

**VILLAGE OF BELLFLOWER, ILLINOIS**

**Annual Financial Report**

**For the Fiscal Year Ended April 30, 2023**

**FILED**  
MCLEAN COUNTY, ILLINOIS

OCT 24 2023

*Kathy Michael*  
COUNTY CLERK

**SKCO**

CERTIFIED PUBLIC ACCOUNTANTS

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**VILLAGE OF BELLFLOWER, ILLINOIS**

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**For the Fiscal Year Ended April 30, 2023**

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**Independent Auditor's Report**

To the Village of Bellflower Board of Trustees  
Bellflower, Illinois

**Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bellflower, Illinois ("Village"), as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2023, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 - Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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.

## **Other Matters**

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises of the Budgetary Comparison Schedules and the related notes 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.

*Striegel Knobloch & Co L.L.C.*

Bloomington, Illinois

October 11, 2023

## VILLAGE OF BELLFLOWER, ILLINOIS

### Statement of Net Position – Modified Cash Basis

April 30, 2023

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 276,921	\$ 201,942	\$ 478,863
Capital assets, net	110,253	750,498	860,751
Total assets	\$ 387,174	\$ 952,440	\$ 1,339,614
<b>Liabilities</b>			
Current liabilities			
Current portion of long-term debt	\$ -	\$ 11,386	\$ 11,386
Total current liabilities	-	11,386	11,386
Noncurrent liabilities			
Notes payable	-	173,385	173,385
Total noncurrent liabilities	-	173,385	173,385
Total liabilities	-	184,771	184,771
<b>Net Position</b>			
Invested in capital assets, net of related debt	110,253	565,727	675,980
Restricted for:			
Motor fuel tax	25,794	-	25,794
Unrestricted	251,127	201,942	453,069
Total net position	387,174	767,669	1,154,843
Total liabilities and net position	\$ 387,174	\$ 952,440	\$ 1,339,614

The accompanying notes are an integral part of this statement.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Statement of Activities – Modified Cash Basis

**For the Year Ended April 30, 2023**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General government	\$ 98,345	\$ 4,181	\$ 37,354	\$ -	\$ (56,810)	\$ -	\$ (56,810)
Transportation and highway	42,543	-	3,921	-	(38,622)	-	(38,622)
Public safety	19,906	3,013	-	-	(16,893)	-	(16,893)
Culture and recreation	20,742	6,470	10,440	-	(3,832)	-	(3,832)
Total governmental activities	181,536	13,664	51,715	-	(116,157)	-	(116,157)
Business-type activities:							
Waterworks	75,106	75,844	-	-	-	738	738
Total business-type activities	75,106	75,844	-	-	-	738	738
Total primary government	<u>\$ 256,642</u>	<u>\$ 89,508</u>	<u>\$ 51,715</u>	<u>\$ -</u>	<u>\$ (116,157)</u>	<u>\$ 738</u>	<u>\$ (115,419)</u>
General revenues:							
Taxes							
				37,475	-		37,475
				706	-		706
				55,906	-		55,906
				13,596	-		13,596
				14,089	-		14,089
				545	-		545
				14,241	-		14,241
				2,889	-		2,889
				43,461	-		43,461
				6,032	4,508		10,540
Total general revenues				188,940	4,508		193,448
Change in net position				72,783	5,246		78,029
Net position – beginning				314,391	762,423		1,076,814
Net position – ending				<u>387,174</u>	<u>767,669</u>		<u>1,154,843</u>

The accompanying notes are an integral part of this statement.

## VILLAGE OF BELLFLOWER, ILLINOIS

### Statement of Assets, Liabilities, and Fund Balances – Governmental Funds – Modified Cash Basis

April 30, 2023

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 251,127	\$ 25,794	\$ 276,921
Total assets	\$ 251,127	\$ 25,794	\$ 276,921
<b>Liabilities</b>			
Payroll liabilities	\$ -	\$ -	\$ -
Total liabilities	-	-	-
<b>Fund Balances</b>			
Restricted:			
Motor fuel tax	-	25,794	25,794
Assigned	15,986	-	15,986
Unassigned	235,141	-	235,141
Total fund balance	251,127	25,794	276,921
Total liabilities and fund balance	\$ 251,127	\$ 25,794	\$ 276,921

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances	\$ 276,921
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in fund financial statements.	110,253
Net position of governmental activities	\$ 387,174

The accompanying notes are an integral part of this statement.



## VILLAGE OF BELLFLOWER, ILLINOIS

### Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis

For the Year Ended April 30, 2023

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues received:			
Property taxes	\$ 37,475	\$ -	\$ 37,475
Excise tax	706		706
Income tax	55,906	-	55,906
Sales tax	13,596	-	13,596
Use tax	14,089	-	14,089
Cannabis tax	545	-	545
Motor fuel tax	-	14,241	14,241
Replacement tax	2,889	-	2,889
Grant income	23,407	3,921	27,328
Fines and forfeitures	3,013	-	3,013
Franchise fees	4,181	-	4,181
Rent income	6,470	-	6,470
Donations	24,387	-	24,387
Insurance proceeds	43,461	-	43,461
Investment income	5,328	704	6,032
	<u>235,453</u>	<u>18,866</u>	<u>254,319</u>
Total revenues received			
Expenditures disbursed:			
General government	98,345	-	98,345
Transportation and highway	630	39,245	39,875
Public safety	19,906	-	19,906
Culture and recreation	18,382	-	18,382
	<u>137,263</u>	<u>39,245</u>	<u>176,508</u>
Total expenditures disbursed			
Net change in fund balance	98,190	(20,379)	77,811
Fund balance, beginning of year (as restated)	<u>152,937</u>	<u>46,173</u>	<u>199,110</u>
Fund balance, end of year	<u>\$ 251,127</u>	<u>\$ 25,794</u>	<u>\$ 276,921</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF BELLFLOWER, ILLINOIS**

**Reconciliation of the Change in Fund Balances of Governmental Funds to the  
Governmental Activities in the Statement of Activities – Modified Cash Basis**

**For the Year Ended April 30, 2023**

Net change in fund balances – total governmental funds		\$ 77,811
Capital outlays are reported as expenditures in the fund financial statements because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives.		
Depreciation	<u>(5,028)</u>	<u>(5,028)</u>
Change in net position of governmental activities		<u><u>\$ 72,783</u></u>

The accompanying notes are an integral part of this statement.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Statement of Fund Net Position – Proprietary Funds – Modified Cash Basis

April 30, 2023

	<u>Enterprise Fund</u> <u>Water Fund</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 201,942
Total current assets	<u>201,942</u>
Non-current assets:	
Capital assets	1,107,722
Less: accumulated depreciation	<u>(357,224)</u>
Total noncurrent assets	<u>750,498</u>
Total assets	<u><u>\$ 952,440</u></u>
<b>Liabilities</b>	
Current liabilities:	
Notes payable	\$ 11,386
Total current liabilities	<u>11,386</u>
Long-term liabilities:	
Notes payable	<u>173,385</u>
Total long-term liabilities	<u>173,385</u>
Total liabilities	<u><u>184,771</u></u>
<b>Fund Net Position</b>	
Invested in capital assets, net of related debt	565,727
Unrestricted	<u>201,942</u>
Total fund net position	<u>767,669</u>
Total liabilities and fund net position	<u><u>\$ 952,440</u></u>

The accompanying notes are an integral part of this statement.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Modified Cash Basis

For the Year Ended April 30, 2023

	<u>Enterprise Fund</u> <u>Water Fund</u>
Operating revenues:	
Charges for services	\$ 75,844
Total operating revenues	<u>75,844</u>
Operating expenses:	
Wages	13,072
Payroll taxes	1,200
Repairs and maintenance	18,618
Utilities	5,776
Testing	3,296
Materials and supplies	4,753
Depreciation	<u>25,223</u>
Total operating expenses	<u>71,938</u>
Operating income (loss)	<u>3,906</u>
Non-operating revenues (expenses):	
Interest income	4,508
Interest expense	<u>(3,168)</u>
Total non-operating revenue (expense)	<u>1,340</u>
Change in net position	5,246
Net position, beginning of year	<u>762,423</u>
Net position, end of year	<u>\$ 767,669</u>

The accompanying notes are an integral part of this statement.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Statement of Cash Flows – Proprietary Funds – Modified Cash Basis

For the Year Ended April 30, 2023

	<u>Enterprise Fund</u> <u>Water Fund</u>
Cash flows from (used in) operating activities:	
Cash received from customers	\$ 75,844
Cash payments to employees for services	(13,072)
Cash payments to suppliers for goods and services	(33,643)
	<hr/>
Net cash provided by (used in) operating activities	29,129
	<hr/>
Cash flows from (used in) capital and related financing activities:	
Principal paid on notes	(11,202)
Interest paid on notes	(3,168)
	<hr/>
Net cash provided by (used in) capital and related financing activities	(14,370)
	<hr/>
Cash flows from (used in) investing activities:	
Interest from investments	4,508
	<hr/>
Net cash provided by (used in) investing activities	4,508
	<hr/>
Net increase (decrease) in cash and cash equivalents	19,267
Cash and cash equivalents, beginning of year	182,675
	<hr/>
Cash and cash equivalents, end of year	\$ 201,942
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 3,906
Adjustments:	
Depreciation	25,223
	<hr/>
Net cash provided by (used in) operating activities	\$ 29,129
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Notes to Financial Statements

April 30, 2023

The accounting methods and procedures adopted by Village of Bellflower, McLean County, Illinois, conform to the modified cash basis of accounting as applied to government entities. The following notes to the financial statements are an integral part of the Village 's Annual Financial Report.

### Note 1 – Summary of Significant Accounting Policies:

#### Reporting Entity

The Village of Bellflower, Illinois is located in McLean County, Illinois. The Village is a municipal corporation governed by an elected President and six member board. The Village’s major operations include public safety, streets, culture and recreation, economic development, water, and general administrative services.

The Village, for financial purposes, includes all of the funds and account groups relevant to the operations of Village of Bellflower.

The financial statements of the Village include those of separately administered organizations that are controlled by or dependent on the Village. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

“Component units” are organizations for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government are such that their exclusion from the primary government’s financial statements would render those financial statements misleading or incomplete. The Village has no component units.

The accounting policies of the Village conform to the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis) report information on all activities of the primary government.

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

# VILLAGE OF BELLFLOWER, ILLINOIS

## Notes to Financial Statements – Continued

April 30, 2023

### Note 1 – Summary of Significant Accounting Policies – Continued:

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Village's financial statements are prepared using the modified cash basis of accounting, which is a basis of accounting that differs from accounting principles generally accepted in the United States of America (GAAP). Revenues are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and expenditures are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods or services received but not yet paid, and liabilities) are not recorded in these financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### Governmental Fund Types

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund – This fund is established to account for the resources devoted to financing the general services that the Village performs for its citizens. General tax revenues and other sources of revenues used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Funds – These funds are established for the purpose of accumulating resources for the payment of interest and principal on general long-term debt.

Capital Projects Fund – This fund is established to account for major capital expenditures not financed by other funds.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Notes to Financial Statements – Continued

April 30, 2023

### Note 1 – Summary of Significant Accounting Policies – Continued:

#### Proprietary Fund Types

These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds.

Enterprise Funds – These funds are established to account for the operations that are financed and conducted in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The focus of fund financial statements is on major funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The board has elected to show all funds as major.

#### Major Funds

The Village reports the following major governmental funds:

General Fund – The principal operating fund of the Village which is used to account for all activities of the Village not included in other specified funds.

Motor Fuel Tax Fund – A special revenue fund used to account for and report financial resources that are restricted, committed, or assigned to expenditures related to state-approved street maintenance programs financed from the local share of the state gasoline tax as collected and distributed by the State of Illinois. Revenues are generated from motor fuel taxes.

The Village reports the following major proprietary funds:

Water Fund – An enterprise fund used to account for the provision of water services to the residents. Primary revenues for this fund are user charges.

#### Cash and Cash Equivalents

For the purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include all highly liquid investments with a maturity of three months or less when purchased. Investments such as certificates of deposits are carried at cost which approximates fair market value.



# VILLAGE OF BELLFLOWER, ILLINOIS

## Notes to Financial Statements – Continued

April 30, 2023

### Note 1 – Summary of Significant Accounting Policies – Continued:

#### Deposits and Investments

The Public Funds Investment Act of the State of Illinois allows municipalities to invest in the following:

- U.S. Treasury obligations
- Direct obligations of any bank as defined by Illinois Banking Act
- Certain corporate short-term obligations
- Certain public agencies
- Public Treasurers' Investment Pool
- Certain money market mutual funds

Investments are recorded at cost which approximates market value.

#### Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with the modified cash basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were used.

#### Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Notes to Financial Statements – Continued

April 30, 2023

### Note 1 – Summary of Significant Accounting Policies – Continued:

#### Fund Equity

The Village has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory, prepaid expenses, long-term receivables) or are required to be maintained intact. The Village did not report any amounts as nonspendable.
- Restricted fund balance – amounts constrained to specific purpose by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. At April 30, 2023, the Village showed unspent motor fuel tax revenues as restricted in the amount of \$25,794
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint. The Village did not report any amounts as committed.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. At April 30, 2023, the Village showed the community center and community events cash balances as assigned
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the General Fund. At April 30, 2023, the Village reported \$235,141 as unassigned.

The Village establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balanced are established by the Village through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

VILLAGE OF BELLFLOWER, ILLINOIS

Notes to Financial Statements – Continued

April 30, 2023

Note 1 – Summary of Significant Accounting Policies – Continued:

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure. Capital assets recorded in the governmental funds are not capitalized. Instead, capital acquisition and/or construction of assets are reflected as capital outlay expenditures. These capital outlay expenditures are presented in the governmental activities column in the government-wide financial statements.

Capital assets recorded in the proprietary funds are capitalized. These capital assets are also presented in the business-type activities column in the government-wide financial statements.

All purchased capital assets are valued at historical cost or estimated historical cost when actual historical records are not available.

The Village records as capital assets for buildings and water system greater than \$50,000 and for equipment and vehicles greater than \$5,000.

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

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	20 – 40 years
Water System	20 – 40 years
Equipment and vehicles	7 – 14 years

Interfund Transactions

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activities and balances in the fund financial statements have been eliminated or reclassified.

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions except reimbursements are reported as transfers.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Notes to Financial Statements – Continued

April 30, 2023

### Note 1 – Summary of Significant Accounting Policies – Continued:

#### Net Position

The Village has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The objective of this Statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition or improvement of those assets.

#### Net Position Flow Assumption

Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Village's policy to consider restricted to have been depleted before unrestricted is applied.

#### Fund Balance Flow Assumptions

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### Budgets and Budgetary Accounting

The budget amounts presented in the financial statements represent the estimated revenue, taken from the Village's working budget, and appropriations, as set forth in the Village's annual budget appropriation ordinance, adopted for the fiscal year ended April 30, 2023.

Budgets are prepared for the general and special revenue funds on the same basis and using the same accounting practices as are used to account for and prepare financial reports for the funds. Thus, budgets presented in this report for comparison to actual amounts are presented in accordance with cash basis accounting principles.

Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established in the amount of expenditures budgeted for the fund, but management control is exercised and budgetary line-time levels.

**VILLAGE OF BELLFLOWER, ILLINOIS**

**Notes to Financial Statements – Continued**

**April 30, 2023**

**Note 2 – Property Taxes:**

The Village Board passes a property tax levy ordinance. By law, the Village Board has until the fourth Tuesday in December to pass this ordinance for use in the fiscal year beginning April 1<sup>st</sup>. The tax levy was approved and passed October 9, 2022. The tax becomes a lien for all real property located in the Village as of January 1<sup>st</sup>, on the assessed value listed as of the day prior (December 31<sup>st</sup>). Assessed values are established by the County Assessment Board at 33 ⅓% of assumed market value. In the year following the levy, the County bills the property taxes in two installments, generally in May and August. The taxes become delinquent approximately 40 days after the dates billed. The County collects the taxes then remits them to the Village. For the year ended April 30, 2023, the Village collected revenues from the 2021 annual levy.

**Note 3 – 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; injuries to employees; and natural disasters. The Village has joined together with other municipalities in the State of Illinois to form the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for its member municipalities. The Village pays an annual premium to IMLRMA for its general insurance coverage which includes workers' compensation, comprehensive general liability, inland marine, automobile physical damage, and property loss. Each area of coverage is subject to limitations that would be comparable to commercial insurance coverage. During the year ended April 30, 2023, there were no significant reductions in coverage. Settled claims have not exceeded the amount of insurance coverage in any of the past three years.

**Note 4 – Deposits and Investments:**

At April 30, 2023, the Village's carrying amount of demand deposits was \$93,689 and the bank balance was \$117,819. The bank balance was categorized as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 117,819

Custodial credit risk is the risk that in the event of a bank failure, the Village's demand deposits may not be returned to it. As of April 30, 2023, \$-0- of the Village's bank balance of \$117,819 was exposed to custodial credit risk.

At April 30, 2023, the Village do not have any time deposits.

# VILLAGE OF BELLFLOWER, ILLINOIS

## Notes to Financial Statements – Continued

April 30, 2023

### Note 4 – Deposits and Investments - Continued:

At April 30, 2023, the Village held \$385,174 in the Illinois Funds Money Market Fund. The value of the Village's position in the fund is equal to the value of the Village's fund shares, which maintain a \$1 net asset value. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has an AAA rating from Standard and Poor's. The assets of the fund are mainly invested in debt securities issued by the United States government or agencies related to the United States and valued at amortized cost. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The Village has no restrictions on withdrawing funds from this external investment pool.

### Note 5 – Intergovernmental Agreements:

The Village is party to an intergovernmental agreement with the Village of Downs, Illinois, wherein the Village receives police services. Such an agreement has been in place for several prior years, which is updated annually. During the fiscal year ended April 30, 2023, the Village reported \$18,583 in intergovernmental expenditures related to this agreement.

### Note 6 – Interfund Loans and Transfers:

The Village did not have any interfund loan activity for the year ended April 30, 2023.

The Village did not have any interfund transfers for the year ended April 30, 2023.

**VILLAGE OF BELLFLOWER, ILLINOIS**

**Notes to Financial Statements – Continued**

**April 30, 2023**

**Note 7 – Capital Assets:**

The following is a summary of changes in capital assets for the year ended April 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Total capital assets not being depreciated	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Capital assets being depreciated:				
Buildings	104,406	-	-	104,406
Equipment and vehicles	<u>62,572</u>	<u>-</u>	<u>-</u>	<u>62,572</u>
Total capital assets being depreciated	<u>166,978</u>	<u>-</u>	<u>-</u>	<u>166,978</u>
Less accumulated depreciation for:				
Buildings	(15,900)	(2,360)	-	(18,260)
Equipment and vehicles	<u>(36,797)</u>	<u>(2,668)</u>	<u>-</u>	<u>(39,465)</u>
Total accumulated depreciation	<u>(52,697)</u>	<u>(5,028)</u>	<u>-</u>	<u>(57,725)</u>
Total capital assets being depreciated, net	<u>114,281</u>	<u>(5,028)</u>	<u>-</u>	<u>109,253</u>
Governmental activities capital assets, net	<u>\$ 115,281</u>	<u>\$ (5,028)</u>	<u>\$ -</u>	<u>\$ 110,253</u>

**VILLAGE OF BELLFLOWER, ILLINOIS**

**Notes to Financial Statements – Continued**

**April 30, 2023**

**Note 7 – Capital Assets – Continued:**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Total capital assets not being depreciated	1,000	-	-	1,000
Capital assets being depreciated:				
Buildings	2,500	-	-	2,500
Water system	1,104,222	-	-	1,104,222
Total capital assets being depreciated	1,106,722	-	-	1,106,722
Less accumulated depreciation for:				
Buildings	(2,500)	-	-	(2,500)
Water system	(329,501)	(25,223)	-	(354,724)
Total accumulated depreciation	(332,001)	(25,223)	-	(357,224)
Total capital assets being depreciated, net	774,721	(25,223)	-	749,498
Business-type activities capital assets, net	\$ 775,721	\$ (25,223)	\$ -	\$ 750,498

Depreciation expense was charged to the functions of government as follows:

**Governmental Activities:**

Transportation and highway	\$ 2,668
Culture and recreation	2,360
	\$ 5,028

**Business-Type Activities:**

Water	\$ 25,223
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**VILLAGE OF BELLFLOWER, ILLINOIS**

**Notes to Financial Statements – Continued**

**April 30, 2023**

**Note 8 – Long-Term Debt:**

Business-Type Activities

During November of 2016, the Village passed Ordinance No. 16-04 authorizing \$473,000 in debt from Illinois Environmental Protection Agency (IEPA) to be used for rehabilitation of the existing 50,000-gallon elevated storage tank and construction of new water main. The agreement was amended March 13, 2018 with the total proceeds being \$458,362 with \$220,236 of that amount forgiven. The interest rate is 1.64%. Payments are due annually on June 20th and December 20th. The first payment was due June 20, 2018 and the last payment is due June 20, 2037. This note is being repaid by the Water Fund. Following is the repayment schedule for the note:

<u>Year Ended</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,386	\$ 2,984	\$ 14,370
2025	11,574	2,796	14,370
2026	11,764	2,606	14,370
2027	11,958	2,412	14,370
2028	12,155	2,215	14,370
2029-2033	63,843	8,007	71,850
2034-2038	<u>62,091</u>	<u>2,573</u>	<u>64,664</u>
	<u>\$ 184,771</u>	<u>\$ 23,593</u>	<u>\$ 208,364</u>

The following is a summary of changes in long-term debt for the year ended April 30, 2023:

Business-Type Activities

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Ending</u>	<u>Due Within</u> <u>One Year</u>
IEPA – 2016	\$ <u>195,973</u>	\$ <u>-</u>	\$ <u>11,202</u>	\$ <u>184,771</u>	\$ <u>11,386</u>

**Note 9 – Legal Debt Margin:**

The statutory debt limit of the Village is 8.625% of assessed valuation less any applicable debt. The legal debt margin is as follows:

Total Assessed Valuation – 2022 Tax Year	\$ <u>3,650,060</u>
Statutory Debt Limitation (8.625% of Assessed Valuation)	\$ 314,818
Total Applicable Debt	<u>-</u>
Legal Debt Margin	<u>\$ 314,818</u>

VILLAGE OF BELLFLOWER, ILLINOIS

Notes to Financial Statements – Continued

April 30, 2023

**Note 10 – Restatement of Fund Balance:**

During the year ended April 30, 2023, the Village consolidated the Library Fund, Community Center Fund, and Community Events Fund into the General Fund.

The following financial statement items were affected by this restatement as of April 30, 2022:

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
<i><u>Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis</u></i>			
Fund balance – Library Fund	\$ -	\$ -	\$ -
Fund balance – Community Center Fund	100	-	(100)
Fund balance – Community Events Fund	15,150	-	(15,150)
Fund balance – General Fund	137,687	152,937	15,250

**Note 11 – Subsequent Events:**

No events have occurred subsequent to April 30, 2023, that are required to be disclosed in these financial statements. This evaluation was made as of October 11, 2023, the date these financial statements were available to be issued.

## **OTHER INFORMATION**

**VILLAGE OF BELLFLOWER, ILLINOIS**

**Budgetary Comparison Schedule – General Fund – Unaudited**

**For the Year Ended April 30, 2023**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
<b>Cash receipts</b>				
Property taxes	\$ 34,800	\$ 34,800	\$ 37,475	\$ 2,675
Excise tax	500	500	706	206
Income tax	50,000	50,000	55,906	5,906
Sales tax	13,500	13,500	13,596	96
Use tax	13,500	13,500	14,089	589
Cannabis tax	500	500	545	45
Replacement tax	2,200	2,200	2,889	689
Grant income	42,700	42,700	23,407	(19,293)
Fines and forfeitures	2,000	2,000	3,013	1,013
Franchise fees	2,500	2,500	4,181	1,681
Rent income	2,700	2,700	6,470	3,770
Donations	22,800	22,800	24,387	1,587
Insurance proceeds	-	-	43,461	43,461
Investment income	150	150	5,328	5,178
Miscellaneous	15,000	15,000	-	(15,000)
	<u>202,850</u>	<u>202,850</u>	<u>235,453</u>	<u>32,603</u>
<b>Total cash receipts</b>				
<b>Cash disbursements</b>				
General government	151,520	151,520	98,345	(53,175)
Transportation and highway	-	-	630	630
Public safety	27,200	27,200	19,906	(7,294)
Culture and recreation	24,130	24,130	18,382	(5,748)
	<u>202,850</u>	<u>202,850</u>	<u>137,263</u>	<u>(65,587)</u>
<b>Total cash disbursements</b>				
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	98,190	<u>\$ 98,190</u>
Fund balance – beginning of year			<u>152,937</u>	
Fund balance – end of year			<u>\$ 251,127</u>	

**VILLAGE OF BELLFLOWER, ILLINOIS**

**Budgetary Comparison Schedule – Motor Fuel Tax Fund – Unaudited**

**For the Year Ended April 30, 2023**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
<b>Cash receipts</b>				
State motor fuel tax	\$ 13,700	\$ 13,700	\$ 14,241	\$ 541
Grant income	3,900	3,900	3,921	21
Interest	50	50	704	654
	<u>17,650</u>	<u>17,650</u>	<u>18,866</u>	<u>1,216</u>
Total cash receipts	<u>17,650</u>	<u>17,650</u>	<u>18,866</u>	<u>1,216</u>
<b>Cash disbursements</b>				
Transportation and highway	<u>32,150</u>	<u>32,150</u>	<u>39,245</u>	<u>7,095</u>
Total cash disbursements	<u>32,150</u>	<u>32,150</u>	<u>39,245</u>	<u>7,095</u>
Net change in fund balance	<u>\$ (14,500)</u>	<u>\$ (14,500)</u>	(20,379)	<u>\$ (5,879)</u>
Fund balance – beginning of year			<u>46,173</u>	
Fund balance – end of year			<u>\$ 25,794</u>	

**VILLAGE OF BELLFLOWER, ILLINOIS**

**Notes to Other Information**

**April 30, 2023**

**Note 1 – Budget Policy and Practice:**

The Village legally adopts annual cash budgets for all funds. Those procedures are followed in establishing budgetary data reflected in the financial statements.

1. The Village Clerk submits to the Village Board a proposed operating budget for the fiscal year commencing the following May 1<sup>st</sup>. The operating budget includes cash disbursements and the means of financing them for the upcoming year. The statutes require that the budget be submitted in summary form. In addition, more detailed line item budgets are included for an administrative control. The level of control for the detailed budgets is at the department head/function level.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to July 31<sup>st</sup>, the budget is legally enacted through passage of an ordinance. The budget was approved and passed June 12, 2022.
4. The budget lapses at the end of each fiscal year and reflects the cash basis of accounting.
5. The Village Board may authorize supplemental appropriations during the year.

**Note 2 – Cash Disbursements in Excess of Budget:**

Motor Fuel Tax Fund had cash disbursements in excess of budgeted amounts in the amount of \$7,095 for the year ended April 30, 2023.

**FILED**  
McLEAN COUNTY, ILLINOIS

OCT 24 2023

*Kathy Michael*  
COUNTY CLERK

## VILLAGE OF BELLFLOWER, ILLINOIS

### Schedule of Property Tax Levies, Rates, Extensions, and Collections – Unaudited

Fiscal Year of Receipt Levy Year	Tax Levy Years				
	2024	2023	2022	2021	2020
	2022	2021	2020	2019	2018
Rate Setting Equalized					
Assessed Valuation (EAV)	\$ 3,650,060	\$ 3,488,720	\$ 3,293,570	\$ 3,299,242	\$ 3,260,123
Tax Levies:					
General corporate	\$ 11,512	\$ 10,868	\$ 10,550	\$ 9,609	\$ 9,609
Medicare	280	126	-	-	-
Police protection	2,616	2,470	2,400	2,000	2,000
Audit	6,000	5,940	5,400	4,900	4,000
Unemployment tax	76	59	55	55	55
Street lighting	1,744	1,646	-	-	-
Social security	1,214	539	1,300	1,590	1,590
Tort liability	13,130	13,200	13,500	13,500	13,000
Total Tax Rates	<u>\$ 36,572</u>	<u>\$ 34,848</u>	<u>\$ 33,205</u>	<u>\$ 31,654</u>	<u>\$ 30,254</u>
Tax Rates:					
General corporate	0.31539	0.31152	0.32032	0.29125	0.29474
Medicare	0.00767	0.00361	-	-	-
Police protection	0.07167	0.07080	0.07287	0.06062	0.06135
Audit	0.16438	0.17026	0.16396	0.14852	0.12269
Unemployment tax	0.00208	0.00169	0.00167	0.00167	0.00169
Street lighting	0.04778	0.04718	-	-	-
Social security	0.03326	0.01545	0.03947	0.04819	0.04877
Tort liability	0.35972	0.37836	0.40989	0.40918	0.39876
Total Tax Rates	<u>1.00195</u>	<u>0.99887</u>	<u>1.00818</u>	<u>0.95943</u>	<u>0.92800</u>
Tax Extensions:					
General corporate	\$ 11,512	\$ 10,868	\$ 10,550	\$ 9,609	\$ 9,609
Medicare	280	126	-	-	-
Police protection	2,616	2,470	2,400	2,000	2,000
Audit	6,000	5,940	5,400	4,900	4,000
Unemployment tax	76	59	55	55	55
Street Lighting	1,744	1,646	-	-	-
Social security	1,214	539	1,300	1,590	1,590
Tort liability	13,130	13,200	13,500	13,500	13,000
Total Tax Extensions	<u>\$ 36,572</u>	<u>\$ 34,848</u>	<u>\$ 33,205</u>	<u>\$ 31,654</u>	<u>\$ 30,254</u>
Tax Collections:					
General corporate		\$ 10,782	\$ 10,299	\$ 9,599	\$ 9,581
Medicare		125	-	-	-
Police protection		2,450	2,343	1,998	1,994
Audit		5,893	5,271	4,895	3,988
Unemployment tax		59	54	55	55
Street Lighting		1,633	-	-	-
Social security		535	1,269	1,588	1,585
Tort liability		13,096	13,179	13,486	12,961
Tax extension collected		<u>34,573</u>	<u>32,415</u>	<u>31,621</u>	<u>30,164</u>
Additions/Subtractions:					
Township Road and Bridge		<u>2,902</u>	<u>2,733</u>	<u>2,743</u>	<u>2,708</u>
Total Tax Collections		<u>\$ 37,475</u>	<u>\$ 35,148</u>	<u>\$ 34,364</u>	<u>\$ 32,872</u>
Percentage of Extension Collected		<u>99.21%</u>	<u>97.62%</u>	<u>99.90%</u>	<u>99.70%</u>