	$ 360,573

Economic Factors Bearing on the Village's Future

The Village intends to continue to closely monitor expenditures and allocate resources to areas that best meet the needs of its citizenry. The Village will continue to actively seek out grants and all other available revenue sources.

Request for Information

This financial report is designed to provide a general overview of the Village's finances, comply with finance related laws and regulations, provide transparency to the public, and demonstrate the Village's commitment for financial accountability. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Finance Office, Village of Posen, 2440 West Walter Zimny Drive, Posen, Illinois 60469.

BASIC FINANCIAL STATEMENTS

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 14,497,120	$ 3,144,937	$ 17,642,057
Receivables - net of allowances	1,895,665	383,081	2,278,746
Prepaids	175,295	-	175,295
Capital assets not being depreciated	204,011	-	204,011
Capital assets, net of accumulated depreciation and amortization	4,654,855	1,551,258	6,206,113
Total Assets	21,426,946	5,079,276	26,506,222
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	846,268	25,017	871,285
Total Deferred Outflows of Resources	846,268	25,017	871,285
Total Assets and Deferred Outflows of Resources	$ 22,273,214	$ 5,104,293	$ 27,377,507
LIABILITIES			
Accounts payable and other accrued expenses	$ 1,344,691	$ 150,505	$ 1,495,196
Accrued salaries and related expenses	34,836	4,126	38,962
Due to fiduciary funds	6,646	-	6,646
Deposits payable	275,412	-	275,412
Accrued interest payable	597	-	597
Internal balances	1,716,269	(1,716,269)	-
Unearned revenues	318,196	-	318,196
Noncurrent liabilities			
Due within one year	384,444	147,614	532,058
Due in more than one year	2,771,443	40,311	2,811,754
Total Liabilities	6,852,534	(1,373,713)	5,478,821
DEFERRED INFLOWS OF RESOURCES			
Property taxes	747,440	-	747,440
Lease	54,545	-	54,545
Pension related	1,804,735	10,334	1,815,069
Total Deferred Inflows of Resources	2,606,720	10,334	2,617,054
NET POSITION			
Net investment in capital assets	4,386,482	1,373,930	5,760,412
Restricted for			
Economic development	1,981,140	-	1,981,140
Employee benefits	1,734	-	1,734
Highway and streets	892,413	-	892,413
Unrestricted	5,552,191	5,093,742	10,645,933
Total Net Position	12,813,960	6,467,672	19,281,632
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 22,273,214	$ 5,104,293	$ 27,377,507

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2025

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	$ 3,824,359	$ 519,604	$ 255,350	$ 4,451
Public safety	3,916,826	1,325,541	422,108	-
Highway and streets	1,491,778	1,400	813,111	-
Interest on long-term debt and fiscal charges	47,972	-	-	-
Total governmental activities	9,280,935	1,846,545	1,490,569	4,451
Business-type activities				
Water and sewer	1,664,028	1,668,309	-	-
Garbage	410,718	541,157	-	-
Total business-type activities	2,074,746	2,209,466	-	-
Total Primary Government	$ 11,355,681	$ 4,056,011	$ 1,490,569	$ 4,451

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Functions/Programs	Governmental Activities	Business-type Activities	Total
Primary Government			
Governmental activities			
General government	$ (3,044,954)	$ -	$ (3,044,954)
Public safety	(2,169,177)	-	(2,169,177)
Highway and streets	(677,267)	-	(677,267)
Interest on long-term debt and fiscal charges	(47,972)	-	(47,972)
Total governmental activities	(5,939,370)	-	(5,939,370)
Business-type activities			
Water and sewer	-	4,281	4,281
Garbage	-	130,439	130,439
Total business-type activities	-	134,720	134,720
Total Primary Government	(5,939,370)	134,720	(5,804,650)
General Revenues			
Property taxes	3,676,201	3,559	3,679,760
Intergovernmental			
Income tax	939,793	-	939,793
Utility tax	204,202	-	204,202
Sales tax	881,937	-	881,937
Other	1,591,525	-	1,591,525
Interest income	180,885	-	180,885
Miscellaneous	1,983,085	-	1,983,085
Transfers	85,472	(85,472)	-
Total	9,543,100	(81,913)	9,461,187
Change in net position	3,603,730	52,807	3,656,537
Net position at beginning of year, as previously reported	9,284,112	6,414,865	15,698,977
Restatement	(73,882)	-	(73,882)
Net position at beginning of year, as restated	9,210,230	6,414,865	15,625,095
Net position at end of year	$ 12,813,960	$ 6,467,672	$ 19,281,632

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

VILLAGE OF POSEN, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2025

	General	Tax Incremental Financing #1	Tax Incremental Financing #2	Motor Fuel Tax
ASSETS				
Cash and investments	$ 9,061,217	$ 2,943,172	$ 1,009,973	$ 869,888
Receivables				
Property taxes - net of allowances	695,546	182,737	16,227	-
Grants	-	-	-	
Intergovernmental	570,298	-	-	40,829
Lease	55,358	-	-	-
Other	132,937	-	-	-
Due from other funds	2,379,669	1,088,331	-	1,702,392
Prepaids	175,295	-	-	-
Total Assets	$ 13,070,320	$ 4,214,240	$ 1,026,200	$ 2,613,109
LIABILITIES				
Accounts payable	$ 102,804	$ 1,144,769	$ -	$ 2,292
Accrued salaries and related expenditures	32,986	-	-	-
Due to other funds	4,282,572	-	1,840,943	142,570
Due to fiduciary funds	6,646	-	-	-
Deposits payable	275,412	-	-	-
Unearned revenues	318,196	-	-	-
Total Liabilities	5,018,616	1,144,769	1,840,943	144,862
DEFERRED INFLOWS OF RESOURCES				
Property taxes	662,879	-	-	-
Grants	-	-	-	-
Lease	54,545	-	-	-
Total Deferred Inflows of Resources	717,424	-	-	-
FUND BALANCES				
Nonspendable				
Prepaids	175,295	-	-	-
Interfund loans	2,379,669	1,088,331	-	1,702,392
Restricted				
Economic development	-	1,981,140	-	-
Employee benefits	-	-	-	-
Highways and streets	-	-	-	765,855
Unassigned	4,779,316	-	(814,743)	-
Total Fund Balances (Deficits)	7,334,280	3,069,471	(814,743)	2,468,247
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 13,070,320	$ 4,214,240	$ 1,026,200	$ 2,613,109

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

VILLAGE OF POSEN, ILLINOIS
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
APRIL 30, 2025

	Capital Projects #2	Nonmajor Governmental Funds	Total
ASSETS			
Cash and investments	$ 480,300	$ 132,570	$ 14,497,120
Receivables			
Property taxes - net of allowances	-	89,971	984,481
Grants	97,148	-	97,148
Intergovernmental	-	14,614	625,741
Lease	-	-	55,358
Other	-	-	132,937
Due from other funds	142,570	74,195	5,387,157
Prepaids	-	-	175,295
Total Assets	$ 720,018	$ 311,350	$ 21,955,237
LIABILITIES			
Accounts payable	$ 94,826	$ -	$ 1,344,691
Accrued salaries and related expenditures	-	1,850	34,836
Due to other funds	788,865	48,476	7,103,426
Due to fiduciary funds	-	-	6,646
Deposits payable	-	-	275,412
Unearned revenues	-	-	318,196
Total Liabilities	883,691	50,326	9,083,207
DEFERRED INFLOWS OF RESOURCES			
Property taxes	-	84,561	747,440
Grants	96,843	-	96,843
Lease	-	-	54,545
Total Deferred Inflows of Resources	96,843	84,561	898,828
FUND BALANCES			
Nonspendable			
Prepaids	-	-	175,295
Interfund loans	142,570	74,195	5,387,157
Restricted			
Economic development	-	-	1,981,140
Employee benefits	-	1,734	1,734
Highways and streets	-	126,558	892,413
Unassigned	(403,086)	(26,024)	3,535,463
Total Fund Balances (Deficits)	(260,516)	176,463	11,973,202
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 720,018	$ 311,350	$ 21,955,237

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

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VILLAGE OF POSEN, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2025

Total fund balances of governmental funds	$ 11,973,202
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.	4,858,866
Some of the Village's governmental revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and are therefore not recognized in the governmental funds.	96,843
Deferred outflows (inflows) of resources related to pensions are not reported in the governmental funds:	
Deferred items - IMRF	14,108
Deferred items - Police pension	(975,964)
Deferred items - Firefighters' pension	3,389
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Lease liability	(15,481)
Installment loans payable	(456,903)
Compensated absences payable	(185,012)
Interest on long-term liabilities is not accrued in the governmental funds, but is recognized as an expenditure when due:	
Accrued interest payable	(597)
Net pension liabilities and other postemployment benefits liability are not due and payable in the current period and are therefore not reported in the governmental funds:	
Net pension liability - IMRF	(3,250)
Net pension liability - Police pension	(820,305)
Net pension liability - Firefighters' pension	(1,209,704)
Total other postemployment benefits liability	(465,232)
Net position of governmental activities	$ 12,813,960

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2025

	General	Tax Incremental Financing #1	Tax Incremental Financing #2	Motor Fuel Tax
REVENUES				
Property taxes	$ 1,195,035	$ 1,747,698	$ 439,933	$ -
Intergovernmental	3,510,053	-	-	255,350
Grants	426,559	-	-	-
Licenses and permits	242,333	-	-	-
Charges for services	1,173,534	-	-	-
Fines and forfeitures	429,278	-	-	-
Interest	180,182	548	155	-
Other	1,982,785	-	-	-
Total Revenues	9,139,759	1,748,246	440,088	255,350
EXPENDITURES				
Current				
General government	1,861,005	1,601,066	97,407	-
Public safety	3,822,404	-	-	-
Highways and streets	186,908	-	-	85,412
Capital outlay	495,022	141,902	-	-
Debt service				
Principal retirement	141,505	-	-	-
Interest and fiscal charges	42,086	-	-	-
Total Expenditures	6,548,930	1,742,968	97,407	85,412
Excess (deficiency) of revenues over (under) expenditures	2,590,829	5,278	342,681	169,938
OTHER FINANCING SOURCES (USES)				
Installment loans	432,214	-	-	-
Transfers in	3,588,223	-	-	-
Transfers out	(1,025,636)	(1,844,687)	(1,743,536)	-
Total Other Financing Sources (Uses)	2,994,801	(1,844,687)	(1,743,536)	-
Net change in fund balances	5,585,630	(1,839,409)	(1,400,855)	169,938
Fund balances (deficits) at beginning of year, as previously reported	1,748,650	4,982,762	-	-
Adjustments and restatement	-	(73,882)	586,112	2,298,309
Fund balances (deficits) at beginning of year, as adjusted and restated	1,748,650	4,908,880	586,112	2,298,309
Fund balances (deficits) at end of year	$ 7,334,280	$ 3,069,471	$ (814,743)	$ 2,468,247

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

	Capital Projects #2	Nonmajor Governmental Funds	Total
REVENUES			
Property taxes	$ -	$ 293,535	$ 3,676,201
Intergovernmental	-	107,404	3,872,807
Grants	1,051,938	5,000	1,483,497
Licenses and permits	-	-	242,333
Charges for services	-	1,400	1,174,934
Fines and forfeitures	-	-	429,278
Interest	-	-	180,885
Other	-	300	1,983,085
Total Revenues	1,051,938	407,639	13,043,020
EXPENDITURES			
Current			
General government	-	157,911	3,717,389
Public safety	-	-	3,822,404
Highways and streets	894,481	176,866	1,343,667
Capital outlay	-	-	636,924
Debt service			
Principal retirement	-	178,898	320,403
Interest and fiscal charges	-	9,545	51,631
Total Expenditures	894,481	523,220	9,892,418
Excess (deficiency) of revenues over (under) expenditures	157,457	(115,581)	3,150,602
OTHER FINANCING SOURCES (USES)			
Installment loans	-	-	432,214
Transfers in	-	1,128,029	4,716,252
Transfers out	-	(16,921)	(4,630,780)
Total Other Financing Sources (Uses)	-	1,111,108	517,686
Net change in fund balances	157,457	995,527	3,668,288
Fund balances (deficits) at beginning of year, as previously reported	(417,973)	2,065,357	8,378,796
Adjustments and restatement	-	(2,884,421)	(73,882)
Fund balances (deficits) at beginning of year, as adjusted and restated	(417,973)	(819,064)	8,304,914
Fund balances (deficits) at end of year	$ (260,516)	$ 176,463	$ 11,973,202

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

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VILLAGE OF POSEN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2025

Net change in fund balances - total governmental funds	$ 3,668,288
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 these assets are allocated over their estimated useful lives and reported as depreciation and amortization expense:	
Capital outlay reported in governmental funds	636,924
Depreciation and amortization expense reported in the statement of activities	(393,337)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds. This is the amount by which unavailable revenues changed from the prior year.	(243,827)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of the governmental funds:	
Issuance of installment loans	(432,214)
Principal payments	320,403
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures of the governmental funds:	
Change in compensated absences	(83,574)
Change in net pension liability - IMRF	33,076
Change in net pension liability - Police pension	862,918
Change in net pension liability - Firefighters' pension	(96,962)
Change in deferred outflows and inflows - IMRF	(62,665)
Change in deferred outflows and inflows - Police pension	(543,821)
Change in deferred outflows and inflows - Firefighters' pension	1,684
Change in total other postemployment benefits liability	(66,822)
Change in accrued interest	3,659
Change in net position of governmental activities	$ 3,603,730

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2025

	Water and Sewer	Garbage	Total
ASSETS			
Current assets			
Cash and investments	$ 867,901	$ 2,277,036	$ 3,144,937
Accounts receivable - net of allowances	296,732	84,561	381,293
Property taxes receivable - net of allowances	-	1,788	1,788
Total current assets	1,164,633	2,363,385	3,528,018
Noncurrent assets			
Due from other funds	1,716,269	-	1,716,269
Capital assets			
Depreciable	3,086,928	-	3,086,928
Less: accumulated depreciation	(1,535,670)	-	(1,535,670)
Capital assets, net	1,551,258	-	1,551,258
Total noncurrent assets	3,267,527	-	3,267,527
Total Assets	4,432,160	2,363,385	6,795,545
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	25,017	-	25,017
Total Deferred Outflows or Resources	25,017	-	25,017
Total Assets and Deferred Outflows of Resources	$ 4,457,177	$ 2,363,385	$ 6,820,562

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
APRIL 30, 2025

	Water and Sewer	Garbage	Total
LIABILITIES			
Current Liabilities			
Accounts payable	$ 80,023	$ 70,482	$ 150,505
Accrued salaries	4,126	-	4,126
Current portion of long-term liabilities	140,402	-	140,402
Compensated absences	7,212	-	7,212
Noncurrent Liabilities			
Installment loans	36,926	-	36,926
Net pension liability	3,385	-	3,385
Total Liabilities	272,074	70,482	342,556
DEFERRED INFLOWS OF RESOURCES			
Pension related	10,334	-	10,334
Total Deferred Inflows of Resources	10,334	-	10,334
NET POSITION			
Net investment in capital assets	1,373,930	-	1,373,930
Unrestricted	2,800,839	2,292,903	5,093,742
Total Net Position	4,174,769	2,292,903	6,467,672
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 4,457,177	$ 2,363,385	$ 6,820,562

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2025

	Water and Sewer	Garbage	Total
OPERATING REVENUES			
Charges for services	$ 1,584,366	$ 541,157	$ 2,125,523
Miscellaneous	83,943	-	83,943
Total Operating Revenues	1,668,309	541,157	2,209,466
OPERATING EXPENSES			
Operations	1,588,973	410,718	1,999,691
Depreciation	65,702	-	65,702
Total Operating Expenses	1,654,675	410,718	2,065,393
Operating income	13,634	130,439	144,073
NON-OPERATING REVENUE (EXPENSES)			
Property taxes	-	3,559	3,559
Interest expense	(9,353)	-	(9,353)
Total Non-Operating Revenue (Expenses)	(9,353)	3,559	(5,794)
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(85,472)	(85,472)
Total Other Financing Sources (Uses)	-	(85,472)	(85,472)
Change in net position	4,281	48,526	52,807
Net position at beginning of year	4,170,488	2,244,377	6,414,865
Net position at end of year	$ 4,174,769	$ 2,292,903	$ 6,467,672

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2025

	Water and Sewer	Garbage	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,675,326	$ 538,134	$ 2,213,460
Payments to suppliers	(1,176,708)	(373,433)	(1,550,141)
Payments to employees	(422,622)	-	(422,622)
Net Cash from Operating Activities	75,996	164,701	240,697
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts on interfund loans	12,242	1,769,579	1,781,821
Repayment of interfund loans	(301,297)	(2,885)	(304,182)
Property taxes	-	3,338	3,338
Transfers to other funds	-	(85,472)	(85,472)
Net Cash from Noncapital Financing Activities	(289,055)	1,684,560	1,395,505
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	(103,522)	-	(103,522)
Interest paid on capital debt	(9,353)	-	(9,353)
Net Cash from Capital and Related Financing Activities	(112,875)	-	(112,875)
Change in cash and cash equivalents	(325,934)	1,849,261	1,523,327
Cash and cash equivalents at Beginning of year	1,193,835	427,775	1,621,610
End of year	$ 867,901	$ 2,277,036	$ 3,144,937
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating income	$ 13,634	$ 130,439	$ 144,073
Adjustment to reconcile operating income to net cash from operating activities			
Depreciation	65,702	-	65,702
Changes in assets and liabilities			
Change in customer accounts receivables	7,016	(3,023)	3,993
Change in accounts payable	(11,383)	37,285	25,902
Change in accrued salaries	1,027	-	1,027
Net Cash from Operating Activities	$ 75,996	$ 164,701	$ 240,697
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets acquired via lease	$ 280,850	$ -	$ 280,850

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
APRIL 30, 2025

	Pension Trust Funds
ASSETS	
Cash	$ 1,599,628
Investments, at fair value	
Investments in IFPIF	41,143
Investments in IPOPIF	5,634,263
Accrued interest	97
Due from municipality	6,646
Total Assets	$ 7,281,777
LIABILITIES	
Insurance payable	$ 739
Total Liabilities	739
NET POSITION	
Net position restricted for pensions	7,281,038
Total Net Position	7,281,038
Total Liabilities and Net Position	$ 7,281,777

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

VILLAGE OF POSEN, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2025

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	$ 467,498
Plan members	111,976
Total contributions	579,474
Investment income	
Net appreciation in fair value of investments	474,707
Interest	60,040
Investment expense	(3,781)
Net investment income	530,966
Total Additions	1,110,440
DEDUCTIONS	
Pension benefits and refunds	356,179
Administrative expenses	1,381
Total Deductions	357,560
Net increase in net position	752,880
Net position restricted for pensions at beginning of year	6,528,158
Net position restricted for pensions at end of year	$ 7,281,038

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Posen, Illinois (the Village) is a home-rule municipality incorporated in 1900. The Village is located in Cook County approximately 19 miles south of downtown Chicago and covers an area of approximately 1.17 square miles. The Village elects a Mayor and six trustees at large. The Mayor serves a four-year term and the trustees serve four year overlapping terms. Services provided by the Village include police protection, fire protection, public improvements, water and sewer services, refuse collection and general administrative services.

The Village is a home unit under the Home Rule provisions of the Illinois Complied Statues (ILCS).

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

A. REPORTING ENTITY

The accompanying financial statements present the financial information of the Village (the primary government) and its component units. The financial information of the following component units are included in the Village's basic financial statements because of the significance of their operational or financial relationships with the Village.

<u>Police Pension Fund</u>

The Village's police employees participate in the Police Pension Fund (PPF), a fiduciary component unit of the Village. The PPF functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, 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 PPF 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 PPF is reported as if it were part of the Village's reporting entity because its sole purpose is to provide retirement benefits for the Village's police employees. The PPF is reported as a pension trust fund. The PPF does not issue separate financial statements.

<u>Firefighters' Pension Fund</u>

The Village's firefighters participate in the Firefighters' Pension Fund (FPF). The FPF functions for the benefit of these employees and is governed by a three-member pension board. Two members appointed by the Village Mayor and one elected pension beneficiary constitute the pension board. The Village and FPF participants are obligated to fund all FPF 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 FPF is reported as if it were part of the Village's reporting entity because its sole purpose is to provide retirement benefits for the Village's firefighters. The FPF is reported as a pension trust fund. The FPF does not issue separate financial statements.

<u>Government-Wide Financial Statements</u>

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). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type, with the exception of fiduciary activities. The Village's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water and sewer and garbage collections are classified as business-type activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION

Government-Wide Financial 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 basis of accounting, economic resources measurement basis, which recognizes all assets and deferred outflows of resources as well as liabilities and deferred inflows of resources.

The government-wide statement of activities reports both the gross and net cost of each of the Village's functions (general government, public safety, and highways and streets) and business-type activities. The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits 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 or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, 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 comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or 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 proprietary categories. Nonmajor funds by category are summarized into a single column.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The Village utilizes pension trust funds to account for assets held in a fiduciary capacity restricted for pensions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. 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 Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those accounted for in another fund.

The Tax Incremental Financing #1 Fund (TIF #1 Fund) is used to account for the monies generated for and by the Village's tax incremental finance district and related usages within the TIF #1 district.

The Tax Incremental Financing #2 Fund (TIF #2 Fund) is used to account for the monies generated for and by the Village's tax incremental finance district and related usages within the TIF #2 district.

The Motor Fuel Tax Fund accounts for motor fuel allotments from the State and the spending of these funds on street improvements in the Village.

The Capital Projects #2 Fund is used to account for grants and other monies for capital improvements throughout the Village. The Village elected to report this fund as a major fund.

The Village reports the following major proprietary funds:

The Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the Village.

The Garbage Fund accounts for the provision of garbage collection services to the residents of the Village.

The Village reports pension trust funds to account for assets held in trust, restricted for pensions. The PPF accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. The FPF accounts for the accumulation of resources to be used for disability and retirement payments to employees covered by the plan. Since by definition these assets of the fiduciary funds 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, these funds are not incorporated into the government-wide statements.

C. 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. 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 of resources, liabilities, and deferred inflows of resources are generally included on the governmental balance sheets. The governmental funds 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

All proprietary and fiduciary 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, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary and fiduciary 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 is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 soon enough thereafter to pay liabilities of the current period. The Village considers collections within sixty days of year-end to be available. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, 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.

All proprietary and fiduciary 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 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 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.

D. CASH AND INVESTMENTS

Cash and cash equivalents on the statement of net position are considered to be cash on hand, demand deposits, and cash 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 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. Investments in the Illinois Police Officers Pension Investment Fund (IPOPIF) and the Illinois Firefighters' Pension Investment Fund (IFPIF) are measured at the net asset value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation tables available at www.ipopif.org and www.ifpif.org.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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.

F. 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 utility charges as their major receivables.

G. PREPAIDS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

H. CAPITAL ASSETS

Capital assets are reported at 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 expensed as incurred.

The following capitalization thresholds and estimated useful lives are used to report capital assets and compute depreciation and amortization on a straight-line basis:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Land	$ 1	N/A
Land improvements	10,000	N/A
Site improvements	20,000	3 - 50 years
Buildings	20,000	10 - 50 years
Building improvements	10,000	10 - 50 years
Equipment	10,000	3 - 10 years
Software	5,000	2 - 7 years
Infrastructure	100,000	10 - 75 years
Lease assets - equipment	10,000	3 - 10 years

I. COMPENSATED ABSENCES

The Village accrues accumulated unpaid vacation, personal time and comp time costs when earned (or estimated to be earned) by the employee. Sick pay is not paid out upon retirement or termination and thus is not accrued. The liability for compensated absences is calculated under the provisions of GASB Statement No. 101, *Compensated Absences*, which was adopted this fiscal year. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts are reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. LONG-TERM LIABILITIES

In the government-wide and proprietary fund financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Premiums and discounts are amortized over the life of the related debt using the effective interest method. Debt is reported net of the applicable premium or discount. Debt issuance costs are reported as expenses at the time of issuance.

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

K. LEASES

Lessee

At the commencement of a lease, the Village measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made, less any lease incentives received, at or before commencement of the lease term, plus initial direct costs that are ancillary charges necessary to place the lease asset into service. The lease assets are generally amortized on a straight-line basis over the shorter of the lease term or the asset's useful life.

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

Lessor

Lease receivables are measured at the present value of lease payments expected to be received during the lease term. Variable lease payments are recorded as an inflow of resources in the period to which those payments relate. A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial measurement of the lease receivable. The deferred inflow of resources is recognized on a straight-line basis over the term of the lease.

L. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

M. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF), Police Pension, and Firefighters' Pension and additions to/deductions from the pensions' fiduciary net position have been determined on the same basis as they are reported by IMRF and pension trust funds. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value and net asset value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. FUND BALANCE AND NET POSITION

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

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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 legislation.

Unrestricted – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted net position is available for use, it is the Village's policy to use externally restricted resources first.

In the governmental funds, the components of fund balance include the following line items:

Nonspendable – Consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – Consists of externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation.

Committed – Consists of a self-imposed limitation set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level. For the Village, the Village Mayor and Board of Trustees are the highest level of decision making, and formal resolutions by the Board of the Trustees would be required to establish, modify or rescind a fund balance commitment.

Assigned – Consists of limitations resulting from intended use, where the intended use is established by the Village Mayor and Board of Trustees. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither classified as restricted or committed.

Unassigned – Consists of the total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance. This also includes any negative fund balance in other funds.

It is the Village's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e., committed, assigned, or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Village first utilizes any restricted amounts followed by unrestricted amounts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. ADOPTION OF NEW ACCOUNTING STANDARDS

As of May 1, 2024, the village adopted GASB Statement No. 100, *Accounting Changes and Error Corrections.* The implementation of this standard requires additional presentation and disclosure for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the error corrections and accounting changes in the financial statements for the year ended April 30, 2025.

As of May 1, 2024, the Village adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard is reflected in the government-wide and proprietary financial statements for the year ended April 30, 2025.

NOTE 2. DEPOSITS AND INVESTMENTS

Village Deposits

Cash and investments as of April 30, 2025 was comprised of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand	$ 1,520	$ -	$ 1,520
Deposits with financial institutions	10,500,440	3,144,937	13,645,377
Illinois Funds	3,995,160	-	3,995,160
Total cash and investments	$ 14,497,120	$ 3,144,937	$ 17,642,057

Custodial Credit Risk – Deposits – 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. As of April 30, 2025, all of the Village's bank balance was fully collateralized by FDIC coverage and pledged securities in the Village's name.

Village Investments

Permitted Deposits and Investments – ILCS 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, and Illinois Funds. The Village does not have a formal investment policy.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village limits its exposure to interest rate risk by limiting investments to the Illinois Funds, a money market account which allows for immediate access to existing balances.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village helps limit its exposure to credit risk by primarily investing in the Illinois Funds which was rated AAAm by Standard and Poor's at April 30, 2025.

Custodial Credit – Investments – 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. The Village investment policy states securities will be held by a third-party custodian and will be evidenced by safekeeping receipts. At April 30, 2025, the Village's investment in the Illinois Funds is not subject to custodial credit risk.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Village Investments (Continued)

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. At year end, the Village's only investment was in the Illinois Funds, which comprised approximately 23 percent of total cash and investments.

Police Pension Fund Deposits

The PPF retains all its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current needs of the PPF. The excess of available cash is required to be transferred to Illinois Police Officers' Pension Investment Fund (IPOPIF) for purposes of the long-term investment for the fund. At April 30, 2025, the carrying amount of the PPF's cash on hand totaled $1,577,261 and the bank balance was $1,577,261.

Custodial Credit Risk – For deposits with financial institutions is the risk that in the event of a bank's failure, the PPF's deposits may not be returned to it. Flow-through FDIC insurance is available for the PPF's deposits with financial institutions. The PPF limits its exposure to custodial risk by utilizing an independent, third-party institution to act as custodian for its securities. As of April 30, 2025, all of the PPF's bank balance was fully collateralized by FDIC coverage.

Police Pension Fund Investments

ILCS limits the PPF's investments to those allowable by ILCS and require the PPF's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The PPF has not adopted an investment policy. ILCS allows the PPF to make deposits or invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment-grade corporate bonds and the Illinois Funds. The PPF may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity and corporate debt securities. The PPF's investment policy limits investments to those allowed by statutes.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The PPF does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At April 30, 2025, the PPF did not have any investments subject to interest rate risk.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of April 30, 2025, the PPF did not have any investments subject to credit risk.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the PPF will not be able to recover the value of its investments that are in possession of an outside party. The PPF limits its exposure to custodial risk by utilizing an independent, third-party institution, to act as custodian for its securities.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the PPF's investment in a single issuer. At April 30, 2025, all of the PPF's investments were with IPOPIF.

The PPF's investments are reported at fair value in the accompanying statement of fiduciary net position. Gains and losses (realized and unrealized) included in changes in fiduciary net position for the year ended April 30, 2025, are reported in net appreciation in fair value of investments.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Police Pension Fund Investments (Continued)

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 as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. The PPF transferred all of its eligible assets to the IPOPIF by May 2023.

Investment Policy – The IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women, and persons with disabilities.

Investments – Investments of the PPF are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual comprehensive report. For additional information on IPOPIF's investments, please refer to their annual report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

Net Asset Value – The Net Asset Value (NAV) of the PPF's pooled investment in IPOPIF was $5,634,263 at April 30, 2025. 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 April 30, 2025. The PPF 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. The PPF held no investments subject to fair value at April 30, 2025.

Rate of Return – For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension PPF investment expense, was 10.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund Deposits

The FPF retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the FPF. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the FPF. At April 30, 2025, the carrying amount of the FPF's cash on hand totaled $22,367 and the bank balance was $22,367.

Firefighters' Pension Fund Investments

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of April 30, 2025, the FPF did not have any investments subject to credit risk.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the FPF will not be able to recover the value of its investments that are in possession of an outside party. The FPF limits its exposure to custodial risk by utilizing an independent, third-party institution, to act as custodian for its securities.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the FPF's investment in a single issuer. At April 30, 2025, all of the FPF's investments were with Illinois Firefighters' Pension Investment Fund (IFPIF).

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Firefighters' Pension Fund Investments (Continued)

The FPF's investments are reported at fair value in the accompanying statement of fiduciary net position. Gains and losses (realized and unrealized) included in changes in fiduciary net position for the year ended April 30, 2025, are reported in net appreciation in fair value of investments.

The IFPIF is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF 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 IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

Investments – Investments of the FPF are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org.

Investment Policy – IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by ILCS. The IFPIF 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 4 of the Illinois Pension Code.

Net Asset Value – The Net Asset Value (NAV) of the FPF's pooled investment in IFPIF was $41,143 at April 30, 2025. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2025. The FPF may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Rate of Return – For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.29 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 3. PROPERTY TAXES, RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLES

Property Taxes

The Village levies property tax each calendar year on all taxable real property located in the Village. The Village must file its tax levy ordinance on or before the last Tuesday in December of each year. The tax levy ordinance was passed by the Village Board on December 17, 2024. Details of the property tax calendar are as follows:

	Property Tax Calendar		
Lien date	January 1, 2024	January 1, 2023	January 1, 2022
Levy date	December 17, 2024	January 2, 2024	November 22, 2022
1st installment due date	March 1, 2025 FY 2025 revenue	March 1, 2024 FY 2024 revenue	March 1, 2023 FY 2023 revenue
2nd installment due date	September 1, 2025 FY 2026 revenue	September 1, 2024 FY 2025 revenue	September 1, 2023 FY 2024 revenue

NOTE 3. PROPERTY TAXES, RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLES (CONTINUED)

Property Taxes (Continued)

The first installment is an estimated bill and is 55 percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill.

Based upon collection histories, the Village has provided an allowance for uncollectible property taxes of 5 percent of the current year's levy. Allowances for uncollectible property taxes receivable at April 30, 2025 are as follows:

	General Fund	TIF #1 Fund	TIF #2 Fund	Nonmajor Governmental Funds	Garbage Fund	Total
Property taxes receivable	$ 732,154	$ 182,737	$ 16,227	$ 94,706	$ 1,877	$ 1,027,701
Allowance for uncollectibles	(36,608)	-	-	(4,735)	(89)	(41,432)
Property taxes receivable - net	$ 695,546	$ 182,737	$ 16,227	$ 89,971	$ 1,788	$ 986,269

Enterprise Fund Receivable

Trade accounts receivable, consisting of amounts due from residents for water, sewer and garbage service, are recorded net of uncollectible amounts, as determined by management. Allowances for uncollectible trade receivables as of April 30, 2025 are as follows:

	Water and Sewer Fund	Garbage Fund	Total
Accounts receivable	$ 312,350	$ 89,012	$ 401,362
Allowance for uncollectibles	(15,618)	(4,451)	(20,069)
Accounts receivable - net	$ 296,732	$ 84,561	$ 381,293

NOTE 4: LEASE RECEIVABLE

In November 2021, the Village entered into a lease for the right to place a sign on Village property for $8,800 per year for ten years, which may be renewed for an additional ten years.

The Village entered into leases to rent out retail space at one of the Village's properties. Under the leases, the occupants pay the Village $875 to $3,733 per month for periods ranging from nine months to four years. All of these leases were terminated at April 30, 2025 upon sale of the leased property by the Village.

During the year ended April 30, 2025, the Village recognized $118,631 of lease revenue and $5,343 of interest revenue.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated or amortized:				
Land	$ 197,018	$ -	$ -	$ 197,018
Construction in progress	-	6,993	-	6,993
Total capital assets not being depreciated or amortized	197,018	6,993	-	204,011
Capital assets being depreciated or amortized:				
Infrastructure	5,207,790	-	-	5,207,790
Buildings and improvements	1,041,345	31,023	-	1,072,368
Furniture, machinery and equipment	786,873	221,601	-	1,008,474
Vehicles	2,577,327	377,307	-	2,954,634
Software	20,000	-	-	20,000
Lease assets - equipment	70,813	-	-	70,813
Total capital assets being depreciated or amortized	9,704,148	629,931	-	10,334,079
Less accumulated depreciation and amortization:				
Infrastructure	1,987,508	100,943	-	2,088,451
Buildings and improvements	608,176	35,120	-	643,296
Furniture, machinery and equipment	601,560	46,150	-	647,710
Vehicles	2,031,761	192,452	-	2,224,213
Software	20,000	-	-	20,000
Lease assets - equipment	36,882	18,672	-	55,554
Total accumulated depreciation and amortization	5,285,887	393,337	-	5,679,224
Total capital assets being depreciated or amortized, net	4,418,261	236,594	-	4,654,855
Governmental activities capital assets, net	$ 4,615,279	$ 243,587	$ -	$ 4,858,866

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

General government	$ 38,292
Public safety	232,531
Highway and streets	122,514
Total depreciation and amortization - governmental activities	$ 393,337

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets being depreciated:				
Infrastructure	$ 2,539,050	$ -	$ -	$ 2,539,050
Buildings and improvements	78,000	-	-	78,000
Vehicles and equipment	189,028	280,850	-	469,878
Total capital assets being depreciated	2,806,078	280,850	-	3,086,928
Less accumulated depreciation for:				
Infrastructure	1,224,670	22,966	-	1,247,636
Buildings and improvements	65,381	1,147	-	66,528
Vehicles and equipment	179,917	41,589	-	221,506
Total accumulated depreciation	1,469,968	65,702	-	1,535,670
Total capital assets being depreciated, net	1,336,110	215,148	-	1,551,258
Business-type activities capital assets, net	$ 1,336,110	$ 215,148	$ -	$ 1,551,258

Depreciation expense of $65,702 was charged to the business-type activities for water and sewer.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to and from other funds results from the time lag between the dates interfund goods or services are provided or reimbursable expenditures occur and when the payment between funds is made. Repayment is not expected to occur within one year. The composition of interfund balances as of April 30, 2025, are as follows:

Receivable Fund	Payable Fund	Amount	
General	Capital Projects #2	$ 490,250	
General	TIF #2	1,840,943	
General	Nonmajor Governmental	48,476	(a)
TIF #1	General	789,716	
TIF #1	Capital Projects #2	298,615	
Capital Projects #2	Motor Fuel Tax	142,570	
Water and Sewer	General	1,716,269	
Motor Fuel Tax	General	1,702,392	
Nonmajor Governmental	General	74,195	(b)

(a) Nonmajor Governmental payables consist of the following funds: Capital Projects #1 $26,024 and Debt Service $22,452.

(b) Nonmajor Governmental receivables consist of the following fund: Capital Projects #1 $74,195.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Transfers between funds for the year ended April 30, 2025, are as follows:

Transfer To	Transfer From	Amount	
General	TIF #1	$ 1,844,687	
General	TIF #2	1,743,536	
Nonmajor Governmental	General	1,025,636	(a)
Nonmajor Governmental	Nonmajor Governmental	16,921	(b)
Nonmajor Governmental	Garbage	85,472	(c)

(a) Nonmajor Governmental transfer to consist of the following funds: Debt Service $825,387 and Social Security $200,249.
(b) Nonmajor Governmental transfer to and from consist of the following fund: Social Security $16,921.
(c) Nonmajor Governmental transfer to consist of the following fund: Social Security $85,472.

The purpose of these transfers were to forgive certain interfund advances involving the General Fund, Social Security Fund, Garbage Fund, and Debt Service Fund, and to transfer administrative fees for the 1996 through 2024 fiscal years from the TIF #1 and TIF #2 to the General Fund.

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities during the year ended April 30, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
Governmental Activities					
General obligation bonds	$ 175,000	$ -	$ 175,000	$ -	$ -
Lease liability	34,241	-	18,760	15,481	12,195
Installment loans	151,332	432,214	126,643	456,903	159,674
Compensated absences	101,438	83,574	-	185,012	185,012
Net pension liability					
IMRF	36,326	133,610	166,686	3,250	-
Police	1,683,223	1,060,358	1,923,276	820,305	-
Firefighters'	1,112,742	300,318	203,356	1,209,704	-
Total other postemployment benefits liability	398,410	94,385	27,563	465,232	27,563
Total governmental activities	$ 3,692,712	$ 2,104,459	$ 2,641,284	$ 3,155,887	$ 384,444

For governmental activities, payments on the leases, compensated absences, net pension liabilities, and total other post-employment benefit liability are generally made by the General Fund. Payments on the installment loans are made by the General Fund and Street and Bridge Fund. The Debt Service Fund makes payments on the general obligation bonds. For compensated absences, the net change for the year is presented.

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
Business-type Activities					
Installment loan	$ -	$ 280,850	$ 103,522	$ 177,328	$ 140,402
Compensated absences	5,268	1,944	-	7,212	7,212
Net pension liability					
IMRF	-	139,064	135,679	3,385	-
Total business-type activities	$ 5,268	$ 421,858	$ 239,201	$ 187,925	$ 147,614

For business-type activities, the compensated absences are generally liquidated by the Water and Sewer Fund. For compensated absences, the net change for the year is presented.

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Installment Loans

The Village has entered into installment loans for financing the acquisition of equipment.

The Village entered into an installment loan as of February 2, 2023, with Caterpillar Financial Services Corporation for $20,350 for the purchase of a skid steer. The annual debt service requirements include an interest rate of 6.99 percent payable in monthly installments through February 2028.

The Village entered into four identical installment loans as of May 19, 2023, with Chrysler Credit Company for $159,592 for the purchase of four police vehicles. The annual debt service requirements include an interest rate of 11.75 percent payable in monthly installments through May 2028.

The Village entered into an installment loan during fiscal year 2025 with Axon Enterprise, Inc. for the purchase of public safety equipment. The annual debt service requirements include a fixed interest rate payable in periodic installments through the loan's maturity date.

The Village entered into an installment loan during fiscal year 2025 for the purchase of an ambulance. The annual debt service requirements include a fixed interest rate payable in periodic installments through the loan's maturity date.

The Village entered into an installment loan during fiscal year 2025 with Ford Motor Company for the purchase of a vehicle. The annual debt service requirements include a fixed interest rate payable in periodic installments through the loan's maturity date.

The annual debt service requirements to maturity for the installment loans are as follows:

	Governmental Activities	
Fiscal	Installment Loans	
Year	Principal	Interest
2026	$ 159,674	$ 40,163
2027	119,188	25,226
2028	115,761	14,866
2029	62,280	5,817
Total	$ 456,903	$ 86,072

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Installment Loans (Continued)

The Village entered into an installment loan with Ford Motor Company for the purchase of a vehicle used in business-type activities. The annual debt service requirements include a fixed interest rate payable in periodic installments through the loan's maturity date.

The annual debt service requirements to maturity for the installment loan is as follows:

Fiscal Year	Business-Type Activities Installment Loans Principal	Business-Type Activities Installment Loans Interest
2026	$ 140,402	$ 10,347
2027	36,926	761
Total	$ 177,328	$ 11,108

Lease Liability

The Village has entered into lease agreements to lease defibrillators and office equipment and recognizes a lease liability and related lease asset. The first agreement is for defibrillators and has a five-year term ending in November 2025, with monthly payments of $1,348. The second agreement is office equipment and has a five-year term ending in June 2027, with fixed monthly payments of $236 and variable overage charges which are not included in the measurement of the lease liability.

The annual debt service requirements to maturity for leases are as follows:

Fiscal Year	Lease Liability Principal	Lease Liability Interest
2026	$ 12,195	$ 79
2027	2,814	20
2028	472	1
Total	$ 15,481	$ 100

NOTE 8. 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 participates in Illinois Counties Risk Management Trust which includes property, crime, inland marine, auto general liability, public officials and management liability, and excess liability. The Village participates in the Illinois Public Risk Fund (IPRF) for their workers' compensation insurance coverage. 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.

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

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 and the Village expects such amounts, if any, to be immaterial.

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS - DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer pension plan; the PPF which is a single-employer pension plan; and the FPF, which is also a single-employer pension plan. Separate reports are not issued for the PPF and FPF. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by ILCS and can only be amended by the Illinois General Assembly.

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). The Village does not have active or inactive members on the SLEP or ECO plans.

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

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Benefits Provided (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3 percent of the original pension amount or ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	13
Inactive Plan Members entitled to but not yet receiving benefits	16
Active Plan Members	12
Total	41

Contributions

As set by ILCS, the Village's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The ILCS requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actuarially determined contribution rate was 6.06 percent of covered payroll from May through December 2024 and 5.19 percent of covered payroll from January through April 2025. The Village's actual contributions for the year ended April 30, 2025 were $32,781. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by ILCS.

Net Pension Liability

The Village's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Actuarial Assumptions

The following are the assumptions used to determine total pension liability:

- The Inflation Rate was assumed to be 2.25 percent
- Salary Increases were expected to be 2.85 percent to 13.75 percent, including inflation.
- The Investment Rate of Return was assumed to be 7.25 percent.
- Projected Retirement Age was from the experience-based table of rates, that are specific to the type of eligibility condition, last updated for the 2023 valuation pursuant to an experience study from years 2020-2023.
- Mortality:
    - For Non-Disabled Retirees, the Pub-2010, amount-weighted, below-median income, General, Retiree, Male (adjusted 108.0 percent) and Female (adjusted 106.4 percent) tables, and future mortality improvements projected using scale MP-2021 were used.
    - For Disabled Retirees, the Pub-2010, amount-weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
    - For Active Members, the Pub-2010, amount-weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized by the following table as of December 31, 2024:

		Projected Returns/Risk	
Asset Class	Portfolio Target Percentage	One Year Arithmetic	Ten Year Geometric
Equities	33.50%	5.70%	4.35%
International equities	18.00%	7.10%	5.40%
Fixed income	24.50%	5.30%	5.20%
Real estate	10.50%	7.30%	6.40%
Alternative investments	12.50%		
Private equity		10.00%	6.25%
Hedge funds		N/A	N/A
Commodities		6.05%	4.85%
Cash equivalents	1.00%	3.60%	3.60%
Total	100.00%		

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Discount Rate

A discount rate of 7.25 percent was used to measure the total pension liability as of December 31, 2024. The projection of cash flow used to determine this 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The 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 7.25 percent, the municipal bond rate is 4.08 percent, and the resulting discount rate is 7.25 percent.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at beginning of year	$ 1,845,518	$ 1,809,192	$ 36,326
Changes for the year:			
Service cost	40,645	-	40,645
Interest on the total pension liability	132,958	-	132,958
Differences between expected and actual experience of the total pension liability	(21,963)	-	(21,963)
Contributions - employer	-	30,420	(30,420)
Contributions - employee	-	22,589	(22,589)
Net investment income	-	163,532	(163,532)
Benefit payments, including refunds of employee contributions	(63,861)	(63,861)	-
Other (net transfer)	-	(35,210)	35,210
Net Changes	87,779	117,470	(29,691)
Balances at end of year	$ 1,933,297	$ 1,926,662	$ 6,635

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using a discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	$ 179,349	$ 6,635	$ (128,415)

Pension Expense and Deferred Outflow and Inflows of Resources Related to Pensions

For the year ended April 30, 2025, the Village recognized pension expense of $45,426. At April 30, 2025, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 20,199
Changes of assumptions	-	63
Net difference between projected and actual earnings on pension plan investments	40,087	-
Total deferred amounts to be recognized in pension expense in future periods	40,087	20,262
Pension contributions made subsequent to the measurement date	8,966	-
Total deferred amounts related to pensions	$ 49,053	$ 20,262

Deferred outflows of resources for pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2026.

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Pension Expense and Deferred Outflow and Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) in future periods as follows:

Year Ending April 30,	Amount
2026	$ 50
2027	44,329
2028	(17,747)
2029	(6,807)
Total	$ 19,825

NOTE 12. POLICE PENSION FUND

Plan Description

The PPF 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 ILCS and may be amended only by the Illinois legislature. The PPF is governed by a five-member pension board. Two members of the Board are appointed by the Village Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership as of April 30, 2025:

Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	6
Active Plan Members	15
Total	26

Benefits Provided

The following is a summary of the Village of Posen PPF as provided for in the ILCS:

Tier 1 employees (those hired before January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half 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 ten 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 3.0 percent of the original pension and 3.0 percent compounded annually thereafter.

NOTE 12. POLICE PENSION FUND (CONTINUED)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal of 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 in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed $106,800, however that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0 percent compounded. 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 75.0 percent of such salary. Employees with at least ten 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. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or one-half of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Per ILCS, covered employees are required to contribute 9.91 percent of their base salaries. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to finance the PPF and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires that the Village has until the year 2040 to fund 90 percent of the past service costs for the PPF. For the fiscal year ended April 30, 2025, the Village's actuarially determined contribution rate was 30.1 percent of covered payroll. The Village's actual contributions for the year ended April 30, 2025 were $373,078.

Net Pension Liability

The net pension liability was measured as of April 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2024.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation using the following actuarial assumptions:

Investment rate of return	6.25 percent
High-quality 20 year tax-exempt G.O. bond rate	5.24 percent
Salary increases	Individual: 2.25 percent to 16.15 percent
	Total: 3.25 percent
Consumer price index	2.25 percent
Inflation rate	2.25 percent

NOTE 12. POLICE PENSION FUND (CONTINUED)

Long-term Expected Rate of Return

The long-term expected rate of return on the PPF investments was determined using an asset allocation study conducted by the PPF investment management consultant in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation of 2.50 percent) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the PPF target asset allocation as of April 30, 2025, are listed in the table below.

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
US large	23%	3.20%
US small	5%	4.10%
International developed	19%	4.20%
International developed small	5%	5.10%
Emerging markets	6%	4.50%
Private equity	7%	5.50%
High yield corporate credit	3%	4.30%
Emerging market debt	3%	4.55%
Bank Loans	3%	4.80%
Private credit	5%	5.70%
Real estate	5%	4.40%
Infrastructure	3%	5.60%
Cash	1%	1.40%
Short-term govt/credit	3%	1.80%
US Treasury	3%	1.60%
US TIPS	3%	1.60%
Core plus fixed income	3%	2.40%

Discount Rate

A discount rate of 6.25 percent was used to measure the total pension liability and 6.25 percent was used in the prior year. The projection of cash flow used to determine the 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. Based on those assumptions, the PPF fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 12. POLICE PENSION FUND (CONTINUED)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at beginning of year	$ 8,143,581	$ 6,460,358	$ 1,683,223
Changes for the year:			
Service cost	326,338	-	326,338
Interest on the total pension liability	460,405	-	460,405
Differences between expected and actual experience of the total pension liability	(657,738)	-	(657,738)
Change in Assumptions	15,830		15,830
Contributions - employer	-	373,078	(373,078)
Contributions - employee	-	111,976	(111,976)
Net investment income	-	525,587	(525,587)
Benefit payments, including refunds of employee contributions	(251,322)	(251,322)	-
Administrative expenses	-	(2,888)	2,888
Net changes	(106,487)	756,431	(862,918)
Balances at end of year	$ 8,037,094	$ 7,216,789	$ 820,305

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using a discount rate of 6.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher:

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability (Asset)	$ 1,908,427	$ 820,305	$ (79,193)

NOTE 12. POLICE PENSION FUND (CONTINUED)

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

For the year ended April 30, 2025, the Village recognized pension expense of $53,981. At April 30, 2025, 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
Differences between expected and actual experience	$ 96,228	$ 1,146,307
Changes of assumptions	603,729	648,500
Net difference between projected and actual earnings on pension plan investments	118,886	-
Total deferred amounts to be recognized in pension expense in future periods	$ 818,843	$ 1,794,807

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year Ending April 30,	Amount
2026	$ (21,596)
2027	(142,374)
2028	(275,652)
2029	(288,781)
2030	(175,543)
Thereafter	(72,018)
Total	$ (975,964)

NOTE 13. FIREFIGHTERS' PENSION FUND

Plan Description

The FPF is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed ILCS and may be amended only by the Illinois legislature. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

NOTE 13. FIREFIGHTERS' PENSION FUND (CONTINUED)

Plan Membership

Plan membership as of April 30, 2025:

Retirees and Beneficiaries currently receiving benefits	3
Inactive Plan Members entitled to but not yet receiving benefits	-
Active Plan Members	-
Total	3

Benefits Provided

The following is a summary of the Village of Posen FPF as provided for in the ILCS:

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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 75.0 percent of such salary. Employees with at least ten 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 firefighter 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 3.0 percent of the original pension and 3.0 percent compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtained by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of services within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes shall not exceed the salary cap, however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0 percent compounded. 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 75.0 percent of such salary. Employees with at least ten 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 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.0 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Per ILCS, covered employees are required to contribute 9.455 percent of their base salaries. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires that the Village has until the year 2040 to fund 90 percent of the past service costs for the FPF. For the fiscal year ended April 30, 2025, the Village's actuarially determined contribution and actual contribution were $76,450 and $94,420, respectively. There was no covered payroll for the year ended April 30, 2025.

Net Pension Liability

The net pension liability was measured as of April 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2024.

NOTE 13. FIREFIGHTERS' PENSION FUND (CONTINUED)

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation using the following actuarial assumptions:

High-quality 20 year tax-exempt G.O. bond rate	5.24 percent
Expected rate of return on investments	6.25 percent
Salary increases	Individual: N/A – no active plan members Total: 0.00 percent
Consumer price index	2.50 percent
Inflation	2.50 percent

Long-term Expected Rate of Return

The long-term expected rate of return is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The table below illustrates the best estimates of target allocations and Long-Term Expected Rates of Return developed for each of the major asset classes, adjusted for expected inflation. These rates and target allocations were disclosed by Marquette Associates for the Illinois Firefighters' Pension Investment Fund, dated July 22, 2024.

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
U.S. equity	25%	5.10%
Developed market equity (non-US)	13%	5.20%
Emerging market equity	7%	5.90%
Private equity	10%	9.00%
Public credit	3%	2.90%
Private credit	7%	7.10%
Core fixed income	9%	2.50%
Core plus fixed income	9%	3.00%
Short-term treasuries	3%	1.00%
Real Estate	10%	3.90%
Infrastructure	4%	4.40%

Discount Rate:

A discount rate of 5.24 percent was used to measure the total pension liability and 6.25 percent was used in the prior year. The projection of cash flow used to determine this 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. Based on those assumptions, the Fund's fiduciary net position was projected to not be available to make all projected future benefit payments of current plan members. Therefore, a combination of the expected rate of return on investments and the high-quality 20 year tax-exempt G.O. band rate was used to determine the total pension liability.

NOTE 13. FIREFIGHTERS' PENSION FUND (CONTINUED)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at beginning of year	$ 1,180,541	$ 67,799	$ 1,112,742
Changes for the year:			
Interest on the total pension liability	71,703	-	71,703
Differences between expected and actual experience of the total pension liability	19,066	-	19,066
Change in assumptions	105,993		105,993
Contributions - employer	-	94,420	(94,420)
Net investment income	-	5,380	(5,380)
Benefit payments, including refunds of employee contributions	(103,350)	(103,350)	-
Net changes	93,412	(3,550)	96,962
Balances at end of year	$ 1,273,953	$ 64,249	$ 1,209,704

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using a discount rate of 6.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher:

	1% Decrease 4.24%	Current Discount Rate 5.24%	1% Increase 6.24%
Net Pension Liability	$ 1,336,074	$ 1,209,704	$ 1,102,605

NOTE 13. FIREFIGHTERS' PENSION FUND (CONTINUED)

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

For the year ended April 30, 2025, the Village recognized pension expense of $189,698. On April 30, 2025, 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
Net difference between projected and actual earnings on pension plan investments	$ 3,389	$ -
Total deferred amounts to be recognized in pension expense in future periods	$ 3,389	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year Ending April 30,	Amount
2026	$ 2,640
2027	1,188
2028	(157)
2029	(282)
Total	$ 3,389

NOTE 14. SUMMARY OF PENSION INFORMATION

The summary of pension information is to consolidate the assets, liabilities, deferrals and expenses/income related to pensions from IMRF (footnote 11), PPF (footnote 12) and FPF (footnote 13) and to tie the totals to the Statement of Net Position:

	Net Pension Liability	Deferred outflows of resources	Deferred inflows of resources	Pension Expense
IMRF	$ 6,635	$ 49,053	$ 20,262	$ 45,426
Police Pension	820,305	818,843	1,794,807	53,981
Firefighters' Pension	1,209,704	3,389	-	189,698
Total	$ 2,036,644	$ 871,285	$ 1,815,069	$ 289,105

NOTE 15. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include health and dental insurance. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary. For the fiscal year ended April 30, 2025, retirees contributed $8,871. Active employees do not contribute to the plan until retirement.

Funding Policy

There is no funding policy that exists for the plan at this time.

Plan Membership

Plan membership as of April 30, 2025 consisted of:

Active Plan Members	26
Inactive Plan Members entitled to but not yet receiving benefits	-
Retirees and Beneficiaries currently receiving benefits	1
Total	27

Total OPEB Liability

The total OPEB liability was measured as of April 30, 2025 and was determined by an actuarial valuation as of May 1, 2024.

Actuarial Assumptions and Methods

The following actuarial assumptions were used for the most recent valuation of the Village's OPEB plan:

Long-term expected rate of return on Plan assets	N/A
Salary increases	3.00 percent
Inflation	2.50 percent
Discount rate	5.24 percent
Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets

NOTE 15. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in Total OPEB Liability

	Total OPEB Liability
Balances at beginning of year	$ 398,410
Changes for the year:	
Service cost	26,645
Interest	15,654
Differences Between Expected and Actual Experience	33,980
Changes of assumptions	18,106
Benefit payments from plan	(27,563)
Net changes	66,822
Balances at end of year	$ 465,232

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on the High Quality 20 Year Tax Exempt General Obligation Bond Rate using the Bond Buyer 20-Bond GO Index. The discount rate used for this valuation is 5.24 percent. The discount rate was changed from the 4.07 percent used to calculate the total OPEB liability as of April 30, 2024.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate

The following presents the total OPEB liability, calculated using the current discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher:

	1% Decrease 4.24%	Discount Rate 5.24%	1% Increase 6.24%
Total OPEB Liability	$ 486,060	$ 465,232	$ 446,005

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using the current healthcare cost trend rates, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percent lower or 1 percent higher:

	1% Decrease (varies)	Healthcare Cost Trend Rates (varies)	1% Increase (varies)
Total OPEB Liability	$ 441,740	$ 465,232	$ 492,324

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended April 30, 2025, the Village recognized OPEB expense of $52,086. At April 30, 2025, the Village reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTE 16. ADJUSTMENTS AND RESTATEMENTS

The Village adjusted and restated the fund balances and net position of certain reporting units as summarized in the table below to reflect corrections of errors in previously issued financial statements and changes within the financial reporting entity.

	Reporting Units				
	Governmental Funds				
	Tax Incremental Financing #1	Tax Incremental Financing #2	Motor Fuel Tax	Nonmajor Governmental	Governmental Activities
Fund balances and net position as of May 1, 2024, as previously reported	$ 4,982,762	$ -	$ -	$ 2,065,357	$ 9,284,112
Adjustments:					
Change within the financial reporting entity[1]	-	586,112	2,298,309	(2,884,421)	-
Restatements:					
Correction of unrecorded liabilities and related expenditures[2]	(73,882)	-	-	-	(73,882)
Fund balances and net position as of May 1, 2024, as adjusted and restated	$ 4,908,880	$ 586,112	$ 2,298,309	$ (819,064)	$ 9,210,230

[1] The Tax Incremental Financing #2 and Motor Fuel Tax Funds was previously reported as a nonmajor governmental funds but they now meet the criteria for separate presentation as major funds fund for the year ended April 30, 2025.

[2] The Village identified liabilities and related expenditures and expenses pertaining to fiscal year 2024 that were not recorded in the previously issued financial statements. Accordingly, beginning fund balance of the Tax Incremental Financing #1 Fund and beginning net position of the Governmental Activities were decreased by $73,882.

NOTE 17. SALE OF VILLAGE PROPERTY

In April 2025, the Village completed the sale of real property acquired in satisfaction of tax liens held by the Village. At the time of acquisition, the taxes receivable associated with the property had been written off and the property, therefore, was not reported as an asset in the Village's financial statements. The gross sale proceeds of approximately $1.1 million are reported as other revenues in the General Fund and miscellaneous general revenues in the Statement of Activities.

NOTE 18. SUBSEQUENT EVENT

In July 2025, the Village obtained a loan from the Public Water Supply Loan Program to provide funding for lead service line replacements in the amount of $1,593,693. Through this project, the Village will replace 120 lead service lines. The loan qualifies for a 0.00 percent fixed interest rate and a loan term of 20 years. In accordance with the procedures for issuing loans from the Public Water Supply Loan Program under 35 Ill. Admin Code 663.250, the full amount of this loan may be forgiven by the State of Illinois, pursuant to principal forgiveness provisions contained in the loan rules. The first repayment is due August 20, 2026, with a maturity date of February 20, 2046.

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TEN MEASUREMENT PERIODS

	Measurement Period Ended December 31,				
	2024	2023	2022	2021	2020
TOTAL PENSION LIABILITY					
Service cost	$ 40,645	$ 40,631	$ 41,202	$ 44,446	$ 46,759
Interest	132,958	129,691	119,434	113,725	100,515
Differences between expected and actual experience	(21,963)	(51,072)	60,849	(11,038)	98,152
Changes in assumptions	-	(361)	-	-	(14,146)
Benefit payments, including refunds of employee contributions	(63,861)	(83,783)	(75,682)	(57,852)	(37,978)
Net change in total pension liability	87,779	35,106	145,803	89,281	193,302
Total pension liability - beginning	1,845,518	1,810,412	1,664,609	1,575,328	1,382,026
Total pension liability - ending (A)	$ 1,933,297	$ 1,845,518	$ 1,810,412	$ 1,664,609	$ 1,575,328
PLAN FIDUCIARY NET POSITION					
Contributions-employer	$ 30,420	$ 32,740	$ 36,878	$ 39,602	$ 39,679
Contributions-employee	22,589	19,991	40,495	20,843	80,148
Net investment income	163,532	172,983	(182,544)	238,266	176,325
Benefit payments, including refunds of employee contributions	(63,861)	(83,783)	(75,682)	(57,852)	(37,978)
Other	(35,210)	40,725	16,101	(9,625)	(1,246)
Net change in plan fiduciary net position	117,470	182,656	(164,752)	231,234	256,928
Plan fiduciary net position - beginning	1,809,192	1,626,536	1,791,288	1,560,054	1,303,126
Plan fiduciary net position - ending (B)	$ 1,926,662	$ 1,809,192	$ 1,626,536	$ 1,791,288	$ 1,560,054
NET PENSION LIABILITY - ENDING (A) - (B)	$ 6,635	$ 36,326	$ 183,876	$ (126,679)	$ 15,274
Plan fiduciary net position as a percentage of the total pension liability	99.66%	98.03%	89.84%	107.61%	99.03%
Covered payroll	$ 501,971	$ 444,236	$ 451,377	$ 463,171	$ 459,772
Net pension liability as a percentage of covered payroll	1.32%	8.18%	40.74%	-27.35%	3.32%

Changes in assumptions:

For 2015, changes are primarily from a change in the calculated discount rate from 7.49% in 2014 to 7.47% in 2015.

For 2016, changes are primarily from a change in the calculated discount rate from 7.47% in 2015 to 7.50% in 2016.

For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.

For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.

For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

For 2023, changes are primarily from updates to mortality tables and other demographic data based on the experience study covering the years 2020-2022.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS (CONTINUED)
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TEN MEASUREMENT PERIODS

	Measurement Period Ended December 31,				
	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service cost	$ 44,584	$ 46,082	$ 58,966	$ 58,681	$ 60,856
Interest	92,481	93,273	86,144	79,732	75,665
Differences between expected and actual experience	11,327	(92,211)	34,660	(30,442)	(71,478)
Changes in assumptions	-	34,328	(32,038)	(1,560)	-
Benefit payments, including refunds of employee contributions	(39,350)	(58,184)	(34,267)	(10,703)	(8,610)
Net change in total pension liability	109,042	23,288	113,465	95,708	56,433
Total pension liability - beginning	1,272,984	1,249,696	1,136,231	1,040,523	984,090
Total pension liability - ending (A)	$ 1,382,026	$ 1,272,984	$ 1,249,696	$ 1,136,231	$ 1,040,523
PLAN FIDUCIARY NET POSITION					
Contributions-employer	$ 40,878	$ 40,214	$ 47,295	$ 52,245	$ 49,647
Contributions-employee	21,047	20,729	23,334	23,629	24,524
Net investment income	191,375	(45,173)	141,246	57,927	4,080
Benefit payments, including refunds of employee contributions	(39,350)	(58,184)	(34,267)	(10,703)	(8,610)
Other	(455)	9,347	1,699	(70)	(32,584)
Net change in plan fiduciary net position	213,495	(33,067)	179,307	123,028	37,057
Plan fiduciary net position - beginning	1,089,631	1,122,698	943,391	820,363	783,306
Plan fiduciary net position - ending (B)	$ 1,303,126	$ 1,089,631	$ 1,122,698	$ 943,391	$ 820,363
NET PENSION LIABILITY - ENDING (A) - (B)	$ 78,900	$ 183,353	$ 126,998	$ 192,840	$ 220,160
Plan fiduciary net position as a percentage of the total pension liability	94.29%	85.60%	89.84%	83.03%	78.84%
Covered payroll	$ 467,716	$ 449,313	$ 509,641	$ 525,077	$ 544,982
Net pension liability as a percentage of covered payroll	16.87%	40.81%	24.92%	36.73%	40.40%

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
POLICE PENSION FUND
LAST TEN MEASUREMENT PERIODS

	Measurement Period Ended April 30,				
	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Service cost	$ 326,338	$ 304,757	$ 310,094	$ 347,204	$ 312,063
Interest	460,405	469,847	448,161	433,369	454,646
Change of benefit terms	-	-	(6,233)	-	-
Differences between expected and actual experience	(657,738)	(127,388)	(246,246)	(451,265)	(99,920)
Changes in assumptions	15,830	-	-	(820,458)	897,155
Benefit payments, including refunds of employee contributions	(251,322)	(283,576)	(398,415)	(644,599)	(258,036)
Net change in total pension liability	(106,487)	363,640	107,361	(1,135,749)	1,305,908
Total pension liability - beginning	8,143,581	7,779,941	7,672,580	8,808,329	7,502,421
Total pension liability - ending (A)	$ 8,037,094	$ 8,143,581	$ 7,779,941	$ 7,672,580	$ 8,808,329
PLAN FIDUCIARY NET POSITION					
Contributions-employer	$ 373,078	$ 348,516	$ 347,262	$ 387,999	$ 275,238
Contributions-employee	111,976	103,497	101,032	85,298	95,711
Net investment income	525,587	462,581	(920)	(222,782)	1,260,446
Benefit payments, including refunds of employee contributions	(251,322)	(283,576)	(398,415)	(644,599)	(258,036)
Administrative expenses	(2,888)	(1,152)	(3,014)	(9,756)	(15,888)
Prior period adjustment	-	109	-	-	-
Net change in plan fiduciary net position	756,431	629,975	45,945	(403,840)	1,357,471
Plan fiduciary net position - beginning	6,460,358	5,830,383	5,784,438	6,188,278	4,830,807
Plan fiduciary net position - ending (B)	$ 7,216,789	$ 6,460,358	$ 5,830,383	$ 5,784,438	$ 6,188,278
NET PENSION LIABILITY - ENDING (A) - (B)	$ 820,305	$ 1,683,223	$ 1,949,558	$ 1,888,142	$ 2,620,051
Plan fiduciary net position as a percentage of the total pension liability	89.79%	79.33%	74.94%	75.39%	70.25%
Covered payroll	$ 1,078,310	$ 1,044,368	$ 1,016,296	$ 927,264	$ 1,018,907
Net pension liability as a percentage of covered payroll	76.07%	161.17%	191.83%	203.63%	257.14%

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS (CONTINUED)
POLICE PENSION FUND
LAST TEN MEASUREMENT PERIODS

	Measurement Period Ended April 30,				
	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service cost	$ 298,033	$ 310,036	$ 279,158	$ 262,120	$ 233,696
Interest	436,007	399,368	373,509	370,100	332,844
Change of benefit terms	42,683	-	-	-	-
Differences between expected and actual experience	(139,952)	300,971	(139,444)	(251,302)	(292,240)
Changes in assumptions	(542,632)	11,668	943,105	(196,818)	431,781
Benefit payments, including refunds of employee contributions	(270,188)	(482,226)	(127,940)	(135,377)	(130,423)
Net change in total pension liability	(176,049)	539,817	1,328,388	48,723	575,658
Total pension liability - beginning	7,678,470	7,138,653	5,810,265	5,761,542	5,185,884
Total pension liability - ending (A)	$ 7,502,421	$ 7,678,470	$ 7,138,653	$ 5,810,265	$ 5,761,542
PLAN FIDUCIARY NET POSITION					
Contributions-employer	$ 284,842	$ 218,545	$ 270,567	$ 178,225	$ 167,814
Contributions-employee	90,631	109,946	91,036	92,024	94,498
Net investment income	(190,535)	149,746	357,365	447,063	(148,085)
Benefit payments, including refunds of employee contributions	(270,188)	(482,226)	(127,940)	(135,377)	(130,423)
Administrative expenses	(8,747)	(12,463)	(8,118)	(19,581)	(20,561)
Prior period adjustment	-	-	-	-	-
Net change in plan fiduciary net position	(93,997)	(16,452)	582,910	562,354	(36,757)
Plan fiduciary net position - beginning	4,924,804	4,941,256	4,358,346	3,795,992	3,832,749
Plan fiduciary net position - ending (B)	$ 4,830,807	$ 4,924,804	$ 4,941,256	$ 4,358,346	$ 3,795,992
NET PENSION LIABILITY - ENDING (A) - (B)	$ 2,671,614	$ 2,753,666	$ 2,197,397	$ 1,451,919	$ 1,965,550
Plan fiduciary net position as a percentage of the total pension liability	64.39%	64.14%	69.22%	75.01%	65.89%
Covered payroll	$ 908,651	$ 1,109,450	$ 918,626	$ 926,315	$ 873,547
Net pension liability as a percentage of covered payroll	294.02%	248.20%	239.20%	156.74%	225.01%

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND
LAST TEN MEASUREMENT PERIODS

	Measurement Period Ended April 30,				
	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Interest	$ 71,703	$ 72,402	$ 59,614	$ 60,666	$ 62,436
Differences between expected	-				
and actual experience	19,066	6,476	14,890	(21,312)	(22,952)
Changes in assumptions	105,993	-	(295,281)	-	14,450
Benefit payments, including refunds					
of employee contributions	(103,350)	(102,771)	(101,833)	(100,375)	(107,673)
Net change in total pension liability	93,412	(23,893)	(322,610)	(61,021)	(53,739)
Total pension liability - beginning	1,180,541	1,204,434	1,527,044	1,588,065	1,641,804
Total pension liability - ending (A)	$ 1,273,953	$ 1,180,541	$ 1,204,434	$ 1,527,044	$ 1,588,065
PLAN FIDUCIARY NET POSITION					
Contributions-employer	$ 94,420	$ 70,698	$ 68,567	$ 67,968	$ 76,340
Net investment income	5,380	4,348	(2,108)	(1,251)	34,709
Benefit payments, including refunds					
of employee contributions	(103,350)	(102,771)	(101,833)	(100,375)	(107,673)
Administrative expenses	-	(767)	(750)	(483)	(3,138)
Net change in plan fiduciary net position	(3,550)	(28,492)	(36,124)	(34,141)	238
Plan fiduciary net position - beginning	67,799	96,291	132,415	166,556	166,318
Plan fiduciary net position - ending (B)	$ 64,249	$ 67,799	$ 96,291	$ 132,415	$ 166,556
NET PENSION LIABILITY - ENDING (A) - (B)	$ 1,209,704	$ 1,112,742	$ 1,108,143	$ 1,394,629	$ 1,421,509
Plan fiduciary net position as a percentage of the total pension liability	5.04%	5.74%	7.99%	8.67%	10.49%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS (CONTINUED)
FIREFIGHTERS' PENSION FUND
LAST TEN MEASUREMENT PERIODS

	Measurement Period Ended April 30,				
	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Interest	$ 63,752	$ 63,738	$ 76,791	$ 81,929	$ 74,454
Differences between expected and actual experience	(28,634)	40,015	38,214	(18,079)	338
Changes in assumptions	41,508	5,552	400,094	(49,825)	131,309
Benefit payments, including refunds of employee contributions	(97,586)	(96,009)	(94,048)	(92,088)	(90,128)
Net change in total pension liability	(20,960)	13,296	421,051	(78,063)	115,973
Total pension liability - beginning	1,662,764	1,649,468	1,228,417	1,306,480	1,190,507
Total pension liability - ending (A)	$ 1,641,804	$ 1,662,764	$ 1,649,468	$ 1,228,417	$ 1,306,480
PLAN FIDUCIARY NET POSITION					
Contributions-employer	$ 75,132	$ 83,397	$ 50,012	$ 43,747	$ 44,750
Net investment income	650	11,373	10,227	12,939	1,688
Benefit payments, including refunds of employee contributions	(97,586)	(96,009)	(94,048)	(92,088)	(90,128)
Administrative expenses	(2,639)	(3,045)	(2,192)	(5,724)	(4,233)
Net change in plan fiduciary net position	(24,443)	(4,284)	(36,001)	(41,126)	(47,923)
Plan fiduciary net position - beginning	190,761	195,045	231,046	272,172	320,095
Plan fiduciary net position - ending (B)	$ 166,318	$ 190,761	$ 195,045	$ 231,046	$ 272,172
NET PENSION LIABILITY - ENDING (A) - (B)	$ 1,475,486	$ 1,472,003	$ 1,454,423	$ 997,371	$ 1,034,308
Plan fiduciary net position as a percentage of the total pension liability	10.13%	11.47%	11.82%	18.81%	20.83%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST SEVEN MEASUREMENT PERIODS

	Measurement Period Ended April 30,			
	2025	2024	2023	2022
TOTAL OPEB LIABILITY				
Service cost	$ 26,645	$ 27,650	$ 30,549	$ 33,495
Interest	15,654	13,453	21,915	16,137
Differences between expected and actual experience	33,980	-	(327,327)	-
Changes in assumptions	18,106	(10,305)	1,748	(48,783)
Benefit payments, including refunds of employee contributions	(27,563)	(27,012)	(29,994)	(27,988)
Net change in total OPEB liability	66,822	3,786	(303,109)	(27,139)
Total OPEB liability - beginning	398,410	394,624	697,733	724,872
Total OPEB liability - ending (A)	$ 465,232	$ 398,410	$ 394,624	$ 697,733
Covered-employee payroll	$ 1,445,452	$ 1,403,351	$ 1,362,477	$ 1,684,239
Total OPEB liability as a percentage of covered-employee payroll	32.19%	28.39%	28.96%	41.43%

Notes to Schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

VILLAGE OF POSEN, ILLINOIS

SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS (CONTINUED)
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST SEVEN MEASUREMENT PERIODS

	Measurement Period Ended April 30,		
	2021	2020	2019
TOTAL OPEB LIABILITY			
Service cost	$ 25,587	$ 26,492	$ 24,948
Interest	18,977	21,798	21,973
Differences between expected and actual experience	(96,148)	-	-
Changes in assumptions	52,759	151,929	7,359
Benefit payments, including refunds of employee contributions	(35,239)	(33,032)	(32,043)
Net change in total OPEB liability	(34,064)	167,187	22,237
Total OPEB liability - beginning	758,936	591,749	569,512
Total OPEB liability - ending (A)	$ 724,872	$ 758,936	$ 591,749
Covered-employee payroll	$ 1,635,183	$ 1,420,411	$ 1,325,266
Total OPEB liability as a percentage of covered-employee payroll	44.33%	53.43%	44.65%

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TEN FISCAL YEARS

Fiscal Year Ended April 30,	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	$ 32,781	$ 32,781	$ -	$ 508,491	6.45%
2024	33,028	32,987	41	477,693	6.91%
2023	33,582	33,582	-	426,828	7.87%
2022	36,100	35,908	192	428,240	8.39%
2021	39,678	39,679	(1)	459,772	8.63%
2020	40,878	40,878	-	467,716	8.74%
2019	40,214	40,214	-	449,313	8.95%
2018	47,295	47,295	-	509,641	9.28%
2017	52,245	52,245	-	525,077	9.95%
2016	49,648	49,647	1	544,982	9.11%

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2024 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll (closed)
Remaining Amortization Period:	Taxing bodies (Regular, SLEP, and ECO groups): 19-year closed period. Early Retirement Incentive Plan liabilities; a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth	2.75%
Inflation:	2.25%
Salary Increases:	2.75% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
Mortality:	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes	There were no benefit changes during the year.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND
LAST TEN FISCAL YEARS

Fiscal Year Ended April 30,	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	$ 324,504	$ 373,078	(48,574)	$ 1,078,310	34.60%
2024	321,881	348,516	(26,635)	1,044,368	33.37%
2023	344,549	347,262	(2,713)	1,016,296	34.17%
2022	350,734	387,999	(37,265)	927,264	41.84%
2021	313,084	275,238	37,846	1,018,907	27.01%
2020	291,082	284,842	6,240	908,651	31.35%
2019	230,773	218,545	12,228	1,109,450	19.70%
2018	252,726	270,567	(17,841)	918,626	29.45%
2017	208,564	178,225	30,339	926,315	19.24%
2016	156,837	167,814	(10,977)	873,547	19.21%

Notes to Schedule:

The actuarially determined contribution shown above for the current year is the recommended contribution from the May 1, 2023 actuarial valuation completed by Lauterbach & Amen, LLP for the December 2023 tax levy, if applicable. The methods and assumptions shown below are based on the same actuarial valuation. For more detail on the age-based and service-based rates disclosed below, please see the actuarial valuation.

Methods and Assumptions Used to Determine 2025 Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Equivalent single amortization period	100% funded over 15 years
Asset valuation method	5 year smoothed fair value
Inflation	2.25%
Total salary increase	3.25%
Individual salary increases	2.25% to 16.15%
Investment rate of return	6.25%
Mortality rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
Retirement rates	100% of L&A 2020 Illinois Police Retirement Rates Capped at Age 65
Termination rates	100% of L&A 2020 Illinois Police Termination Rates
Disability rates	100% of L&A 2020 Illinois Police Disability Rates

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND
LAST TEN FISCAL YEARS

Fiscal Year Ended April 30,	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	$ 76,450	$ 94,420	$ (17,970)	N/A	N/A
2024	73,027	70,698	2,329	N/A	N/A
2023	69,245	68,567	678	N/A	N/A
2022	65,869	67,968	(2,099)	N/A	N/A
2021	74,071	76,340	(2,269)	N/A	N/A
2020	59,829	75,132	(15,303)	N/A	N/A
2019	55,831	83,397	(27,566)	N/A	N/A
2018	39,173	50,012	(10,839)	N/A	N/A
2017	36,107	43,747	(7,640)	N/A	N/A
2016	33,321	44,750	(11,429)	N/A	N/A

Notes to Schedule:

The actuarially determined contribution shown above for the current year is the statutory minimum contribution from the May 1, 2023 actuarial valuation completed by the Illinois Department of Insurance for the December 2023 tax levy, if applicable. The methods and assumptions shown below are based on the same actuarial valuation. For more detail on the age-based and service-based rates disclosed below, please see the actuarial valuation.

Methods and Assumptions Used to Determine 2025 Contribution Rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, closed
Equivalent single amortization period	90% funded over 17 years
Asset valuation method:	5 year smoothed fair value
Inflation	2.25%
Total salary increase	2.75%
Individual salary increases	4.00% to 12.50%
Investment rate of return	7.125%
Mortality rates	PubS-2010 adjusted for plan status and demographics, as described.
Retirement rates	Illinois Firefighters' Pension Investment Fund Actuarial Experience Study dated December 1, 2021
Termination rates	Illinois Firefighters' Pension Investment Fund Actuarial Experience Study dated December 1, 2021
Disability rates	Illinois Firefighters' Pension Investment Fund Actuarial Experience Study dated December 1, 2021

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND
LAST NINE FISCAL YEARS

Fiscal Year Ended April 30,	Annual money-weighted rate of return, net of investment expenses
2025	10.00%
2024	9.70%
2023	-2.93%
2022	-3.74%
2021	26.81%
2020	-3.82%
2019	3.46%
2018	7.60%
2017	7.70%

Notes to Schedule:
This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND
LAST NINE FISCAL YEARS

Fiscal Year Ended April 30,	Annual money-weighted rate of return, net of investment expenses
2025	12.29%
2024	8.32%
2023	1.06%
2022	-5.94%
2021	1.56%
2020	0.36%
2019	0.27%
2018	4.80%
2017	4.80%

Notes to Schedule:
This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2025

	Original and Final Budget	Actual	Variance with Budget Over (Under)
REVENUES			
Property taxes	$ 707,000	$ 1,195,035	$ 488,035
Intergovernmental	3,458,000	3,510,053	52,053
Grants	1,390,000	426,559	(963,441)
Licenses and permits	294,200	242,333	(51,867)
Charges for services	874,050	1,173,534	299,484
Fines and forfeitures	155,000	429,278	274,278
Interest	-	180,182	180,182
Other	490,000	1,982,785	1,492,785
Total Revenues	7,368,250	9,139,759	1,771,509
EXPENDITURES			
Current			
General government	1,451,566	1,861,005	409,439
Public safety	3,238,066	3,822,404	584,338
Highways and streets	3,500	186,908	183,408
Capital outlay	103,750	495,022	391,272
Debt service			
Principal retirement	21,000	141,505	120,505
Interest and fiscal charges	-	42,086	42,086
Total Expenditures	4,817,882	6,548,930	1,731,048
Excess of revenues over expenditures	2,550,368	2,590,829	40,461
OTHER FINANCING SOURCES (USES)			
Installment loans	-	432,214	432,214
Transfers in	-	3,588,223	3,588,223
Transfers out	-	(1,025,636)	(1,025,636)
Total Other Financing Sources (Uses)	-	2,994,801	2,994,801
Net change in fund balance	$ 2,550,368	5,585,630	$ 3,035,262
Fund balance at beginning of year		1,748,650	
Fund balance at end of year		$ 7,334,280	

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENTAL FINANCING #1 FUND
FOR THE YEAR ENDED APRIL 30, 2025

	Original and Final Budget	Actual	Variance with Budget Over (Under)
REVENUES			
Property taxes	$ 1,000,000	$ 1,747,698	$ 747,698
Interest	300	548	248
Total Revenues	1,000,300	1,748,246	747,946
EXPENDITURES			
Current			
General government	1,025,000	1,601,066	576,066
Capital outlay	-	141,902	141,902
Total Expenditures	1,025,000	1,742,968	717,968
Excess of revenues over expenditures	(24,700)	5,278	29,978
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(1,844,687)	(1,844,687)
Total Other Financing Sources (Uses)	-	(1,844,687)	(1,844,687)
Net change in fund balance	$ (24,700)	(1,839,409)	$ (1,814,709)
Fund balance at beginning of year, as previously reported		4,982,762	
Restatement		(73,882)	
Fund balance at beginning of year, as restated		4,908,880	
Fund balance at end of year		$ 3,069,471	

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENTAL FINANCING #2 FUND
FOR THE YEAR ENDED APRIL 30, 2025

	Original and Final Budget	Actual	Variance with Budget Over (Under)
REVENUES			
Property taxes	$ -	$ 439,933	$ 439,933
Interest	-	155	155
Total Revenues	-	440,088	440,088
EXPENDITURES			
Current			
General government	350,000	97,407	(252,593)
Total Expenditures	350,000	97,407	(252,593)
Excess of revenues over expenditures	(350,000)	342,681	692,681
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(1,743,536)	(1,743,536)
Total Other Financing Sources (Uses)	-	(1,743,536)	(1,743,536)
Net change in fund balance	$ (350,000)	(1,400,855)	$ (1,050,855)
Fund balance at beginning of year		586,112	
Fund deficit at end of year		$ (814,743)	

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2025

	Original and Final Budget	Actual	Variance with Budget Over (Under)
REVENUES			
Intergovernmental	$ 220,000	$ 255,350	$ 35,350
Grants	150,000	-	(150,000)
Total Revenues	370,000	255,350	(114,650)
EXPENDITURES			
Current			
Highways and streets	112,800	85,412	(27,388)
Total Expenditures	112,800	85,412	(27,388)
Net change in fund balance	$ 257,200	169,938	$ (87,262)
Fund balance at beginning of year		2,298,309	
Fund balance at end of year		$ 2,468,247	

See independent auditor's report.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. The annual appropriation ordinance was passed on July 9, 2024. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Finance committee submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Village to obtain taxpayer comments.
- The budget is legally enacted on an annual basis through passage of an ordinance. The Village Treasurer is authorized to transfer budgeted amounts between departments within funds with proper Board approval.
- Formal budgetary integration is required as a management control device during the year for the General Fund and major special revenue funds.
- Budgetary authority lapses at year end.
- State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative actions. Amounts to be transferred between funds would require Village Board approval. However, if the Village wants to raise the budget amount for any fund after it has been passed, state statue would require going through the budget appropriation public hearing process. The level of legal control is generally to be the fund budget in total.
- Budgeted amounts are as originally adopted.

B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
General Fund	$ 1,731,048
Tax Incremental Financing #1 Fund	717,968

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES				
Property taxes	$ 707,000	$ 1,195,035	$ 488,035	$ 1,094,593
Intergovernmental				
Illinois state replacement tax	50,000	28,956	(21,044)	43,489
Video gaming tax	205,000	291,257	86,257	209,552
Casino gaming tax	-	57,342	57,342	-
Poker machine, pull tabs, & jar game tax	-	45,667	45,667	31,500
Home rule sales tax	640,000	633,296	(6,704)	641,481
Sales tax	900,000	881,937	(18,063)	880,120
Home rule gas tax	110,000	109,037	(963)	107,382
Income tax	950,000	939,793	(10,207)	938,347
Local use tax	220,000	160,080	(59,920)	212,684
Home rule cannabis tax	155,000	101,867	(53,133)	153,585
Cannabis tax	9,000	9,544	544	8,740
Telecommunication tax	30,000	36,469	6,469	31,079
Utility taxes	200,000	204,202	4,202	195,769
Municipal foreign fire tax	(11,000)	10,606	21,606	10,190
State and federal grants	1,390,000	426,559	(963,441)	23,499
Total intergovernmental	4,848,000	3,936,612	(911,388)	3,487,417
Licenses and permits				
General business license	130,000	42,214	(87,786)	46,152
Business license penalty	-	1,565	1,565	3,506
Contractors license	14,500	18,510	4,010	15,000
Liquor license	-	13,083	13,083	13,250
Vehicle license	94,000	96,455	2,455	95,369
Vehicle license penalty	7,000	5,490	(1,510)	8,100
Cigarette license	-	500	500	450
Animal license	900	870	(30)	935
Scavenger license	-	250	250	350
Building permits	40,500	47,915	7,415	36,586
Electrical permits	6,000	6,862	862	5,324
Sign permits	500	7,779	7,279	6,320
Garage sale	800	840	40	830
Total licenses and permits	294,200	242,333	(51,867)	232,172

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES (CONTINUED)				
Charges for services				
Building inspection	$ 20,500	$ 21,320	$ 820	$ 19,162
Electrical inspection	17,000	16,595	(405)	15,705
Plumbing inspection	5,500	6,050	550	5,305
Service charge	8,500	6,270	(2,230)	6,985
Franchise fee	41,550	33,875	(7,675)	40,061
Rental property fee	1,500	330	(1,170)	2,730
Accident reports	1,500	1,401	(99)	1,880
Towing	350,000	350,250	250	406,700
Cook County health inspection fees	-	9,800	9,800	9,696
Ambulance fees	275,000	317,122	42,122	273,918
Miscellaneous EMS fees	-	-	-	608
Non-Posen fire calls	-	213,000	213,000	194,750
Lease income	70,000	127,053	57,053	77,875
Community center registration	25,000	23,145	(1,855)	23,820
Community center rental	50,000	41,525	(8,475)	55,655
Dram shop insurance	6,000	4,300	(1,700)	5,500
Civic center pop money	-	263	263	-
Fundraisers	2,000	1,235	(765)	1,815
Total charges for services	874,050	1,173,534	299,484	1,142,165
Fines and forfeitures				
Vacant property fee	-	800	800	1,400
Police fines	85,000	84,364	(636)	77,259
Housing court	70,000	63,780	(6,220)	100,307
Police seizures sharing revenue	-	280,334	280,334	225,855
Total fines and forfeitures	155,000	429,278	274,278	404,821
Interest	-	180,182	180,182	146,852
Miscellaneous				
Reimbursement from police department	-	17,766	17,766	-
TIF admin reimbursement	-	194,814	194,814	-
Insurance claims recovery	40,000	10,301	(29,699)	10,850
Sale of property	200,000	1,656,948	1,456,948	-
Other	250,000	102,956	(147,044)	32,031
Total miscellaneous	490,000	1,982,785	1,492,785	42,881
Total Revenues	7,368,250	9,139,759	1,771,509	6,550,901

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
EXPENDITURES				
General government				
General administration				
Salaries and benefits	$ 229,071	$ 237,571	$ 8,500	$ 215,848
Contractual services	204,600	497,289	292,689	235,323
Commodities	57,800	54,499	(3,301)	90,273
Miscellaneous	143,500	241,890	98,390	218,735
Total general administration	634,971	1,031,249	396,278	760,179
Building				
Salaries and benefits	80,800	76,022	(4,778)	76,685
Contractual services	16,100	11,903	(4,197)	31,180
Commodities	2,670	2,547	(123)	6,531
Total building	99,570	90,472	(9,098)	114,396
Insurance department				
Contractual services	613,300	590,456	(22,844)	548,628
Total insurance department	613,300	590,456	(22,844)	548,628
Building & grounds				
Salaries and benefits	10,000	4,553	(5,447)	9,325
Commodities	21,700	49,166	27,466	37,451
Total building & grounds	31,700	53,719	22,019	46,776
Community center & grounds				
Salaries and benefits	54,800	61,438	6,638	52,135
Contractual services	5,225	6,134	909	1,073
Commodities	12,000	27,537	15,537	12,745
Total community center & grounds	72,025	95,109	23,084	65,953
Total general government	1,451,566	1,861,005	409,439	1,535,932

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
EXPENDITURES (CONTINUED)				
Public safety				
Police department				
Salaries and benefits	$ 1,928,366	$ 1,982,234	$ 53,868	$ 1,915,011
Contractual services	71,500	80,020	8,520	48,379
Commodities	171,500	240,837	69,337	267,569
Miscellaneous	-	380,578	380,578	376,062
Total police department	2,171,366	2,683,669	512,303	2,607,021
Fire department				
Salaries and benefits	810,800	788,263	(22,537)	850,393
Contractual services	125,700	114,745	(10,955)	100,341
Commodities	122,000	133,717	11,717	119,522
Miscellaneous	-	94,420	94,420	70,698
Total fire department	1,058,500	1,131,145	72,645	1,140,954
Part-time school crossing guards				
Salaries and benefits	8,200	7,590	(610)	8,327
Total part-time crossing guards	8,200	7,590	(610)	8,327
Total public safety	3,238,066	3,822,404	584,338	3,756,302
Highways and Streets				
Public Works				
Salaries and benefits	1,000	-	(1,000)	7,776
Commodities	-	186,908	186,908	70,214
Miscellaneous	2,500	-	(2,500)	2,500
Total public works	3,500	186,908	183,408	80,490
Total highway and streets	3,500	186,908	183,408	80,490

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
EXPENDITURES (CONTINUED)				
Capital outlay				
General government	$ 4,750	$ 42,157	$ 37,407	$ 8,948
Public safety	91,000	371,649	280,649	159,591
Highways and streets	8,000	81,216	73,216	30,494
Total capital outlay	103,750	495,022	391,272	199,033
Debt Service				
Principal	21,000	141,505	120,505	42,966
Interest and fiscal charges	-	42,086	42,086	14,822
Total debt service	21,000	183,591	162,591	57,788
Total Expenditures	4,817,882	6,548,930	1,731,048	5,629,545
Excess of revenues over expenditures	2,550,368	2,590,829	40,461	921,356
OTHER FINANCING SOURCES (USES)				
Installment loans	-	432,214	432,214	159,592
Transfers in	-	3,588,223	3,588,223	-
Transfers out	-	(1,025,636)	(1,025,636)	-
Sale of capital assets	-	-	-	138,000
Total Other Financing Sources (Uses)	-	2,994,801	2,994,801	297,592
Net change in fund balance	$ 2,550,368	5,585,630	$ 3,035,262	1,218,948
Fund balance at beginning of year		1,748,650		529,702
Fund balance at end of year		$ 7,334,280		$ 1,748,650

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENTAL FINANCING #1 FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	(Restated) Actual
REVENUES				
Property taxes	$ 1,000,000	$ 1,747,698	$ 747,698	$ 1,461,902
Interest	300	548	248	472
Other	-	-	-	13,867
Total Revenues	1,000,300	1,748,246	747,946	1,476,241
EXPENDITURES				
Current				
General government				
Contractual services	1,025,000	1,601,066	576,066	1,693,921
Capital outlay	-	141,902	141,902	81,799
Total Expenditures	1,025,000	1,742,968	717,968	1,775,720
Excess (deficiency) of revenues over (under) expenditures	(24,700)	5,278	29,978	(299,479)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	343,000
Transfers out	-	(1,844,687)	(1,844,687)	-
Total Other Financing Sources (Uses)	-	(1,844,687)	(1,844,687)	343,000
Net change in fund balance	$ (24,700)	(1,839,409)	$ (1,814,709)	43,521
Fund balance at beginning of year		4,908,880		4,865,359
Fund balance at end of year		$ 3,069,471		$ 4,908,880

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENTAL FINANCING #2 FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES				
Property taxes	$ -	$ 439,933	$ 439,933	$ 293,934
Interest	-	155	155	91
Total Revenues	-	440,088	440,088	294,025
EXPENDITURES				
Current				
General government				
Contractual services	350,000	97,407	(252,593)	-
Total Expenditures	350,000	97,407	(252,593)	-
Excess of revenues over expenditures	(350,000)	342,681	692,681	294,025
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,743,536)	(1,743,536)	(343,000)
Total Other Financing Sources (Uses)	-	(1,743,536)	(1,743,536)	(343,000)
Net change in fund balance	$ (350,000)	(1,400,855)	$ (1,050,855)	(48,975)
Fund balance at beginning of year		586,112		635,087
Fund deficit at end of year		$ (814,743)		$ 586,112

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES				
Intergovernmental	$ 220,000	$ 255,350	$ 35,350	$ 246,699
Grants	150,000	-	(150,000)	-
Total Revenues	370,000	255,350	(114,650)	246,699
EXPENDITURES				
Current				
Highways and streets				
Contractual services	5,500	10,468	4,968	4,380
Commodities	105,800	74,944	(30,856)	51,147
Miscellaneous	1,500	-	(1,500)	21
Total Expenditures	112,800	85,412	(27,388)	55,548
Net change in fund balance	$ 257,200	169,938	$ (87,262)	191,151
Fund balance at beginning of year		2,298,309		2,107,158
Fund balance at end of year		$ 2,468,247		$ 2,298,309

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS #2 FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES				
Grants	$ -	$ 1,051,938	$ 1,051,938	$ 112,043
Total Revenues	-	1,051,938	1,051,938	112,043
EXPENDITURES				
Current				
Highways and streets				
Contractual services	630,000	894,481	264,481	414,229
Total Expenditures	630,000	894,481	264,481	414,229
Net change in fund balance	$ (630,000)	157,457	$ 787,457	(302,186)
Fund deficit at beginning of year		(417,973)		(115,787)
Fund deficit at end of year		$ (260,516)		$ (417,973)

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF POSEN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2025

	Special Revenue Funds	Capital Projects #1 Fund	Debt Service Fund	Total
ASSETS				
Cash and investments	$ 110,118	$ -	$ 22,452	$ 132,570
Receivables				
Property taxes - net of allowances	89,971	-	-	89,971
Intergovernmental	14,614	-	-	14,614
Due from other funds	-	74,195	-	74,195
Total Assets	$ 214,703	$ 74,195	$ 22,452	$ 311,350
LIABILITIES				
Accrued salaries and related expenditures	$ 1,850	$ -	$ -	$ 1,850
Due to other funds	-	26,024	22,452	48,476
Total Liabilities	1,850	26,024	22,452	50,326
DEFERRED INFLOWS OF RESOURCES				
Property taxes	84,561	-	-	84,561
Total Deferred Inflows of Resources	84,561	-	-	84,561
FUND BALANCES				
Nonspendable				
Interfund loans	-	74,195	-	74,195
Restricted				
Employee benefits	1,734	-	-	1,734
Highways and streets	126,558	-	-	126,558
Unassigned	-	(26,024)	-	(26,024)
Total Fund Balances	128,292	48,171	-	176,463
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 214,703	$ 74,195	$ 22,452	$ 311,350

VILLAGE OF POSEN, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2025

	Special Revenue Funds	Capital Projects #1 Fund	Debt Service Fund	Total
REVENUES				
Property taxes	$ 199,569	$ -	$ 93,966	$ 293,535
Intergovernmental	107,404	-	-	107,404
Grants	5,000	-	-	5,000
Charges for services	1,400	-	-	1,400
Other	300	-	-	300
Total Revenues	313,673	-	93,966	407,639
EXPENDITURES				
Current				
General government	157,911	-	-	157,911
Highways and streets	176,866	-	-	176,866
Debt Service				
Principal	3,898	-	175,000	178,898
Interest and fiscal charges	1,004	-	8,541	9,545
Total Expenditures	339,679	-	183,541	523,220
Excess (deficiency) of revenues over (under) expenditures	(26,006)	-	(89,575)	(115,581)
OTHER FINANCING SOURCES (USES)				
Transfers in	302,642	-	825,387	1,128,029
Transfers out	-	-	(16,921)	(16,921)
Total Other Financing Sources (Uses)	302,642	-	808,466	1,111,108
Net change in fund balances	276,636	-	718,891	995,527
Fund balances (deficits) at beginning of year, as previously reported	2,736,077	48,171	(718,891)	2,065,357
Adjustments	(2,884,421)	-	-	(2,884,421)
Fund balances (deficits) at beginning of year, as adjusted	(148,344)	48,171	(718,891)	(819,064)
Fund balances (deficits) at end of year	$ 128,292	$ 48,171	$ -	$ 176,463

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
APRIL 30, 2025

	Street and Bridge	Social Security	Total
ASSETS			
Cash and investments	$ 110,118	$ -	$ 110,118
Receivables			
Property taxes - net of allowances	26,370	63,601	89,971
Intergovernmental	14,614	-	14,614
Total Assets	$ 151,102	$ 63,601	$ 214,703
LIABILITIES			
Accrued salaries and related expenditures	$ -	$ 1,850	$ 1,850
Total Liabilities	-	1,850	1,850
DEFERRED INFLOWS OF RESOURCES			
Property taxes	24,544	60,017	84,561
Total Deferred Inflows of Resources	24,544	60,017	84,561
FUND BALANCES			
Restricted			
Employee benefits	-	1,734	1,734
Highways and streets	126,558	-	126,558
Total Fund Balances	126,558	1,734	128,292
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 151,102	$ 63,601	$ 214,703

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED APRIL 30, 2025

	Street and Bridge	Social Security	Tax Incremental Financing #2	Motor Fuel Tax	Total
REVENUES					
Property taxes	$ 73,084	$ 126,485			$ 199,569
Intergovernmental	107,404	-			107,404
Grants	5,000	-			5,000
Charges for services	1,400	-			1,400
Other	300	-			300
Total Revenues	187,188	126,485			313,673
EXPENDITURES					
Current					
General government	-	157,911			157,911
Highways and streets	176,866	-			176,866
Debt Service					
Principal	3,898	-			3,898
Interest and fiscal charges	1,004	-			1,004
Total Expenditures	181,768	157,911			339,679
Excess (deficiency) of revenues over (under) expenditures	5,420	(31,426)			(26,006)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	302,642			302,642
Total Other Financing Sources (Uses)	-	302,642			302,642
Net change in fund balances	5,420	271,216			276,636
Fund balances (deficits) at beginning of year, as previously reported	121,138	(269,482)	586,112	2,298,309	2,736,077
Adjustments	-	-	(586,112)	(2,298,309)	(2,884,421)
Fund balances (deficits) at beginning of year, as adjusted	121,138	(269,482)	-	-	(148,344)
Fund balances at end of year	$ 126,558	$ 1,734			$ 128,292

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STREET AND BRIDGE FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES				
Property taxes	$ 49,000	$ 73,084	$ 24,084	$ 40,397
Intergovernmental	115,000	107,404	(7,596)	107,382
Grants	5,000	5,000	-	5,000
Charges for services	1,400	1,400	-	850
Other	4,000	300	(3,700)	250
Total Revenues	174,400	187,188	12,788	153,879
EXPENDITURES				
Current				
Highways and streets				
Contractual services	1,800	11,140	9,340	1,451
Commodities	76,637	165,726	89,089	70,991
Capital outlay	15,000	-	(15,000)	5,300
Debt service				
Principal	-	3,898	3,898	3,636
Interest and fiscal charges	-	1,004	1,004	1,267
Total Expenditures	93,437	181,768	88,331	82,645
Net change in fund balance	$ 80,963	5,420	$ (75,543)	71,234
Fund balance at beginning of year		121,138		49,904
Fund balance at end of year		$ 126,558		$ 121,138

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES				
Property taxes	$ 125,000	$ 126,485	$ 1,485	$ 119,976
Total Revenues	125,000	126,485	1,485	119,976
EXPENDITURES				
Current				
General government				
Salaries and benefits	165,000	157,911	(7,089)	158,939
Total Expenditures	165,000	157,911	(7,089)	158,939
Deficiency of revenues under expenditures	(40,000)	(31,426)	8,574	(38,963)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	302,642	302,642	-
Total Other Financing Sources (Uses)	-	302,642	302,642	-
Net change in fund balance	$ (40,000)	271,216	$ 311,216	(38,963)
Fund deficit at beginning of year		(269,482)		(230,519)
Fund balance (deficit) at end of year		$ 1,734		$ (269,482)

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS #1 FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES	-	-	-	-
Net change in fund balance	$ -	-	$ -	-
Fund balance at beginning of year		48,171		48,171
Fund balance at end of year		$ 48,171		$ 48,171

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
REVENUES				
Property taxes	$ 190,000	$ 93,966	$ (96,034)	$ 185,467
Total Revenues	190,000	93,966	(96,034)	185,467
EXPENDITURES				
Debt Service				
Principal	150,000	175,000	25,000	165,000
Interest and fiscal charges	15,000	8,541	(6,459)	16,663
Total Expenditures	165,000	183,541	18,541	181,663
Excess (deficiency) of revenues over (under) expenditures	25,000	(89,575)	(114,575)	3,804
OTHER FINANCING SOURCES (USES)				
Transfers in	-	825,387	825,387	-
Transfers out	-	(16,921)	(16,921)	-
Total Other Financing Sources (Uses)	-	808,466	808,466	-
Net change in fund balance	$ 25,000	718,891	$ 693,891	3,804
Fund deficit at beginning of year		(718,891)		(722,695)
Fund balance (deficit) at end of year		$ -		$ (718,891)

See independent auditor's report.

ENTERPRISE FUNDS

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
OPERATING REVENUES				
Charges for services	$ 1,668,700	$ 1,584,366	$ (84,334)	$ 1,727,415
Miscellaneous	92,000	83,943	(8,057)	89,058
Total Operating Revenues	1,760,700	1,668,309	(92,391)	1,816,473
OPERATING EXPENSES				
Operations				
Salaries and benefits	395,580	414,295	18,715	360,941
Contractual services	126,500	99,691	(26,809)	60,477
Commodities	151,200	87,996	(63,204)	89,277
Water purchases	900,000	986,991	86,991	850,612
Depreciation	-	65,702	65,702	38,176
Total Operating Expenses	1,573,280	1,654,675	81,395	1,399,483
Operating Income	187,420	13,634	(173,786)	416,990
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	-	(9,353)	(9,353)	-
Total Non-Operating Revenues (Expenses)	-	(9,353)	(9,353)	-
Change in net position	$ 187,420	4,281	$ (183,139)	416,990
Net position at beginning of year		4,170,488		3,753,498
Net position at end of year		$ 4,174,769		$ 4,170,488

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
GARBAGE FUND
FOR THE YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
OPERATING REVENUES				
Charges for services	$ 550,000	$ 541,157	$ (8,843)	$ 557,406
Total Operating Revenues	550,000	541,157	(8,843)	557,406
OPERATING EXPENSES				
Operations				
Contractual services	420,000	410,718	(9,282)	390,454
Total Operating Expenses	420,000	410,718	(9,282)	390,454
Operating Income	130,000	130,439	439	166,952
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	3,000	3,559	559	3,129
Total Non-Operating Revenues (Expenses)	3,000	3,559	559	3,129
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(85,472)	(85,472)	-
Total Other Financing Sources (Uses)	-	(85,472)	(85,472)	-
Change in net position	$ 133,000	48,526	$ (84,474)	170,081
Net position at beginning of year		2,244,377		2,074,296
Net position at end of year		$ 2,292,903		$ 2,244,377

See independent auditor's report.

PENSION TRUST FUNDS

VILLAGE OF POSEN, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
APRIL 30, 2025

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash	$ 1,577,261	$ 22,367	$ 1,599,628
Investments, at fair value			
Investments in IFPIF	-	41,143	41,143
Investments in IPOPIF	5,634,263	-	5,634,263
Accrued interest	-	97	97
Due from municipality	5,265	1,381	6,646
Total Assets	$ 7,216,789	$ 64,988	$ 7,281,777
LIABILITIES			
Insurance payable	$ -	$ 739	$ 739
Total Liabilities	-	739	739
NET POSITION			
Net position restricted for pensions	7,216,789	64,249	7,281,038
Total Net Position	7,216,789	64,249	7,281,038
Total Liabilities and Net Position	$ 7,216,789	$ 64,988	$ 7,281,777

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2025

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 373,078	$ 94,420	$ 467,498
Plan members	111,976	-	111,976
Total contributions	485,054	94,420	579,474
Investment income			
Net appreciation in fair value of investments	469,908	4,799	474,707
Interest	59,253	787	60,040
Investment expense	(3,574)	(207)	(3,781)
Net investment income	525,587	5,379	530,966
Total Additions	1,010,641	99,799	1,110,440
DEDUCTIONS			
Pension benefits and refunds	252,829	103,350	356,179
Administrative expenses	1,381	-	1,381
Total Deductions	254,210	103,350	357,560
Net increase (decrease) in net position	756,431	(3,551)	752,880
Net position restricted for pensions at beginning of year	6,460,358	67,800	6,528,158
Net position restricted for pensions at end of year	$ 7,216,789	$ 64,249	$ 7,281,038

See independent auditor's report.

VILLAGE OF POSEN, ILLINOIS
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARANCY ACT
CONSOLIDATED YEAR-END FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2025

CSFA #	Program Name	Federal	State	Total
N/A	American rescue plan act	$ 410,750	$ -	$ 410,750
N/A	Community development block grant	12,500	-	12,500
532-60-3017	Lead service line inventory grant program	-	16,988	16,988
420-00-1769	Installation and/or replacement of utilities (DCEO- 21-203431)	-	1,451	1,451
420-00-1758	Site improvements (DCEO- 21/23-203149)	-	271	271
420-00-1771	Construction and/or renovation to buildings, additions, or structures (DCEO - 24-203027)	-	44,869	44,869
420-00-1758	Site improvements (DCEO - 24-203321)	-	243,644	243,644
420-00-1960	Site improvements (DCEO - 24-203620)	-	480,678	480,678
420-00-1769	Installation and/or replacement of utilities (DCEO 23-203213)	-	499	499
	Total expenditures	$ 423,250	$ 788,400	$ 1,211,650

OTHER INFORMATION

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF VALUATIONS, RATES AND EXTENSIONS
FOR TAX LEVIES
FOR THE YEAR ENDED APRIL 30, 2025

Tax Levy Year	Assessed Valuation	Extended Tax Rate
2024	$ 70,800,530	2.221554
2023	71,889,963	2.146800
2022	53,774,689	2.785700
2021	54,881,901	2.664700
2020	59,538,751	2.372200
2019	55,612,574	2.443000
2018	56,073,558	2.328300
2017	57,178,766	2.192000
2016	54,246,508	2.212000
2015	51,832,329	2.245000

The 2024 gross tax levy is analyzed below:

	Rate	Percent	Amount
General:			
Corporate	0.621388	27.96	$ 439,946
Liability insurance	0.293495	13.21	207,796
Crossing guards	0.011638	0.52	8,240
Police protection	0.099042	4.46	70,122
Fire protection	0.099042	4.46	70,122
Auditing	0.055031	2.48	38,962
Police pension	0.637081	28.68	451,057
Fire pension	0.130931	5.89	92,700
Total general	1.947648	87.66	1,378,945
Street and bridge			
Street and bridge	0.038776	1.75	27,454
Street lighting	0.040022	1.80	28,336
Total street and bridge	0.078798	3.55	55,790
Social Security	0.190105	8.56	134,595
Garbage	0.005003	0.23	3,542
Total	2.221554	100.00	$ 1,572,872

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

John Kasperek Co.
CERTIFIED PUBLIC ACCOUNTANTS

East Office: 1471 Ring Road • Calumet City, IL 60409
West Office: 9980 W. 190th St., Unit A • Mokena, IL 60448

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 *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Board of Trustees
Village of Posen, Illinois
Posen, 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 Posen, Illinois (the Village), as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 19, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2025-001 and 2025-002 that we consider to be material weaknesses.

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.*

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

John Kasperek Co., Inc.

Calumet City, Illinois
June 19, 2026

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF FINDINGS
YEAR ENDED APRIL 30, 2025

1. FINDING NUMBER: **2025- 001** **2. THIS FINDING IS:** [ ] New [X] Repeat from Prior year?
Year originally reported? 2022

3. Criteria or specific requirement
Inadequate segregation of duties between asset custody and recordkeeping functions poses a risk that intentional or unintentional errors may not be prevented, or detected and corrected on a timely basis. This involves separation of the initiation, processing, approval and recording responsibilities for transactions.

4. Condition
The Office Manager processes cash disbursements, reconciles the bank statements and is an authorized check signer.

5. Cause
Due to the small number of employees in the Village's administrative office, maintaining proper segregation of duties is difficult.

6. Effect
Proper segregation is not always possible in a small organization, separating incompatible duties to the extent possible should be implemented to reduce the risk of undetected errors.

7. Recommendation
With limited staff, it is important that management of the Village remain diligent in its monitoring of financial transactions. We recommend that a second individual be involved to segregate these responsibilities to help ensure accuracy and reduce the likelihood of circumventing controls.

8. Management's response
Management agrees with the auditor's finding and recommendation.

VILLAGE OF POSEN, ILLINOIS
SCHEDULE OF FINDINGS
YEAR ENDED APRIL 30, 2025

1. FINDING NUMBER: **2025- 002** **2. THIS FINDING IS:** ☐ New ☒ Repeat from Prior year?
Year originally reported? 2023

3. Criteria or specific requirement
A strong system of properly designed internal control is necessary in order to ensure that the Village's financial statements are prepared in all material respects in accordance with accounting principles generally accepted in the United States of America (GAAP).

4. Condition
There were several material proposed journal entries that were identified during the course of the audit which were necessary to be posted by management for the Village's financial statements to be free from material errors in accordance with GAAP. Additionally, the financial statements have been restated to correct errors related to the omission of certain expenditures and expenses from the Village's 2024 financial statements.

5. Cause
Management of the Village has not implemented effective internal control over financial reporting to ensure its financial statements are prepared in all material respects in accordance with GAAP.

6. Effect
Prior to posting the proposed journal entries, the Village's financial statements were materially misstated.

7. Recommendation
We recommend that management evaluate and modify the Village's internal controls as necessary to ensure its financial statements are prepared in all material respects in conformity with GAAP.

8. Management's response
Management agrees with the auditor's finding and recommendation.

VILLAGE OF POSEN, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED APRIL 30, 2025

Finding Number	Condition	Current Status
2024-001	The Office Manager processes cash disbursements, reconciles the bank statements and is an authorized check signer.	Open
2024-002	There were several material proposed journal entries that were identified during the course of the audit which were necessary to be posted by management for the Village's financial statements to be free from material errors in accordance with GAAP.	Open

Village of Posen
Org. 1900
2440 WEST WALTER ZIMNY DRIVE
POSEN, ILLINOIS 60469
PHONE: (708) 385-0139
FAX: (708) 385-5107

Village of Posen, Illinois

Corrective Action Plan
For the Year Ended April 30, 2025

Finding #	Condition	Corrective Action Plan
2025-001	The Office Manager processes cash disbursements, reconciles the bank statements and is an authorized check signer.	Plan: The Village will consider options to improve segregation of duties over internal control functions involving initiation, processing, approval and recording responsibilities for transactions. Name of Contact Person: Frank A. Podbielniak, Village Mayor Anticipated Completion Date: April 30, 2027
2025-002	There were several material proposed journal entries that were identified during the course of the audit which were necessary to be posted by management for the Village's financial statements to be free from material errors in accordance with GAAP. Additionally, the financial statements have been restated to correct errors related to the omission of certain expenditures and expenses from the Village's 2024 financial statements.	Plan: The Village will seek to establish written internal control procedures that will help to eliminate missed or improper recording of journal entries. Name of Contract Person: Frank A. Podbielniak, Village Mayor Anticipated Completion Date: April 30, 2027

John Kasperek Co., Inc. | (708) 862-2262 | info@kasperekcpa.com
West Office: 9980 190th St., Unit A, Mokena, IL 60448
East Office: 1471 Ring Road, Calumet City, IL 60409