

City of Litchfield
City Council Meeting Agenda
City Hall
April 2, 2026
6:30 p.m.

Call Meeting to Order
Pledge to Flag
Roll Call
Recognition of Visitors and Special Guests
City Report
Public Participation
Appointments

Other Business:

1. A motion to accept the public hearing minutes and the regular meeting minutes from the March 19, 2026 meeting.
2. A motion to approve the expenditure report and payroll report for the current period.

Old Business:

New Business:

1. Lake - Robbin Huffman - A motion to approve Budd's Paint Service to complete a single broadcast resurface on the concrete floors in Bi-Centennial Campground and Equestrian Campground shower houses for an amount not to exceed \$13,400.
2. Water Department - Bob Garcia - A motion to approve a resolution waiving competitive bidding procedures and authorizing the emergency expenditures for the Litchfield Water Treatment Plant.
3. Economic Development - Ray Kellenberger - A motion to approve a Resolution approving and authorizing the Mayor to execute an emergency roof repair grant agreement with Short Furniture Company, Inc. for 315 N. State Street and other actions related thereto.
4. Tourism - Josh Hughes - A motion to approve a resolution setting hourly wages for seasonal staff with the Litchfield Pickers Market.
5. Building & Zoning - Sara Zumwalt - A motion to approve a resolution approving and authorizing a demolition agreement of a structure located at 115 East Corwin St. PIN # 10-33-334-008.

6. Building & Zoning - Sara Zumwalt - A motion to approve resolution approving and authorizing a demolition agreement for the demolition of a structure located at 843 South Montgomery PIN # 15-04-259-016.
7. Finance - Sara Zumwalt - A motion to accept the Fiscal Year 2025 audit.
8. Finance - Sara Zumwalt - Budget Workshop: Presentation of the proposed Fiscal Year 2027 City of Litchfield Budget.

Executive Session

A Motion to Enter into Executive Session, as allowed under the Illinois Open Meetings Act, as found in Chapter 5 of the Illinois Compiled Statutes, Section 120, to address these certain and restricted items:

1. "Discussion of minutes of meeting lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06." (5ILCS 120/2(2)(C)(21))
2. "Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees." (5ILCS 120/2(C)(2))

New Business

1. A motion to approve the Executive Session minutes from March 19, 2026.

Adjournment

City of Litchfield
City Council
April 2, 2026

Agenda Item: A motion to approve Budd’s Paint Service to complete a single broadcast resurface on the concrete floors in Bi-Centennial Campground and Equestrian Campground shower houses for an amount not to exceed \$13,400.

Background: The concrete floors in the Bi-Centennial and Equestrian Campground shower houses have become worn and increasingly smooth over time due to age, regular use, and constant exposure to moisture. This has reduced traction which creates a higher risk of slips and falls for guests. Resurfacing the floors with a non-slip coating and fleck finish will restore a safer walking surface, improve durability, and help extend the life of the existing concrete while enhancing overall user safety in these high-traffic areas.

Budget Impact: This project was not specifically included as a budgeted item in FY26. Funds are available within the General Fund to complete this project. A check will need to be issued by City Clerk for \$6,700 at start of job and \$6,700 upon completion of job.

Recommendation: The Lake Superintendent, the City Council Lake Liaison, and the City Administrator recommend a motion to approve Budd’s Paint Service to complete a single broadcast resurface on the concrete floors in Bi-Centennial Campground and Equestrian Campground shower houses for an amount not to exceed \$13,400.

Supporting material: Bi-Centennial Campground Shower House Quote
Equestrian Campground Shower House Quote

#1 in Quality

Over 50 Years in Business

Budd's Paint Service

Serving all your business needs

29 Yaeger Lake Trail
Litchfield, IL. 62056

Phone: (217)324-2836
Cell: (217)254-9742

Date: March 6, 2026

Project : City of Litchfield IL – Bicentennial Campground Shower house floor coating

This proposal is for the floor prep and application of PPG's Megaseal epoxy flooring systems. We are going to propose that the bathroom floor get a Decorative Full Flake epoxy coating system applied. We will bid it with a double broadcast and a single broadcast system. Due to the age and unknown of the concrete, we highly recommend a moisture block primer to be used prior to applying epoxy coating. BPS will supply all needed materials, equipment and labor to complete the job in a timely manner. Toilets will need to be removed by park officials prior to BPS arrival.

FLOOR PREP

We will grind/shot blast the surface to achieve the correct profile recommended by PPG Paints. We will cut termination joints into the floor at doorways, this will eliminate a tape edge/feather edge. All cracks and control joints will be filled with PPG's epoxy crack filler and ground smooth once dried.

26x11

The proposal for this floor will consist of diamond grinding the concrete to achieve the correct profile for the coating application and cleaning the floor to a sound surface prior to applying the recommended PPG coating. First coat will be a Moisture Block primer, which is good up to 25 psi of moisture vapor transmission. We will then apply the Decorative Full Flake Epoxy coating in the color of choice, BPS has recommended the Creekbed flake color, as it is a very natural looking color that blends well with the exterior color of the building. This will be applied to the strict guidelines set by PPG. These systems have a drying time of 48-72 hrs for foot traffic and 7 days for full cure. A double broadcast system is a 5 coat process with the moisture block primer and a single broadcast is a 4 coat process with the moisture block primer.

Project : City of Litchfield IL – Bicentennial Campground Shower house floor coating

Our price for this procedure would be as follows: \$8,350.00 double broadcast
\$6,700.00 single broadcast

X _____

Thank you for allowing us to bid your job. If this is the application you would like to use please sign to insure contract pricing.

TERMS

50% due upon starting of job and remaining 50% is due upon completed project required by BPS. Job will not be started until these terms are met.

#1 in Quality

Over 50 Years in Business

Budd's Paint Service

Serving all your business needs

29 Yaeger Lake Trail
Litchfield, IL. 62056

Phone: (217)324-2836
Cell: (217)254-9742

Date: March 6, 2026

Project : City of Litchfield IL – Equestrian Campground Shower house floor coating

This proposal is for the floor prep and application of PPG's Megaseal epoxy flooring systems. We are going to propose that the bathroom floor get a Decorative Full Flake epoxy coating system applied. We will bid it with a double broadcast and a single broadcast system. Due to the age and unknown of the concrete, we highly recommend a moisture block primer to be used prior to applying epoxy coating. BPS will supply all needed materials, equipment and labor to complete the job in a timely manner.

FLOOR PREP

We will grind/shot blast the surface to achieve the correct profile recommended by PPG Paints. We will cut termination joints into the floor at doorways, this will eliminate a tape edge/feather edge. All cracks and control joints will be filled with PPG's epoxy crack filler and ground smooth once dried.

26x11

The proposal for this floor will consist of diamond grinding the concrete to achieve the correct profile for the coating application and cleaning the floor to a sound surface prior to applying the recommended PPG coating. First coat will be a Moisture Block primer, which is good up to 25 psi of moisture vapor transmission. We will then apply the Decorative Full Flake Epoxy coating in the color of choice, BPS has recommended the Creekbed flake color, as it is a very natural looking color that blends well with the exterior color of the building. This will be applied to the strict guidelines set by PPG. These systems have a drying time of 48-72 hrs for foot traffic and 7 days for full cure. A double broadcast system is a 5 coat process with the moisture block primer and a single broadcast is a 4 coat process with the moisture block primer.

Project : City of Litchfield IL – Equestrian Campground Shower house floor coating

Our price for this procedure would be as follows: \$8,350.00 double broadcast
\$6,700.00 single broadcast

X _____

Thank you for allowing us to bid your job. If this is the application you would like to use please sign to insure contract pricing.

TERMS

50% due upon starting of job and remaining 50% is due upon completed project required by BPS. Job will not be started until these terms are met.

City of Litchfield
City Council
April 2, 2026

Agenda Item: A motion to approve a resolution waiving competitive bidding procedures and authorizing the emergency expenditures for the Litchfield Water Treatment Plant listed below:

- Powered Activated Carbon (PAC) Silo at \$83,343.00.
- Chlorination and Ammonia Emergency Close Systems at \$4,446.20
- Conduit for Emergency Actuator Cables – cost to be determined.
- Water Plant Security System at \$24,909.83. See Attachment A

Background: The Litchfield Water Treatment Plant had a catastrophic failure of its chemical feed system. When Administration visited the Water Treatment Plant to verify a correction had been made there was a voluminous list of issues identified. CMT Engineers and HMG Engineers both visited the facility and did an evaluation of the Water Treatment Plant. The purchases above were identified as immediate correction needed.

Budget Impact: These repairs are unbudgeted and will be coming from enterprise reserve funds.

Recommendation: The City Administrator, Public Works Coordinator and the Interim Water Superintendent recommend a motion to approve a resolution waiving competitive bidding procedures and authorizing the emergency expenditures for the Litchfield Water Treatment Plant listed below

Supporting material: The agreement and resolution are attached.



We have prepared a quote for:

City of Litchfield

Access Control at the Water Treatment Plant

Quote # JT015429HD Version 1

Prepared by:

Jason Thompson

Engineered by:

Derek Rodman



Products

Description	Qty
NETBOX SYSTEM CONTROLLER	1
LENEL2 ACCESS CONTROL APPLICATION BLADE	5
Linear Power Supply	2
Access Control Reader	14
Electric Strike, 12/24 VDC, Satin Stainless Steel	2
Electric Strike, Surface-mount	2
VIDEO DOOR ANSWERING SYSTEM (DOOR STATION, DESK UNIT, AND POWER SUPPLY)	1
Video Door Station	1
LONG DISTANCE ADAPTER	1
Control Cable, 18 AWG	500
Access Control Smart Key, 13.56MHz, iClass	100



Access Control at the Water Treatment Plant

Prepared by:

Heart Decatur
Jason Thompson
(309) 427-7217
jthompson@heart.net
860 E. Pershing Rd.
Decatur, IL 62526

Prepared for:

City of Litchfield
Dan Held
(217) 324-2250
watersupt@cityoflitchfieldil.com
4303 IL Rte. 16 East
Litchfield, IL 62056

Quote Information:

Quote #: JT015429HD
Version: 1
Delivery Date: 02/13/2026
Expiration Date: 03/13/2026

Quote Summary

Description	Total:	Amount
Access Control at the Water Treatment Plant		\$24,909.83

Payment Schedule

Description	Payments	Interval	Amount
Purchase Price: 50/30/20			
50% Due on Signing	1	One-Time	\$12,454.92
30% on Receipt of Materials	1	One-Time	\$7,472.95
20% on Completion	1	One-Time	\$4,981.97

Payment Due at Signing

Description	Amount
Purchase Price: 50/30/20: 50% Due on Signing	
Total of 50% Due on Signing Payment	\$12,454.92

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

Heart Decatur

City of Litchfield

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: Dan Held
Title: _____
Date: _____



Statement of Work

Heart Technologies will provide and install an access control system and video door answering system for City of Litchfield Water Treatment Plant in Litchfield Illinois. Heart will install an S2 access control system. Heart will install the S2 control panel in the mechanical room where the old access control system resides. Heart will replace all card readers with HID Signo readers. 100 new access control fobs are included in this proposal. All components that can be re-used will be re-used. All locations for access controlled doors are below. Along with the access control, Heart will install video door answering systems on the front gate and receiving doors. This will allow someone without credentials to be able to communicate with control room and allow control room to remotely open door/gate. All labor, material, and programming is included in this proposal.

Room 107 - new recessed wide mouth electric strike, door contact, and 2 readers (read in and out)

Room 119 - 2 new readers (read in and out), re-use lock and door contact

Room 115 - new reader, re-use lock and door contact

Room 116 - new reader, re-use lock and door contact

man door by overhead door - new reader, re-use lock and door contact

117 chemical storage - 2 new readers (read in and out), re-use lock and door contact

Garage Walk-in - new surface mounted electric strike, and reader, re-use door contact

Holding Tank Area - new surface mounted electric strike, and reader, re-use door contact

119 outside entrance - new recessed wide mouth electric strike, and reader, re-use door contact

Front Door - new reader, will re-use lock and door contact

Gate - new reader

It is assumed that all existing equipment and cabling is in good working condition. Any issues with existing equipment or cabling is not included in this proposal. It can be addressed on a time and material basis.

Labor in this proposal is based on installation occurring during normal business hours. Deviations to this proposal will not be allowed without a customer signed change order(s).

Material Escalation Clause: If, during the performance of this contract, the price of materials increases significantly, through no fault of Heart Technologies, the price of quoted material shall be adjusted accordingly. Where the delivery of the quoted material or product is delayed by either manufacture or distribution supplier, through no fault of Heart Technologies, as a result of the shortage or unavailability of specific products or materials, Heart Technologies shall not be liable for any additional costs or damages associated with such delay(s).

RESOLUTION NO. _____

**RESOLUTION WAIVING COMPETITIVE BIDDING REQUIREMENTS AND
AUTHORIZING EMERGENCY EXPENDITURES FOR THE LITCHFIELD WATER
TREATMENT PLANT**

WHEREAS, the City of Litchfield, Montgomery County, Illinois (hereinafter "City"), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, the City Administrator has informed the City Council that the Litchfield Water Treatment Plant ("Plant") has a catastrophic failure of its chemical feed system; and

WHEREAS, the City Administrator has informed the City Council that City, CMT Engineering, and HMG Engineering have all visited the Plant; and

WHEREAS, the City Administrator has informed the City Council immediate correction is needed to address emergency issues with the Plant; and

WHEREAS, the City Administrator has identified the following expenditures as Emergency Expenditures:

- Powered Activated Carbon (PAC) Silo at \$83,343.00.
- Chlorination and Ammonia Emergency Close Systems at \$4,446.20
- Water Plant Security System at \$24,909.83

(collectively referred to as "Emergency Expenditures") (*See* Quotes for Emergency Expenditures attached hereto as **Exhibit A**); and

WHEREAS, the City Administrator has informed the City Council that the Emergency Expenditures total \$112,699.03 (*See* **Exhibit A**); and

WHEREAS, the City Administrator has informed the City Council that all Emergency Expenditures are unbudgeted and will be funded from the Enterprise Reserve Funds; and

WHEREAS, the City Administrator desires to waive the normal and customary bidding process and authorize Emergency Expenditures as stated herein; and

WHEREAS, City has determined it would be in the best interests of public health, safety, general welfare, and economic welfare to authorize the Emergency Expenditures; and

WHEREAS, City has determined it to be appropriate to waive the normal and customary bidding procedures and authorize the Emergency Expenditures; and

WHEREAS, City authorizes and directs the Mayor to execute any documents necessary to waive customary bidding procedures and authorize the Emergency Expenditures as stated herein.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Litchfield, Illinois, as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Litchfield, Illinois.

Section 2. The Emergency Expenditures, as stated herein, are approved.

Section 3. The Mayor is directed and authorized, on behalf of the City of Litchfield, to execute any documents necessary to waive normal and customary bidding and authorize the Emergency Expenditures.

Section 4. This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with Illinois law.

Passed by the City Council of the City of Litchfield, Illinois, and deposited and filed in the Office of the City Clerk, on the ____ day of _____ 2026, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Jacob Fleming
Mayor
City of Litchfield
Montgomery County, Illinois

ATTEST:

Vickie Throne
City Clerk
City of Litchfield
Montgomery County, Illinois

City of Litchfield
City Council
April 2, 2026

Agenda Item: A motion to approve a Resolution approving and authorizing the Mayor to execute an emergency roof repair grant agreement with Short Furniture Company, Inc. for 315 N. State Street and other actions related thereto.

Background: Short Furniture incurred storm damage to their roof at 315 N. State Street. While we typically require work to be approved prior to completion, this was an urgent repair that needed to be done immediately. This storefront has received a fiscal year 2026 façade grant, so this will count toward their fiscal year 2027 façade grant, as it will not be paid out until after May 1.

Budget Impact: Funds are available in TIF 1. The grant is for 50% of improvements capped at \$10,000.

Recommendation: The City Administrator & Alderman Liaison recommend a motion to approve a Resolution approving and authorizing the Mayor to execute an emergency roof repair grant agreement with Short Furniture Company, Inc. for 315 N. State Street and other actions related thereto.

RESOLUTION NO. _____

RESOLUTION APPROVING THE APPLICATION AND AGREEMENT FOR SHORT FURNITURE COMPANY, INC. AND AWARDING CERTAIN TIF ELIGIBLE FINANCIAL INCENTIVES UNDER THE CITY OF LITCHFIELD'S FAÇADE IMPROVEMENT & EMERGENCY ROOF PROGRAM

WHEREAS, the City of Litchfield, Montgomery County, Illinois (hereinafter "City"), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, Short Furniture Company, Inc.. ("Developer") is the owner of 315 N State Street in Litchfield, Illinois 62056 ("Property"); and

WHEREAS, Developer has submitted a Façade Improvement & Emergency Roof Program Application ("Application") (*See Exhibit A*); and

WHEREAS, City wishes to encourage Developer to make improvements and repairs to Developer's building in a City TIF District, and assist Developer with costs, including:

1. New roof for the 315 N. State Street
- 2.

Total Estimated Reimbursable Incentive: \$46,880

("Project"); and

WHEREAS, under the City Façade Improvement & Emergency Roof Program, City will incentivize Developer up to 50% of TIF Act eligible costs of the Project up to \$10,000.00 per building; and

WHEREAS, under the Façade Improvement & Emergency Roof Program, Developer's Project is eligible for up to 50% of TIF eligible reimbursement costs, not to exceed \$10,000.00; and

WHEREAS, because the Property is located in a City TIF district, the Project is eligible for reimbursement of certain expenditures related to repair and improvement of the exterior façade and emergency repair of the roof at the Property; and

WHEREAS, City has determined it is in the best interest of public health, safety, general welfare, and economic welfare to approve the Application and Agreement submitted by Developer (*See Exhibits A, B*); and

WHEREAS, the City Council also finds that the Mayor should be authorized and directed, on behalf of the City, to execute whatever documents are necessary to approve the Application and Agreement submitted by Developer (*See Exhibits A, B*).

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Litchfield as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Litchfield, Illinois.

Section 2. The Application and Agreement submitted by Developer (*See Exhibits A, B*) are approved.

Section 3. The Mayor is authorized and directed, on behalf of the City of Litchfield, to approve and execute the Application and Agreement submitted by Developer (*See Exhibits A, B*).

Section 4. This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Litchfield, Illinois, and deposited and filed in the Office of the City Clerk, on the _____ day of _____ 2026, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Jacob Fleming
Mayor
City of Litchfield
Montgomery County, Illinois

ATTEST:

Vickie Throne
City Clerk
City of Litchfield
Montgomery County, Illinois

152708240.1

#3674789v1

Young's Roofing Inc



6185 Crabtree Trail, Litchfield, IL 62056

Phone 217-324-5535 or 217-999-2110

e-mail-rebecca@youngsroofinginc.com

[Illinois Roofing License 104-011247](http://www.illinoisroofing.com)

[Visit our website – youngsroofinginc.com](http://www.youngsroofinginc.com)

CELEBRATING OUR 44th YEAR 1982-2026

CONTRACT PROPOSAL

March 23, 2026

Short Furniture

319 N. State St.

Litchfield IL 62056

324-2117

Chris Short 217-273-7232

chris@shortfurniture.com

Storm damage proposal for roof area at 315 N. State St. Litchfield IL
COMPLETE TEAROFF ON ENTIRE AREA appx. 39 sq. total storm damage area
This job consists of removing existing loose roof on area listed above. All roofing debris will be completely removed from premises.

On 30 ½ sq. area we will put down a specialized 5” ISO insulation* over entire portion with an R-value of 30. Installation of new white TPO 60 mil will be performed to complete. This material will be totally adhered to properly fasten.

On 8 ½ sq. portion we will put down 7/16” oxboard sheathing and lay 60 mil White TPO totally adhered, to completely seal roof. This is a finished product. Entire areas will be completely sealed. We will provide a dumpster for removal of roofing debris.

Guarantee is ten years for materials and two years workmanship.

Total bid - \$46,880.00

*Per City code and under Gary Baker building inspector, when removing an existing roof- all commercial roofs require minimum insulation of 5” or R-Value of 30. Todd has inspected your roof and finds it does not meet this requirement, therefore will be subject to the city code. Please contact us if you feel your existing insulation does meet the criteria for roof above.

Prices good for 15 days from date listed above.

Per supplier/lumber yard due to possible unpredictable market conditions and fluctuations, we reserve the right to change these material prices at any time. We will do our best to keep current pricing as we daily work with these suppliers. We apologize for any inconvenience as situation is beyond our control. Please feel free to discuss any concerns with us.

If complete roof is not contracted to be performed, Young's Roofing Inc. is not responsible for continued or future leaks where new roof meets or connects with existing roof areas.

If required by your City, we will obtain necessary roofing permit to properly display. This permit requires a valid Illinois Roofing License, necessary general liability insurance, workman's compensation insurance, and property damage insurance.

We recommend to install ice barrier in all valleys and 24 inches into any conditioned space at all eaves. This is a City Code required in the City of Litchfield effective December 6, 2018. Cost estimate available upon request from customer.

All removed roofing materials and job site waste will be removed from site and disposed of in an EPA State approved landfill. Price quoted above includes cost to provide dumpster for removal of roofing debris only. This price reflects the amount of debris calculated for your roofing project only, and is not allowed for any additional debris as this could have added cost to customer.

The sanitation company will set dumpster as close as possible to the roof line in order to keep landscape and drive free of debris, as well as to utilize and expedite the manual labor of our crew. If customer request to change dumpster placement to a further distance, additional cost may be incurred. Young's Roofing Inc. is not responsible for actions of sanitation company which is beyond our contract.

Present OSHA guidelines require that any existing powerlines near or entering within 2' of roof be properly insulated or wrapped to protect all parties from potential electrocution hazards. If it is necessary, we will work with you to contact electric supplier prior to beginning contracted work. This is recommended for safety of all.

SPECIAL CONDITIONS

The contract price stated in this contract was based on the cost of materials as of the contract date. Young's Roofing Inc. will make reasonable efforts to obtain materials of the quality and price as described and required in this contract. Young's Roofing Inc. reserves the right to enforce the force majeure clause if deemed necessary due to circumstances beyond our control. Example: pandemic, Act of God, war, scarcity of supplies.

The warranty herein is not transferable by the customer to a subsequent purchaser unless Young's Roofing Inc. is notified within 30 days of transfer, Y.R. I. performs inspection at reasonable charge, no leaks are revealed by inspection, and area has not been altered by original owner.

All work not included within this contract will be performed upon approval of both parties at an additional cost of time, materials and/or other costs.

It is expressly understood that the warranty herein is void if the customer materially alters the area subject to said job. Existing satellite equipment will be properly removed and replaced to original position to the best of our ability. It is occasionally necessary for original contractor to remove and replace, or re-adjust existing gutter covers to ensure any existing warranty remains valid. In this case, we will not be responsible for charges incurred for their service. If television service is interrupted, we will not be responsible for any charge that may occur from cable company to reset dish.

The customer agrees to pay Young's Roofing Inc. upon receipt of their invoices. Invoices due, which are unpaid, shall bear interest from the date payment is due, at the rate of 24% per annum, simple interest. Payment shall be considered to be in default 30 days after receipt of invoice, unless otherwise specified in writing.

In the event the account is in default, the customer agrees to pay all reasonable attorney fees, court costs or cost of collection incurred by Young's Roofing Inc. in connection with this agreement.

CUSTOMER AWARENESS/ WORK OR MATERIAL NOT INCLUDED:

Before job commencement, it is the customer's responsibility to remove all breakable objects from interior walls and to cover all interior linens where previous leaks have occurred. Young's Roofing Inc. is not responsible for any contents in attic area during tear offs.

Repair of roof for damage caused by others (including rodents) or catastrophic damage due to natural catastrophe are not encompassed by the work in this contract.

Other than those items specifically described in body of work proposal, no corrections, replacement, or repair of any structural defects, vents, or mechanical equipment, or any electrically related work including any required disconnection and re-connection of existing roof top equipment to accommodate new roofing installation.

BASE BID: We propose to furnish labor and material-complete and in accordance with the above specifications and subject to the conditions of this agreement for the sum of:

*\$

Payments to be made as follows:

One-half payment listed above to be included with signed contract. Remaining one-half to pay in full upon completion of work listed.

We agree to pay Young’s Roofing Inc. upon receipt of their invoice. Invoices due, which are unpaid, shall bear interest from the date payment is due, at the rate of 24% per annum, simple interest. Payment shall be in default 30 days after receipt of invoice, unless otherwise specified in writing.

Major credit cards are accepted with a 4% processing fee charged to customer.

Date of acceptance _____

By Rebecca S. Bergman 3/23/ 26 emailed

Signature of Authorized Agent Rebecca S. Bergman, sec-treas.

By _____
Signature of Accepting Customer for binding contract **

Address and phone number

For acceptance of proposal above, please enter dollar amount above*, sign, date contract and mail to office. **Any questions or concerns, please call our office. Thank you!**

**The “Party” can terminate the contract and resolve any and all rights and obligations arising out of the contract – seven days after signing contract, per Consumer Right to Cancel in Illinois. Please contact our office for necessary cancellation form if so desired.

City of Litchfield, Illinois

120 East Ryder

Phone (217) 324-5253

www.cityoflitchfieldil.com

Fax (217) 324-5619

Façade Improvement/Emergency Roof Program Application

Property Address: 315 North State Street

Owner Name: Chris Short Phone Number: 217-273-7232

Address: 319 North State Street Email: chris@shortfurniture.com

Current Tenant(s): Short Furniture Company, Inc.

Estimated Project Cost: \$46,880

Requested Reimbursement Amount (max 50% of Project Costs up to \$10,000): \$10,000

Proposed Improvements	Estimated Cost Per Improvement
1. New roof for the 315 North State Street front due to being blown off	\$46,880
2. New roof for the 315 North State Street front due to being blown off	
3. New roof for the 315 North State Street front due to being blown off	
4. New roof for the 315 North State Street front due to being blown off	
5. New roof for the 315 North State Street front due to being blown off	
6. New roof for the 315 North State Street front due to being blown off	
7. New roof for the 315 North State Street front due to being blown off	
8. New roof for the 315 North State Street front due to being blown off	
9. New roof for the 315 North State Street front due to being blown off	
10. New roof for the 315 North State Street front due to being blown off	
11. New roof for the 315 North State Street front due to being blown off	
12. New roof for the 315 North State Street front due to being blown off	

City of Litchfield, Illinois

120 East Ryder

Phone (217) 324-5253

www.cityoflitchfieldil.com

Fax (217) 324-5619

Please attach the following and label as numbered attachments:

Attachment #1: Current photos of the façade(s) (for roof grant, photo if available)

Attachment #2: Proposed rendering (N/A for roof grant)

Attachment #3: Any other applicable attachments (quotes from contractors, material samples, color swatches, narrative statements, etc.)

Chris Short

Signature

3/27/2026

Date

Please submit applications to Breann Vazquez, City Administrator, at cityadmin@cityoflitchfieldil.com or City Hall, 120 E. Ryder.

**FAÇADE IMPROVEMENT & EMERGENCY ROOF PROGRAM AGREEMENT
TIF DISTRICTS**

This Façade Improvement & Emergency Roof Program Agreement (“Agreement”) is entered into on the date and by execution shown hereafter, by and between the City of Litchfield, an Illinois Municipal Corporation ("City") and Short Furniture Company, Inc. (“Developer”) City and Developer may be referred to individually as “Party” and together as “Parties.” This Agreement shall be effective when signed by both Parties, and approved by the corporate authorities of the City of Litchfield, Illinois (the “Effective Date”):

PREAMBLES

WHEREAS, City is an Illinois municipal corporation pursuant to the laws and constitution of the State of Illinois with general powers as a unit of local government within its corporate limits; and

WHEREAS, Developer is the owner of 315 N State Street in Litchfield, Illinois ("Property"), which is located in a City TIF District; and

WHEREAS, Developer has submitted an Application for incentive payments under the TIF and pursuant to the Façade Improvement & Emergency Roof Program (*See Exhibit A*); and

WHEREAS, City wishes to encourage Developer to make improvements and emergency repairs to the roof of Developer’s building and assist Developer with costs, including:

1. New roof for the 315 N. State Street

Total Estimated Reimbursable Incentive: \$46,880

("Project"); and

WHEREAS, under the Façade Improvement & Emergency Roof Program, City will incentivize Developer up to 50% of eligible costs of the Project up to \$10,000.00 per store front; and

WHEREAS, under the Façade Improvement & Emergency Roof Program, Developer’s Project is eligible for up to 50% of TIF eligible reimbursement costs, not to exceed \$10,000; and

WHEREAS, because the Property is located in a City TIF District, the Project is eligible for reimbursement of certain TIF eligible expenditures related to repair and improvement of the exterior façade and/or emergency repairs of the roof at the Property; and

WHEREAS, to ensure the Project is constructed in a manner consistent with City’s applicable ordinances and regulations, City and Developer deem it in their mutual interest to enter

into an agreement with regard to any conditions or other factors affecting the health, safety, general welfare, and economic welfare of City residents and users of the Property; and

WHEREAS, the Project at the Property will help to eradicate blight, enhance property values, improve aesthetics, ensure structural integrity, and otherwise benefit and protect the health, safety, general welfare, and economic welfare of City residents, including, but not limited to, anyone utilizing the Property; and

WHEREAS, City has determined the Project is consistent with the objectives of the City's TIF District where the Property is located, and it is in the best interest of City to promote repair, improvement, renovation, addition, rehabilitation and expansion of the Property through the use of TIF funds.

NOW, THEREFORE, in consideration of the premises and agreements set forth below, the Parties, for and in consideration of the representations relative to the proposed improvements to the Property by the Developer, hereby agree as follows:

Section 1. Incorporation of Recitals. The Parties agree that all of the recitals contained in the Preambles to this Agreement are true and correct, and said recitals are hereby incorporated into the Agreement as though they were fully set forth in this Section 1.

Section 2. Obligations of the Developer. Upon the approval by City of the Agreement, Developer shall proceed with the Project as described above, and construction of the exterior façade improvements shall be completed within 180 days. Any extension of time must be agreed to in writing and signed by the Parties. Specifically, Developer agrees as follows:

1. Developer will complete the Project in accordance with this Agreement, and the plans shall be submitted to City for review. This includes any renovations which may be needed for exterior construction and improvements.
2. Developer will obtain any and all building and zoning permits in association with the Project, including permits for construction, repair, demolition, and/or renovation on the Property, consistent with the City's most recently adopted Building Code requirements.
3. City shall be entitled to a comprehensive inspection of the Property for the purpose of identifying potential fire, safety, electric, plumbing, and general building safety concerns to ensure the health, safety and welfare of the general public.
4. Developer is fully responsible for identifying and mitigating any building-related concerns identified by City.

5. Developer understands and agrees all City Zoning Ordinances, Land Development Codes, Landscape and Screening Codes, Building Code requirements and other City ordinances shall remain in full force and effect.
6. Developer shall submit a written statement to the City Administrator setting forth the amount of cost incurred by the Developer to complete the Project. Each Request shall be accompanied by such bills, invoices, lien waivers or other evidence City may require for documenting Developer's costs incurred for the Project. Developer may continue to provide Requests until all Project costs have been incurred and the Project is completed. City reserves the right to request any information from Developer deemed necessary by City to verify any information associated with this Agreement.

Section 3. Obligations of the City. The City agrees to provide assistance to the Developer under the Façade Improvement & Emergency Roof Program as follows:

1. The Façade Improvement & Emergency Roof Program will provide up to 50% of the documented cost to improve the exterior façade and make emergency roof repairs for eligible buildings in TIF districts.
2. The maximum payment under the Façade Improvement & Emergency Roof Program, regardless of the total cost, shall not exceed \$10,000.00 per store front.
3. The Façade Improvement & Emergency Roof Program may include total TIF eligible approved costs incurred by commercial building owners, whether incurred personally or paid to third-party independent contractors.
4. Reimbursement of approved Project costs may be made within 60 days of passing inspection and receipt verification, but City shall not be obligated to make any payment according to any deadline.

CITY'S OBLIGATION TO REIMBURSE DEVELOPER UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM THE CITY'S PORTION OF THE TAXES GENERATED BY THE TIF DISTRICT WHERE THE PROPERTY IS LOCATED, AND DEPOSITED IN CITY'S FUNDS FROM TIME TO TIME, AND SHALL NOT BE A GENERAL OBLIGATION OF CITY OR SECURED BY THE FULL FAITH AND CREDIT OF CITY.

Section 4. Indemnification. Developer shall indemnify and hold harmless City, its agents, officers, lawyers, and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and attorneys' fees) which may arise directly or indirectly from: (i) the failure of Developer or any contractor, subcontractor or agent or employee thereof to timely pay any contractor, subcontractor, laborer or material man; (ii) any default or breach of the terms of

this Agreement by Developer; (iii) any negligence, or reckless or willful misconduct of Developer or any contractor, subcontractor or agent or employee thereof working on the Project; (iv) any claim brought against City arising in any way from this Agreement or the Project. Developer shall, at its own cost and expense, appear, defend and pay all charges of attorneys, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against City, its agents, officers, officials, lawyers, or employees in any such action, Developer shall, at its expense, satisfy and discharge the same.

In no way limiting the foregoing, Developer shall also indemnify and hold harmless City, its agents, officers and employees against all damages, claims, suits, liabilities, judgments, fines, penalties, costs and expenses (including attorneys' fees) which may arise directly or indirectly from any violation of the Illinois Prevailing wage Act, 820 ILCS 130/0.01 *et. seq.*, in connection with the Project.

Section 5. Default and Remedies. Except as otherwise provided in this Agreement, in the event of any default in or breach of any term or conditions of this Agreement by either party or any successor or assign, the defaulting or breaching party (or successor or assign) shall, upon written notice from the other party, proceed immediately to cure or remedy such default or breach as follows: (a) in the event of a nonmonetary default, within thirty (30) days after receipt of notice, commence to cure or remedy such default, and (b) in the event of a monetary default, within ten (10) days after receipt of notice, commence to cure or remedy such default. In case such cure or remedy is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including without limitation proceedings to compel specific performance by the defaulting or breaching party. If either party shall prevail in any court proceeding to enforce any term, covenant or condition hereof, the non-prevailing party shall reimburse the prevailing party its costs and reasonable attorneys' fees on account of such proceeding.

Section 6. Assignment. This Agreement may not be assigned by Developer without prior written approval of City.

Section 7. Partial Invalidity. If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section subsection, term or provision of this Agreement or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

Section 8. Termination of Agreement. Developer may opt out of this Agreement following written notice of at least sixty (60) days. If Developer opts out of this Agreement, Developer shall return all monies paid by City to Developer pursuant to this Agreement within sixty (60) days. City reserves the right to opt out of this Agreement, with sixty (60) days' notice to developer, should Developer not perform pursuant to this Agreement. In the event City opts out of this Agreement, Developer shall return any monies paid by City to Developer pursuant to

City of Litchfield
City Council
April 2, 2026

Agenda Item: A motion to approve a resolution setting hourly wages for seasonal staff with the Litchfield Pickers Market.

Background: The State of Illinois Public Act 94-1072 sets the rules and minimum wage (MW) requirements for paid employees. To remain competitive in hiring/retaining seasonal help it is recommended that we pay the Litchfield Pickers Market temporary workers the current MW Rate of \$15.00/hour upon hire for the 2026 Season.

Financial Impact: The financial impact of expenditures will come from the Tourism Salaries fund (135-7070).

Recommendations: The Tourism Coordinator, Tourism Advisory Committee, and City Administrator recommend a motion to approve the hiring of temporary employees for the Litchfield Pickers Markets in an amount not to exceed \$31,000.00.

2026

Temporary employees \$15/hour

Supporting Materials: Resolution

RESOLUTION NO. _____

**RESOLUTION SETTING WAGES FOR TEMPORARY LITCHFIELD PICKERS
MARKET EMPLOYEES FOR 2026**

WHEREAS, the City of Litchfield, Montgomery County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has determined it necessary to establish 2026 wages for temporary employees working for City at Litchfield Pickers Market; and

WHEREAS, City has determined the 2026 minimum wage set by the IL Department of Labor is \$15.00 per hour; and

WHEREAS, City has determined it necessary to implement the minimum wage schedule for temporary employees working for City at Litchfield Pickers Market to be competitive with hiring/retaining temporary employees; and

WHEREAS, City has determined it necessary to permit the following wage schedule for temporary employees working for City at Litchfield Pickers Market:

	<u>2026</u>
Temporary employees	\$15.00

WHEREAS, City has determined it to be in the best interests of public health, safety, general welfare and economic welfare to offer the hourly payment to Litchfield Pickers Market employees as stated herein; and

WHEREAS, the Mayor is authorized and directed to execute any documents necessary to approve the hourly pay scale for Litchfield Pickers Market employees as stated herein.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Litchfield as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Litchfield, Illinois.

Section 2. The hourly pay scale for Litchfield Pickers Market employees, as stated herein, is approved.

Section 3. This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Litchfield, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the ___ day of _____, 2026, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Jacob Fleming
Mayor
City of Litchfield
Montgomery County, Illinois

ATTEST:

Vickie Throne
City Clerk
City of Litchfield
Montgomery County, Illinois

**City of Litchfield
City Council
April 2, 2026**

Agenda Item: A motion to approve a resolution approving and authorizing a demolition agreement of a structure located at 115 East Corwin St. PIN # 10-33-334-008

A motion to approve resolution approving and authorizing a demolition agreement for the demolition of a structure located at 843 South Montgomery PIN # 15-04-259-016

Background: The City of Litchfield has been awarded \$258,000 in IHDA Strong Communities funds to be used for residential demolitions. The program allows for owners of a property to consent to demolition of the residence rather than the City pursuing a demolition order through the court system.

The property owners for the above property have consented in writing to having the structures on their property demolished.

Financial Impact: The Strong Communities Grant program will reimburse the City for asbestos abatement and demolition costs.

Recommendation: The Building and Zoning Department recommends the above motions.

RESOLUTION NO. _____

**RESOLUTION APPROVING AND AUTHORIZING DEMOLITION AGREEMENT
WITH John and Linda Davis FOR THE DEMOLITION OF 115 E Corwin, Litchfield, IL**

WHEREAS, the City of Litchfield, Montgomery County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, Section 11-31-1 of the Illinois Municipal Code, 65 ILCS 11-31-1, grants the authority for a municipality to cause the demolition, repair, or enclosure of structures within its corporate boundaries which have been deemed dangerous and unsafe; and

WHEREAS, **John & Linda Davis** (“Owner”) is the owner of the property commonly known as **115 E Corwin St**, Litchfield, Illinois and the structure(s) located thereon (“Building”); and

WHEREAS, City's Chief Building Official has determined that the Building is currently uninhabitable due to various violations of the City's Municipal Code ("City Code") and has deemed it dangerous, unsafe, and beyond reasonable repair; and

WHEREAS, City has confirmed that the Building is not currently occupied by any mortgagor or lawful occupant as a principal residence; and

WHEREAS, City has determined that the Building is eligible for demolition under the City's Strong Communities Program grant funding; and

WHEREAS, Owner has submitted an agreement authorizing and consenting to City demolishing the Building (“**Davis Agreement**,” attached hereto as **Exhibit A**); and

WHEREAS, City has determined that the proposed **Davis Agreement** enables City and Owner to fully compromise their dispute regarding the Building, demolish the Building, and avoid the time and expenses attendant to litigation thereon.

WHEREAS, City has determined it to be in the best interests of public health, safety, general welfare, and economic welfare of City to approve the **Davis Agreement (Exhibit A)**, enabling it to cause the demolition of the Building located at **115 E Corwin St**; and

WHEREAS, City finds that the Mayor should be authorized and directed, on behalf of City, to execute and date the **Davis Agreement**, and any other documents necessary to give effect to the **Davis Agreement (Exhibit A)**, or any other documents related to the demolition of the Building.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Litchfield as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Litchfield, Illinois.

Section 2. The **Davis Agreement (Exhibit A)** is approved.

Section 3. The Mayor is authorized and directed, on behalf of the City, to execute and date the **Davis Agreement**, or any other documents necessary to give effect to the **Davis Agreement**, or any other documents related to the demolition of the Building located at **115 E Corwin, Litchfield IL 62056**

Section 4. This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Litchfield, Illinois, and deposited and filed in the Office of the City Clerk, on the _____ day of _____ 2026, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Jacob Fleming
Mayor
City of Litchfield
Montgomery County, Illinois

ATTEST:

Vickie Throne
City Clerk
City of Litchfield
Montgomery County, Illinois

AGREEMENT AND CONSENT TO DEMOLISH
(115 E Corwin, Litchfield, Illinois 62056)

This Agreement is entered into on the ____ day of _____, 2026 ("Effective Date"), by and between the City of Litchfield, an Illinois municipal corporation (the "City"), John and Linda Davis (the "Owner"), who are collectively referred to as the "Parties." The Parties stipulate and agree as follows:

RECITALS

WHEREAS, Owner holds fee simple title to certain real property located within Montgomery County, Illinois, being PPN: # 10-33-334-008 commonly known as 115 E Corwin St. Montgomery, Litchfield, Illinois 62056 (the "Property"); and

WHEREAS, the Property has a residential building thereon that is less than three (3) stories in height as defined by the City's building code and less than six (6) residential units (the "Building"); and

WHEREAS, the City's Chief Building Official has determined that the Building is open and vacant and an immediate and continuing hazard to the community; and

WHEREAS, the City's Chief Building Official has determined that the Building is currently uninhabitable due to various violations of the City's Municipal Code (the "Code"); and

WHEREAS, the Building is not currently occupied by any mortgagor or lawful occupant as a principal residence; and

WHEREAS, the Building is beyond reasonable repair because the cost of repairs to remedy the existing Code violations exceeds the Property's "as is" value; and

WHEREAS, the City has determined that the Building may be eligible for demolition, rehabilitation and other activities under the City's Strong Communities Program grant funding (the "Program"); and

WHEREAS, the City must incur the costs of the Building's demolition to be eligible for the Program; and

WHEREAS, the Parties agree that the City shall be allowed and authorized to demolish the Building pursuant to the provisions of this Agreement; and

WHEREAS, the Parties made and entered into this Agreement to fully compromise their dispute regarding the Property, demolish the Building, and avoid the time and expenses attendant to litigation thereon.

NOW, THEREFORE, in consideration of the Parties' mutual promises, the Parties agree as follows:

AGREEMENT

1. *Recitals.* The recitals are true, correct, material, adopted, and incorporated by reference as Section 1 to this Agreement.

2. *Consent to Demolition of the Building.* Within 180 days of the Effective Date, the City shall cause the Building's demolition, the remediation of environmental hazards, and the removal of the garbage, debris and other hazardous materials from the Building and the Property in accordance with the Demolition Bids, the Code, and applicable law including, but not limited to, 65 ILCS 5/11-31-1. City and its officers, employees, attorneys, agents, and contractors shall have full and continuing access to the Property, upon reasonable notice to Owner, and shall also have the right to enter upon the Property at any time related to the Building's demolition including, but not limited to, inspecting, surveying, engineering, testing of mechanical systems, performance of environmental tests, demolition or remediation of immediate and continuing hazards, and such other work as City shall consider appropriate (the "Inspections"). City shall have the right to make such inquiries of governmental agencies and utility companies, and to make such feasibility studies and analyses as it considers appropriate. City shall hold Owner harmless and fully defend and indemnify Owner against any damage, claim, liability or cause of action arising from or caused by the Inspections and the actions or omissions of City, its agents, or representatives. Owner shall cooperate with City with respect to the Inspections including, but not limited to, the execution of any documents reasonably necessary for the Inspections and refraining from taking any action to contest the demolition. City shall be responsible for all costs and expenses relating to the Inspections; provided, however, that such costs and expenses may be included in the Demolition Lien or reimbursed by the Program. Within 180 days after the City's demolition of the Building, City may file a notice of lien against the Property pursuant to 65 ILCS 5/11-31-1(e) for any costs associated with the demolition which were not reimbursed by the Program.

3. *Release and Indemnification.* To the greatest extent allowed by Illinois law, except for an action to enforce this Agreement as provided by Section 8 of this Agreement, the Parties agree to waive, release, discharge, defend, and indemnify from all causes of actions, claims, costs, damages, expenses, fines, liabilities, and attorney's fees that they had or may have against each other and their respective officers, agents, and employees which arise out of, relate to, or result from the Building's demolition and this Agreement. Notwithstanding the foregoing to the contrary and the contractual basis of this Agreement, the Parties shall be entitled to claim any defenses and immunities provided by law including, but not limited to, the Local Government and Government Employee Tort Immunity Act (745 ILCS 10/1, *et. seq.*).

4. *Payment of Ineligible Program Expenses.* If the City's expenses relating to the Building's demolition are determined to be ineligible for reimbursement by the Program, then within 30 days of the City's written notice, Owner shall give the City written notice of Owner's election to either: (1) pay 100% of the City's expenses relating to the Building's demolition within 60 days of the City's initial notice; or (2) execute a deed in lieu of foreclosure conveying the Property to the City in lieu of the City foreclosing on a demolition lien filed against the Property within 60 days of the City's initial notice with the closing to take place at a time and location agreed to in writing by the Parties in Montgomery County, Illinois.

5. *Remedies.* If either Party defaults in the performance of this Agreement, the non-defaulting Party's sole and exclusive remedy shall be specific performance. If the non-defaulting Party is the prevailing party in any action for specific performance of this Agreement, then said Party shall also be entitled to an award of attorney's fees and costs from the other Party.

6. *Time is of the Essence.* Time is of the essence of this Agreement.

7. *Successors and Assigns.* This Agreement shall be binding on the heirs, administrators, executors, and assigns of the Parties.

8. *Venue and Choice of Law.* This Agreement shall be construed under the laws of the State of Illinois. The sole venue for an action to enforce this Agreement shall be in the Circuit Court of Montgomery County, Illinois.

9. *Attorney Review.* The Parties' execution of this Agreement shall constitute acknowledgement by the Parties that they had the opportunity to retain and consult with legal counsel regarding the Agreement. The terms of the Agreement shall not be construed against any Party because that Party drafted the Agreement.

10. *Entire Agreement.* This Agreement contains the entire agreement between the Parties. This Agreement may not be amended, changed or modified orally, but only by an agreement in writing signed by the Parties and duly authorized in the manner provided by law.

11. *Notices.* All written notices required by this Agreement shall be delivered by electronic mail or regular mail to the following addresses:

If to the City:

City of Litchfield
Attn: City Administrator
120 E. Ryder St.
Litchfield, IL 62056

If to the Owner:

John and Linda Davis
811 N Monroe St
Litchfield, IL 62056

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SIGNATURE PAGE TO FOLLOW

CITY OF LITCHFIELD, ILLINOIS:

OWNER:

Mayor

Date

John Davis

Date

Linda Davis

Date

RESOLUTION NO. _____

**RESOLUTION APPROVING AND AUTHORIZING DEMOLITION AGREEMENT
WITH Kenneth and Nicole Thrasher FOR THE DEMOLITION OF 843 S. Montgomery
(HOUSE STRUCTURE ONLY), Litchfield, IL**

WHEREAS, the City of Litchfield, Montgomery County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, Section 11-31-1 of the Illinois Municipal Code, 65 ILCS 11-31-1, grants the authority for a municipality to cause the demolition, repair, or enclosure of structures within its corporate boundaries which have been deemed dangerous and unsafe; and

WHEREAS, **Kenneth and Nicole Thrasher** (“Owner”) is the owner of the property commonly known as **843 S. Montgomery St**, Litchfield, Illinois and the structure(s) located thereon (“Building”); and

WHEREAS, City's Chief Building Official has determined that the Building is currently uninhabitable due to various violations of the City's Municipal Code ("City Code") and has deemed it dangerous, unsafe, and beyond reasonable repair; and

WHEREAS, City has confirmed that the Building is not currently occupied by any mortgagor or lawful occupant as a principal residence; and

WHEREAS, City has determined that the Building is eligible for demolition under the City's Strong Communities Program grant funding; and

WHEREAS, Owner has submitted an agreement authorizing and consenting to City demolishing the Building (“**Thrasher Agreement**,” attached hereto as **Exhibit A**); and

WHEREAS, City has determined that the proposed **Thrasher Agreement** enables City and Owner to fully compromise their dispute regarding the Building, demolish the Building, and avoid the time and expenses attendant to litigation thereon.

WHEREAS, City has determined it to be in the best interests of public health, safety, general welfare, and economic welfare of City to approve the **Thrasher Agreement (Exhibit A)**, enabling it to cause the demolition of the Building located at **843 S Montgomery**; and

WHEREAS, City finds that the Mayor should be authorized and directed, on behalf of City, to execute and date the **Thrasher Agreement**, and any other documents necessary to give effect to the **Thrasher Agreement (Exhibit A)**, or any other documents related to the demolition of the Building.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Litchfield as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Litchfield, Illinois.

Section 2. The **Thrasher** Agreement (**Exhibit A**) is approved.

Section 3. The Mayor is authorized and directed, on behalf of the City, to execute and date the **Thrasher** Agreement, or any other documents necessary to give effect to the **Thrasher** Agreement, or any other documents related to the demolition of the Building located at **843 S. Montgomery**, Litchfield IL 62056

Section 4. This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Litchfield, Illinois, and deposited and filed in the Office of the City Clerk, on the _____ day of _____ 2026, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Jacob Fleming
Mayor
City of Litchfield
Montgomery County, Illinois

ATTEST:

Vickie Throne
City Clerk
City of Litchfield
Montgomery County, Illinois

AGREEMENT AND CONSENT TO DEMOLISH
(843 S. Montgomery, Litchfield, Illinois 62056)

*****HOUSE STRUCTURE ONLY*****

This Agreement is entered into on the ____ day of _____, 2026 ("Effective Date"), by and between the City of Litchfield, an Illinois municipal corporation (the "City"), Kenneth and Nicole Thrasher (the "Owner"), who are collectively referred to as the "Parties." The Parties stipulate and agree as follows:

RECITALS

WHEREAS, Owner holds fee simple title to certain real property located within Montgomery County, Illinois, being PPN: # 15-04-259-016 commonly known as 843 S. Montgomery, Litchfield, Illinois 62056 (the "Property"); and

WHEREAS, the Property has a residential building thereon that is less than three (3) stories in height as defined by the City's building code and less than six (6) residential units (the "Building"); and

WHEREAS, the City's Chief Building Official has determined that the Building is open and vacant and an immediate and continuing hazard to the community; and

WHEREAS, the City's Chief Building Official has determined that the Building is currently uninhabitable due to various violations of the City's Municipal Code (the "Code"); and

WHEREAS, the Building is not currently occupied by any mortgagor or lawful occupant as a principal residence; and

WHEREAS, the Building is beyond reasonable repair because the cost of repairs to remedy the existing Code violations exceeds the Property's "as is" value; and

WHEREAS, the City has determined that the Building may be eligible for demolition, rehabilitation and other activities under the City's Strong Communities Program grant funding (the "Program"); and

WHEREAS, the City must incur the costs of the Building's demolition to be eligible for the Program; and

WHEREAS, the Parties agree that the City shall be allowed and authorized to demolish the Building pursuant to the provisions of this Agreement; and

WHEREAS, the Parties made and entered into this Agreement to fully compromise their dispute regarding the Property, demolish the Building, and avoid the time and expenses attendant to litigation thereon.

NOW, THEREFORE, in consideration of the Parties' mutual promises, the Parties agree as follows:

AGREEMENT

1. *Recitals.* The recitals are true, correct, material, adopted, and incorporated by reference as Section 1 to this Agreement.

2. *Consent to Demolition of the Building.* Within 180 days of the Effective Date, the City shall cause the Building's demolition, the remediation of environmental hazards, and the removal of the garbage, debris and other hazardous materials from the Building and the Property in accordance with the Demolition Bids, the Code, and applicable law including, but not limited to, 65 ILCS 5/11-31-1. City and its officers, employees, attorneys, agents, and contractors shall have full and continuing access to the Property, upon reasonable notice to Owner, and shall also have the right to enter upon the Property at any time related to the Building's demolition including, but not limited to, inspecting, surveying, engineering, testing of mechanical systems, performance of environmental tests, demolition or remediation of immediate and continuing hazards, and such other work as City shall consider appropriate (the "Inspections"). City shall have the right to make such inquiries of governmental agencies and utility companies, and to make such feasibility studies and analyses as it considers appropriate. City shall hold Owner harmless and fully defend and indemnify Owner against any damage, claim, liability or cause of action arising from or caused by the Inspections and the actions or omissions of City, its agents, or representatives. Owner shall cooperate with City with respect to the Inspections including, but not limited to, the execution of any documents reasonably necessary for the Inspections and refraining from taking any action to contest the demolition. City shall be responsible for all costs and expenses relating to the Inspections; provided, however, that such costs and expenses may be included in the Demolition Lien or reimbursed by the Program. Within 180 days after the City's demolition of the Building, City may file a notice of lien against the Property pursuant to 65 ILCS 5/11-31-1(e) for any costs associated with the demolition which were not reimbursed by the Program.

3. *Release and Indemnification.* To the greatest extent allowed by Illinois law, except for an action to enforce this Agreement as provided by Section 8 of this Agreement, the Parties agree to waive, release, discharge, defend, and indemnify from all causes of actions, claims, costs, damages, expenses, fines, liabilities, and attorney's fees that they had or may have against each other and their respective officers, agents, and employees which arise out of, relate to, or result from the Building's demolition and this Agreement. Notwithstanding the foregoing to the contrary and the contractual basis of this Agreement, the Parties shall be entitled to claim any defenses and immunities provided by law including, but not limited to, the Local Government and Government Employee Tort Immunity Act (745 ILCS 10/1, *et. seq.*).

4. *Payment of Ineligible Program Expenses.* If the City's expenses relating to the Building's demolition are determined to be ineligible for reimbursement by the Program, then within 30 days of the City's written notice, Owner shall give the City written notice of Owner's election to either: (1) pay 100% of the City's expenses relating to the Building's demolition within 60 days of the City's initial notice; or (2) execute a deed in lieu of foreclosure conveying the Property to the City in lieu of the City foreclosing on a demolition lien filed against the Property within 60 days of the City's initial notice with the closing to take place at a time and location agreed to in writing by the Parties in Montgomery County, Illinois.

5. *Remedies.* If either Party defaults in the performance of this Agreement, the non-defaulting Party's sole and exclusive remedy shall be specific performance. If the non-defaulting Party is the prevailing party in any action for specific performance of this Agreement, then said Party shall also be entitled to an award of attorney's fees and costs from the other Party.

6. *Time is of the Essence.* Time is of the essence of this Agreement.

7. *Successors and Assigns.* This Agreement shall be binding on the heirs, administrators, executors, and assigns of the Parties.

8. *Venue and Choice of Law.* This Agreement shall be construed under the laws of the State of Illinois. The sole venue for an action to enforce this Agreement shall be in the Circuit Court of Montgomery County, Illinois.

9. *Attorney Review.* The Parties' execution of this Agreement shall constitute acknowledgement by the Parties that they had the opportunity to retain and consult with legal counsel regarding the Agreement. The terms of the Agreement shall not be construed against any Party because that Party drafted the Agreement.

10. *Entire Agreement.* This Agreement contains the entire agreement between the Parties. This Agreement may not be amended, changed or modified orally, but only by an agreement in writing signed by the Parties and duly authorized in the manner provided by law.

11. *Notices.* All written notices required by this Agreement shall be delivered by electronic mail or regular mail to the following addresses:

If to the City:

City of Litchfield
Attn: City Administrator
120 E. Ryder St.
Litchfield, IL 62056

If to the Owner:

Kenneth and Nicole Thrasher
618 S Walnut St.
Litchfield, IL 62056

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SIGNATURE PAGE TO FOLLOW

CITY OF LITCHFIELD, ILLINOIS:

OWNER:

Mayor Date

Kenneth Thrasher Date

Nicole Thrasher Date

City of Litchfield
City Council
April 2, 2026

Agenda Item: A motion to accept the Fiscal Year 2025 audit.

Background: The City's FY 2025 audit was completed before the end of calendar year 2026 and needs to be formally accepted by the Council. We received an unqualified opinion, meaning there were no material misstatements and the financial statements are accurate and compliant. We were compliant with all Governmental Accounting Board Standards.

Budget Impact: N/A

Recommendation: The City Administrator, Finance Consultant, and Alderman Liaison recommend a motion to accept the Fiscal Year 2025 audit.



CITY OF LITCHFIELD, ILLINOIS

REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

For the Year Ended April 30, 2025



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CITY OF LITCHFIELD, ILLINOIS
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1415 West Diehl Road, Suite 400
Naperville, IL 60563
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INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Mayor
Members of the City Council
City of Litchfield, Illinois

We have examined management's assertion that the City of Litchfield, Illinois (the City), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2025. Management is responsible for the City's assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the specific requirements based on our examination.

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

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

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, management's assertion that the City of Litchfield, Illinois complied with the aforementioned requirements for the year ended April 30, 2025 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, City Council, management and the Illinois Department of Revenue, Illinois State Comptroller's office and the Joint Review Board and should not be used by anyone other than these specified parties.

Sikich CPA LLC

Naperville, Illinois
December 23, 2025



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the City Council
City of Litchfield, Illinois

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 City of Litchfield, Illinois (the City) as of and for the year ended April 30, 2025, which collectively comprise the basic financial statements of the City of Litchfield, Illinois, and have issued our report thereon dated December 23, 2025.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary financial information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

SiKich CPA LLC

Naperville, Illinois
December 23, 2025

SUPPLEMENTARY INFORMATION

CITY OF LITCHFIELD, ILLINOIS

COMBINING BALANCE SHEET
TAX INCREMENT FINANCING DISTRICT FUNDS

April 30, 2025

	Tax Increment Financing Fund #1	Tax Increment Financing Fund #2	Tax Increment Financing Fund #3
ASSETS			
Cash	\$ 3,193,475	\$ 336,863	\$ 322,249
Property tax receivable	1,501,318	75,073	57,950
TOTAL ASSETS	\$ 4,694,793	\$ 411,936	\$ 380,199
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 423,299	\$ -	\$ -
Total liabilities	423,299	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	1,495,043	75,073	57,950
Total deferred inflows of resources	1,495,043	75,073	57,950
Total liabilities and deferred inflows of resources	1,918,342	75,073	57,950
FUND BALANCES			
Restricted for economic development	2,776,451	336,863	322,249
Total fund balances	2,776,451	336,863	322,249
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,694,793	\$ 411,936	\$ 380,199

(See independent auditor's report on supplementary information.)

CITY OF LITCHFIELD, ILLINOIS

**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TAX INCREMENT FINANCING DISTRICT FUNDS**

For the Year Ended April 30, 2025

	Tax Increment Financing Fund #1	Tax Increment Financing Fund #2	Tax Increment Financing Fund #3
REVENUES			
Property tax	\$ 1,410,422	\$ 62,019	\$ 47,302
Intergovernmental	304,337	-	-
Investment income	97,897	10,689	10,260
Total revenues	1,812,656	72,708	57,562
EXPENDITURES			
Current			
General government	60,289	-	-
Economic development	1,230,346	7,590	-
Total expenditures	1,290,635	7,590	-
NET CHANGE IN FUND BALANCES	522,021	65,118	57,562
FUND BALANCES, MAY 1	2,254,430	271,745	264,687
FUND BALANCES, APRIL 30	\$ 2,776,451	\$ 336,863	\$ 322,249

(See independent auditor's report on supplementary information.)



CITY OF LITCHFIELD, ILLINOIS

**AUDITOR'S COMMUNICATION TO THE
MEMBERS OF THE CITY COUNCIL
AND MANAGEMENT**

For the Year Ended April 30, 2025



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CITY OF LITCHFIELD, ILLINOIS
AUDITOR’S COMMUNICATION TO THE
MEMBERS OF THE CITY COUNCIL
AND MANAGEMENT
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December 23, 2025

The Honorable Mayor
Members of the City Council
City of Litchfield
120 E. Ryder Street
Litchfield, IL 62056

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you in December 2025.

In addition, auditing standards require the communication of internal control related matters to management. Our communication of these matters, as well as a listing of future pronouncements that may affect the City of Litchfield, are enclosed within this document.

This information is intended solely for the use of the Mayor, City Council, and Management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich CPA LLC

Sikich CPA LLC
By: Martha Trotter, CPA
Principal

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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December 23, 2025

The Honorable Mayor
Members of the City Council
City of Litchfield, Illinois

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 City of Litchfield (the City) for the year ended April 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 28, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended April 30, 2025, with the exception of Statement No. 100, *Accounting Changes and Error Corrections* and No. 101, *Compensated Absences*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates, including the IMRF and Police Pension net pension liabilities and total other postemployment benefit liability, are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no other particularly sensitive estimates made by management during our audit of the financial statements.

Management's estimate of the City's total pension liabilities and total other postemployment benefit liability are based on various actuarially determined amounts, including estimated investment returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop the management's estimates of the City's net pension liabilities and total other postemployment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole, with the exception of AJE#02, AJE306, AJE#10, AJE#12, AJE#13, AJE#15, AJE#19, AJE#20, AJE#21, AJE#22, AJE#23, AJE#27, AJE#28, AJE#29, AJE#30, AJE#31, AJE#32, AJE#33 and AJE#34.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 23, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on combining and individual fund financial statements and schedules which accompany the basic financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the Other Supplementary Information, which accompany the basic financial statements. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it. In connection with our audit of the financial statements, our responsibility is to read 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. Our procedures did not identify any material inconsistencies with the basic financial statements.

Restriction on Use

This information is intended solely for the use of the Mayor, City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich CPA LLC

Sikich CPA LLC
By: Martha Trotter, CPA
Principal

City of Litchfield
Year End: April 30, 2025
Adjusting Journal Entries

Number	Date	Name	Account No	Debit	Credit
AJE #01	4/30/2025	RETAINED EARNINGS	104-3070 SOF-104	28,354.00	
AJE #01	4/30/2025	BAD DEBT (RECOVERY)	104-8540 SOF-104		(28,354.00)
AJE #01	4/30/2025	RETAINED EARNINGS	106-3070 WOF-106	25,236.00	
AJE #01	4/30/2025	BAD DEBT (RECOVERY)	106-8540 WOF-106		(25,236.00)
Close account to tie out beginning fund balance					
AJE #02	4/30/2025	CASH	104-1001 SOF-104	61,124.00	
AJE #02	4/30/2025	NOTE PAYABLE	106-2020 WOF-106	64,279.00	
AJE #02	4/30/2025	CASH	107-1001 WBF-107		(61,124.00)
AJE #02	4/30/2025	ACCOUNTS PAYABLE	141-2000 ER-S-141	58,567.87	
AJE #02	4/30/2025	LAB FEES/PERMITS	104-240-8070-000 SOF-104		(61,124.00)
AJE #02	4/30/2025	Principal Payment	106-106-9510-000 WOF-106		(64,279.00)
AJE #02	4/30/2025	BOND PAYMENT	107-107-9510-000 WBF-107	61,124.00	
AJE #02	4/30/2025	BOND PAYMENT	107-107-9510-000 WBF-107	55,155.00	
AJE #02	4/30/2025	INTEREST PAYMENT	107-107-9520-000 WBF-107		(55,155.00)
AJE #02	4/30/2025	INTEREST PAYMENT	141-141-9520-000 ER-S-141		(64.46)
AJE #02	4/30/2025	EQUIPMENT REPLACEMENT - SEWER	141-141-9990-816 ER-S-141		(58,503.41)
AJE #02	4/30/2025	BOND PAYMENTS	153-153-9510-000 WBF-153	148,447.00	
AJE #02	4/30/2025	INTEREST EXPENSE	153-153-9845-000 WBF-153		(148,447.00)
Close note payable paid during fiscal year and adjust bond/interest to yearend amounts					
AJE #03	4/30/2025	Deferred Outflow- IMRF	104-1800 SOF-104		(39,013.57)
AJE #03	4/30/2025	Net Pension Liability - IMRF	104-2600 SOF-104	27,630.11	
AJE #03	4/30/2025	Deferred Inflow - IMRF	104-2601 SOF-104	126.97	
AJE #03	4/30/2025	Deferred Outflow- IMRF	106-1800 WOF-106		(38,257.15)
AJE #03	4/30/2025	Net Pension Liability - IMRF	106-2600 WOF-106		(61,596.61)
AJE #03	4/30/2025	Deferred Inflow - IMRF	106-2601 WOF-106		(2,598.57)
AJE #03	4/30/2025	Pension Expense - IMRF - Sewer	104-104-9999-100 SOF-104	11,256.49	
AJE #03	4/30/2025	Pension expense - IMRF - Water	106-106-9999-100 WOF-106	102,452.33	
Adjust IMRF for GASB68					
AJE #04	4/30/2025	OPEB Liability	104-2700 SOF-104		(1,045.00)
AJE #04	4/30/2025	OPEB Liability	106-2700 WOF-106		(1,672.00)
AJE #04	4/30/2025	OPEB adjustment - Sewer	104-104-9999-001 SOF-104	1,045.00	
AJE #04	4/30/2025	OPEB adjustment - Water	106-106-9999-001 WOF-106	1,672.00	
Adjust OBEP for GASB					
AJE #05	4/30/2025	REPLACEMENT PROPERTY TAX	101-101-4103-000 CF-101	10,745.94	
AJE #05	4/30/2025	LIBRARY PERS PROP REP TAX	101-101-4103-001 CF-101	4,622.41	
AJE #05	4/30/2025	FIRE PENSION PERS PROP REP TAX	101-101-4103-002 CF-101	3,977.05	
AJE #05	4/30/2025	POLICE PENS PERS PROP REP TAX	101-101-4103-003 CF-101	7,960.52	
AJE #05	4/30/2025	MISCELLANEOUS RECEIPTS	101-101-4601-000 CF-101		(27,305.92)
To correct reclass that was double booked for January 2025 PPRT					

Number	Date	Name	Account No	Debit	Credit
AJE #06	4/30/2025	IDOT GRANT/MISC RECEIPTS	132-132-4601-000 T1F-132		(138,061.75)
AJE #06	4/30/2025	SURPLUS RECEIPTS	132-132-5000-000 T1F-132	138,061.75	
Reclass grant revenue netted to expense					
AJE #07	4/30/2025	MISCELLANEOUS RECEIPTS	117-117-4601-000 EDF-117		(5,031.26)
AJE #07	4/30/2025	MARKETING	117-117-9525-000 EDF-117	5,031.26	
Write off expenses related to Together Litchfield Can program					
AJE #08	4/30/2025	ACCOUNTS RECEIVABLE	101-1002 CF-101	340.00	
AJE #08	4/30/2025	CARNEGIE BUILDING RENT	101-101-5908-000 CF-101		(340.00)
To accrue rent revenue through April 2025					
AJE #09	4/30/2025	LAKE DEPOSITS PAYABLE	113-2080 LOF-113	18,000.00	
AJE #09	4/30/2025	FUND BALANCE	113-3100 LOF-113		(18,000.00)
Write of deposits payable balances from prior years					
AJE #10	4/30/2025	DUE FROM OTHER GOVERNMENTS	101-1230 CF-101		(302,514.53)
AJE #10	4/30/2025	LT COMP ABSENCES	101-2004 CF-101	0.49	
AJE #10	4/30/2025	NOTE PAYABLE	101-2020 CF-101		(0.10)
AJE #10	4/30/2025	FEDERAL WHT PAYABLE	101-2120 CF-101		(293.90)
AJE #10	4/30/2025	FUND BALANCE	101-3100 CF-101	302,514.53	
AJE #10	4/30/2025	FUND BALANCE	101-3100 CF-101		(0.49)
AJE #10	4/30/2025	ACCOUNTS PAYABLE	107-2000 WBF-107	0.10	
AJE #10	4/30/2025	RETAINED EARNINGS	107-3070 WBF-107		(0.10)
AJE #10	4/30/2025	ACCOUNTS PAYABLE	116-2000 CDF-116		(0.35)
AJE #10	4/30/2025	ACCOUNTS PAYABLE	117-2000 EDF-117	5.61	
AJE #10	4/30/2025	WAGES PAYABLE	117-2001 EDF-117	0.14	
AJE #10	4/30/2025	ACCOUNTS PAYABLE	120-2000 HLIF-120		(0.29)
AJE #10	4/30/2025	WAGES PAYABLE	120-2100 HLIF-120		(0.11)
AJE #10	4/30/2025	ACCOUNTS PAYABLE	121-2000 PCF-121	51.57	
AJE #10	4/30/2025	ACCOUNTS PAYABLE	125-2000 SBF-125		(0.22)
AJE #10	4/30/2025	FUND BALANCE	125-3100 SBF-125	0.22	
AJE #10	4/30/2025	ACCOUNTS PAYABLE	126-2000 TF-126		(32,088.31)
AJE #10	4/30/2025	ACCOUNTS PAYABLE	127-2000 SRF-127		(0.17)
AJE #10	4/30/2025	FUND BALANCE	127-3100 SRF-127	0.17	
AJE #10	4/30/2025	ACCOUNTS PAYABLE	132-2000 T1F-132		(0.10)
AJE #10	4/30/2025	FUND BALANCE	132-3100 T1F-132	0.10	
AJE #10	4/30/2025	NOTE RECB - WORKSAVER #3	143-1201 LTED-143	0.26	
AJE #10	4/30/2025	NOTE RECB - MIDWEST BUS SALES	143-1204 LTED-143	0.12	
AJE #10	4/30/2025	NOTE RECB - ALLSCRIPTS	143-1206 LTED-143	0.33	
AJE #10	4/30/2025	ACCOUNTS PAYABLE/LTED	143-2000 LTED-143		(0.39)
AJE #10	4/30/2025	FUND BALANCE	143-3100 LTED-143	0.39	
AJE #10	4/30/2025	FUND BALANCE	143-3100 LTED-143		(0.71)
AJE #10	4/30/2025	ACCOUNTS PAYABLE	149-2000 LIF-149		(0.14)
AJE #10	4/30/2025	FUND BALANCE	149-3100 LIF-149	0.14	
AJE #10	4/30/2025	ACCOUNTS PAYABLE	151-2000 LS-151	0.16	
AJE #10	4/30/2025	FUND BALANCE	151-3100 LS-151		(0.16)
AJE #10	4/30/2025	MISCELLANEOUS RECEIPTS	101-101-4601-000 CF-101	293.90	
AJE #10	4/30/2025	MISCELLANEOUS RECEIPTS	101-101-4601-000 CF-101	0.10	
AJE #10	4/30/2025	CIVIL DEFENSE R/E TAX	116-116-4010-000 CDF-116	0.35	

Number	Date	Name	Account No	Debit	Credit
AJE #10	4/30/2025	MISCELLANEOUS RECEIPTS	117-117-4601-000 EDF-117		(5.75)
AJE #10	4/30/2025	HOSPITAL & LIFE INSURANCE	120-120-7530-000 HLIF-120	0.40	
AJE #10	4/30/2025	Misc Income	121-121-4601-000 PCF-121		(51.57)
AJE #10	4/30/2025	OIL & CHIP OR BLADE MIX	126-126-9990-047 TF-126	32,088.31	
Write off stale receivable and payable balances					
AJE #11	4/30/2025	HSA PAYABLE	120-2149 HLIF-120		(9,900.00)
AJE #11	4/30/2025	FICA TAXES PAYABLE	121-2110 PCF-121		(20,978.11)
AJE #11	4/30/2025	STATE WHT PAYABLE	121-2130 PCF-121		(2,452.53)
AJE #11	4/30/2025	SUPPORT WITHHOLDING	121-2141 PCF-121		(249.81)
AJE #11	4/30/2025	UNIFORMS PAYABLE	121-2156 PCF-121		(180.36)
AJE #11	4/30/2025	FUND BALANCE	121-3100 PCF-121	23,860.81	
AJE #11	4/30/2025	HOSPITAL & LIFE INSURANCE	120-120-7530-000 HLIF-120	9,900.00	
To record disbursement of HSA and correct various payroll liabilities					
AJE #12	4/30/2025	STRONG COMMUNITIES GRANT	136-136-5000-002 GF-136		(34,930.00)
AJE #12	4/30/2025	IEPA LSLI GRANT	136-136-5000-008 GF-136		(15,200.00)
AJE #12	4/30/2025	KILTON GRANTS	136-136-6000-007 GF-136		(8,215.43)
AJE #12	4/30/2025	GRANT DISB - STATE GRANTS	136-136-8000-000 GF-136	15,200.00	
AJE #12	4/30/2025	LOCAL GRANTS	136-136-9990-036 GF-136	34,930.00	
AJE #12	4/30/2025	KILTON GRANTS	136-136-9990-039 GF-136	8,215.43	
Correct presentation of grant expenditures/revenues netted					
AJE #13	4/30/2025	LFD FOREIGN FIRE INS CASH	147-1050 FFTF-147	17,546.58	
AJE #13	4/30/2025	FOREIGN FIRE TAX INCOME	147-147-4300-000 FFTF-147		(24,898.59)
AJE #13	4/30/2025	MISC EXPENSE	147-147-9890-000 FFTF-147	7,352.01	
To record Foreign Fire Insurance Fund activity for FY25					
AJE #14	4/30/2025	RITCHIE ENDOWMENT CASH	145-1004 REF-145		(9,854.59)
AJE #14	4/30/2025	RITCHIE ENDOWMENT RETURN	145-145-4602-000 REF-145		(4,614.89)
AJE #14	4/30/2025	RITCHIE ENDOW/WALTON PARK IMPR	145-145-8600-000 REF-145	14,369.48	
AJE #14	4/30/2025	Admin Expense	145-145-8700-000 REF-145	100.00	
To record Ritchie Endowment Fund activity					
AJE #15	4/30/2025	CASH	136-1001 GF-136		(21,870.00)
AJE #15	4/30/2025	CASH	149-1001 LIF-149	21,870.00	
AJE #15	4/30/2025	Unamed Revenue	149-2012 LIF-149		(150,000.00)
AJE #15	4/30/2025	GRANT DISBURSEMENTS - LOCAL GR	136-136-7000-000 GF-136	21,870.00	
AJE #15	4/30/2025	FEDERAL GRANTS	149-149-4800-000 LIF-149	150,000.00	
AJE #15	4/30/2025	FEDERAL GRANTS	149-149-4800-000 LIF-149		(21,870.00)
Adjust OSLAD grant not spent in CY and reclass 319 grant out of expenses					
AJE #16	4/30/2025	PAYROLL CASH	102-1010 AOF-102	55.43	
AJE #16	4/30/2025	MISCELLANEOUS RECEIPTS	102-102-4601-000 AOF-102		(55.43)
To correct cash balance					

Number	Date	Name	Account No	Debit	Credit
AJE #17	4/30/2025	CITY LOAN FUND CASH	152-1004 CLF-152	15,821.76	
AJE #17	4/30/2025	NOTES REC WORKSAVER SOLAR	152-1230 CLF-152		(15,035.88)
AJE #17	4/30/2025	WORKSAVER SOLAR PRINCIPAL	152-152-6092-000 CLF-152		(15,035.88)
AJE #17	4/30/2025	WORKSAVER SOLAR PRINCIPAL	152-152-6092-000 CLF-152	15,035.88	
AJE #17	4/30/2025	WORKSAVER SOLAR INTEREST	152-152-6093-000 CLF-152		(785.88)
To record City Loan bank activity and move principal receipts against the receivable					
AJE #18	4/30/2025	NOTE RECB - MAV/ARISTON	143-1207 LTED-143		(5,658.42)
AJE #18	4/30/2025	MAVERICK/ARISTON - PRINCIPAL	143-143-6059-000 LTED-143	5,658.42	
Adjust loans receivable for amounts received during the year					
AJE #19	4/30/2025	Grants Receivable	132-1100 T1F-132	6,274.82	
AJE #19	4/30/2025	Grants Receivable	135-1100 TF-135	5,300.20	
AJE #19	4/30/2025	Grants Receivable	143-1100 LTED-143	96,426.00	
AJE #19	4/30/2025	Unavailable Revenue - Grants	143-2608 LTED-143		(96,426.00)
AJE #19	4/30/2025	Grants Receivable	149-1100 LIF-149	116,765.03	
AJE #19	4/30/2025	Unavailable Revenue - Grants	149-2608 LIF-149		(107,045.03)
AJE #19	4/30/2025	IDOT GRANT/MISC RECEIPTS	132-132-4601-000 T1F-132		(6,274.82)
AJE #19	4/30/2025	MARKETING GRANT RECEIPTS	135-135-4303-000 TF-135		(5,300.20)
AJE #19	4/30/2025	Grant Receipts	143-143-4763-000 LTED-143		(96,426.00)
AJE #19	4/30/2025	Grant Receipts	143-143-4763-000 LTED-143	96,426.00	
AJE #19	4/30/2025	FEDERAL GRANTS	149-149-4800-000 LIF-149		(116,765.03)
AJE #19	4/30/2025	FEDERAL GRANTS	149-149-4800-000 LIF-149	107,045.03	
To book grants receivable at year end					
AJE #20	4/30/2025	CASH	101-1001 CF-101		(38,920.00)
AJE #20	4/30/2025	CASH	136-1001 GF-136	38,920.00	
AJE #20	4/30/2025	STATE GRANTS	101-101-5000-000 CF-101	38,920.00	
AJE #20	4/30/2025	STRONG COMMUNITIES GRANT	136-136-4763-028 GF-136		(38,920.00)
To reclass grant revenue to match grant expense					
AJE #21	4/30/2025	Grants Receivable	126-1100 TF-126	76,500.00	
AJE #21	4/30/2025	FUND BALANCE	126-3100 TF-126		(76,500.00)
Adjust for grant revenue and receivable not recorded in Pys					
AJE #22	4/30/2025	CASH	101-1001 CF-101		(306,156.01)
AJE #22	4/30/2025	CASH	102-1001 AOF-102	306,156.01	
AJE #22	4/30/2025	LIBRARY PERS PROP REP TAX	101-101-4103-001 CF-101		(13,954.23)
AJE #22	4/30/2025	FIRE PENSION PERS PROP REP TAX	101-101-4103-002 CF-101		(25,833.80)
AJE #22	4/30/2025	POLICE PENS PERS PROP REP TAX	101-101-4103-003 CF-101		(43,851.41)
AJE #22	4/30/2025	MISCELLANEOUS RECEIPTS	101-101-4601-000 CF-101	21,328.43	
AJE #22	4/30/2025	PENSION	101-212-7515-000 CF-101	69,685.21	
AJE #22	4/30/2025	PENSION	101-212-7515-000 CF-101	306,156.01	
AJE #22	4/30/2025	PENSION	101-212-7515-000 CF-101		(7,374.20)
AJE #22	4/30/2025	PENSION	102-102-7515-000 AOF-102		(306,156.01)
To correct PPRT balances and adjust fund contribution expense for PPRT contributed to pensions and Library					

Number	Date	Name	Account No	Debit	Credit
AJE #23	4/30/2025	DUE FROM CITY LOAN FUND	101-1020 CF-101		(282,395.03)
AJE #23	4/30/2025	DUE TO GENERAL FUND	143-2050 LTED-143	47,290.00	
AJE #23	4/30/2025	DUE TO LTED FUND	152-1050 CLF-152		(47,290.00)
AJE #23	4/30/2025	DUE TO GENERAL FUND	152-1111 CLF-152	282,395.03	
AJE #23	4/30/2025	Transfer Out - General Fund	101-101-9889-000 CF-101	282,395.03	
AJE #23	4/30/2025	TRANSFERS IN	142-142-4651-000 LTED-143		(47,290.00)
AJE #23	4/30/2025	TRANSFERS IN	152-152-4650-000 CLF-152		(282,395.03)
AJE #23	4/30/2025	TRANSFERS OUT	152-152-9889-000 CLF-152	47,290.00	
To clear prior interfund receivable/payable balances which will not be repaid					
AJE #24	4/30/2025	DOMESTIC	105-105-5501-000 WRF-105		(56,301.00)
AJE #24	4/30/2025	TRANS TO OP & MAINTENANCE	105-105-9850-000 WRF-105	56,301.00	
AJE #24	4/30/2025	MISCELLANEOUS RECEIPTS	106-106-4601-000 WOF-106	56,301.00	
AJE #24	4/30/2025	WATER REVENUE TRANSFER	106-106-4653-000 WOF-106		(56,301.00)
To correct receivable adjustment for water fund to reflect change in receivable in water revenue accounts instead of miscellaneous revenue					
AJE #25	4/30/2025	BUILDINGS	101-1501 CF-101	0.08	
AJE #25	4/30/2025	PPE	101-1502 CF-101		(0.32)
AJE #25	4/30/2025	INFRASTRUCTURE	101-1503 CF-101		(0.03)
AJE #25	4/30/2025	ACCUMULATED DEPR - BUILDINGS	101-1601 CF-101	0.24	
AJE #25	4/30/2025	ACCUMULATED DEP - PPE	101-1602 CF-101		(0.14)
AJE #25	4/30/2025	ACCUM DEPRE - INFRASTRUCTURE	101-1603 CF-101	0.45	
AJE #25	4/30/2025	MISCELLANEOUS RECEIPTS	101-101-4601-000 CF-101		(0.28)
To clear immaterial long-term asset/accumulated depreciation balances incorrectly reported in governmental funds					
AJE #26	4/30/2025	GRANT RECEIPTS - KT BLDG/DEMO	136-136-4763-004 GF-136		(2,830.00)
AJE #26	4/30/2025	GRANT DISBURSE - KT BLDG/DEMO	136-136-9990-006 GF-136	2,830.00	
Reclass expenditures recorded to revenue account					
AJE #27	4/30/2025	Unavailable Revenue - Maverick Ariston	143-2605 LTED-143		(106,498.01)
AJE #27	4/30/2025	Unavailable Revenue - Maverick Ariston	143-2605 LTED-143	5,659.98	
AJE #27	4/30/2025	Unavailable Revenue - Maverick	143-2606 LTED-143		(110,546.00)
AJE #27	4/30/2025	Unavailable Revenue - Maverick	143-2606 LTED-143	20,320.55	
AJE #27	4/30/2025	FUND BALANCE	143-3100 LTED-143	106,498.01	
AJE #27	4/30/2025	FUND BALANCE	143-3100 LTED-143	110,546.00	
AJE #27	4/30/2025	Deferred inflow - Worksaver Loan	152-2605 CLF-152		(47,616.45)
AJE #27	4/30/2025	Deferred inflow - Worksaver Loan	152-2605 CLF-152	22,423.48	
AJE #27	4/30/2025	FUND BALANCE	152-3100 CLF-152	47,616.45	
AJE #27	4/30/2025	MAVERICKS - PRINCIPAL	143-143-6054-000 LTED-143		(20,320.55)
AJE #27	4/30/2025	MAVERICK/ARISTON - PRINCIPAL	143-143-6059-000 LTED-143		(5,659.98)
AJE #27	4/30/2025	WORKSAVER SOLAR PRINCIPAL	152-152-6092-000 CLF-152		(22,423.48)
To restate beginning fund balances for deferred inflows of resources related to long-term loan receivable balances and record current year principal receipts					

Number	Date	Name	Account No	Debit	Credit
AJE #28	4/30/2025	ACCOUNTS RECEIVABLE	101-1002 CF-101	8,827.92	
AJE #28	4/30/2025	ACCOUNTS RECEIVABLE	104-1300 SOF-104	286,796.89	
AJE #28	4/30/2025	Accounts Receivable	105-1300 WRF-105	290,002.13	
AJE #28	4/30/2025	Prior Period Receipts	113-1210 LOF-113	200.00	
AJE #28	4/30/2025	FIRE PROTECTION & CALLS	101-101-4630-000 CF-101		(8,364.66)
AJE #28	4/30/2025	RETURN CHECK FEES	101-101-5906-000 CF-101		(463.26)
AJE #28	4/30/2025	SEWER REVENUE COLLECTIONS	104-240-5001-000 SOF-104		(286,796.89)
AJE #28	4/30/2025	DOMESTIC	105-105-5501-000 WRF-105		(290,002.13)
AJE #28	4/30/2025	ANNUAL LAKE HOME LEASE	113-113-5701-000 LOF-113		(200.00)
		Record utility billing receivable			
AJE #29	4/30/2025	ACCOUNTS RECEIVABLE	102-1015 AOF-102	68,611.83	
AJE #29	4/30/2025	ALLOW FOR DOUBTFUL ACCT/AMB	102-1016 AOF-102	148,072.52	
AJE #29	4/30/2025	PATIENT FEES	102-102-4701-000 AOF-102		(216,684.35)
		To record change in ambulance receivable			
AJE #30	4/30/2025	ACCOUNTS PAYABLE	101-2000 CF-101	93,875.52	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	102-2000 AOF-102	8,434.73	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	104-2000 SOF-104	15,689.35	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	106-2000 WOF-106	38,895.22	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	113-2000 LOF-113	9,672.47	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	115-2000 CST-115	32,307.90	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	126-2000 TF-126	138.44	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	135-2000 TF-135	9,859.20	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	136-2000 GF-136	70.00	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	139-2000 ER-139	465.00	
AJE #30	4/30/2025	ACCOUNTS PAYABLE	142-2000 D-CF-142	1,000.60	
AJE #30	4/30/2025	PROFESSIONAL FEES	101-210-8010-000 CF-101		(3,558.98)
AJE #30	4/30/2025	OFFICE SUPPLIES	101-210-9010-000 CF-101		(423.90)
AJE #30	4/30/2025	EMP/VOL RECOGNITION	101-210-9710-000 CF-101		(72.00)
AJE #30	4/30/2025	CLOTHING/UNIFORM	101-211-7531-000 CF-101		(150.00)
AJE #30	4/30/2025	VEHICLE REPAIR	101-211-8580-000 CF-101		(920.02)
AJE #30	4/30/2025	EQUIPMENT REPAIR	101-211-8585-000 CF-101	146.31	
AJE #30	4/30/2025	VEHICLE FUEL	101-211-8590-000 CF-101		(1,780.46)
AJE #30	4/30/2025	ICE CONTROL	101-211-9025-000 CF-101		(16,482.83)
AJE #30	4/30/2025	TREE REMOVAL	101-211-9575-000 CF-101		(4,800.00)
AJE #30	4/30/2025	RADIO EXPENSE	101-212-8610-000 CF-101		(52.00)
AJE #30	4/30/2025	VOLUNTEER FIREMEN	101-212-9530-000 CF-101		(169.11)
AJE #30	4/30/2025	TRAINING/SCHOOL EXPENSE	101-212-9600-000 CF-101		(1,632.00)
AJE #30	4/30/2025	SERVICES/PROFESSIONAL	101-212-9700-000 CF-101		(1,065.20)
AJE #30	4/30/2025	SUPPLIES & MATERIALS	101-213-9020-000 CF-101		(6,651.86)
AJE #30	4/30/2025	TRAVEL-CONVENTION-MEETING	101-213-9580-000 CF-101		(292.95)
AJE #30	4/30/2025	PROFESSIONAL SERVICES	101-213-9700-000 CF-101		(755.91)
AJE #30	4/30/2025	BULLETPROOF VESTS	101-213-9990-075 CF-101		(2,105.65)
AJE #30	4/30/2025	REPAIRS & MAINTENANCE	101-214-8600-000 CF-101		(1,155.00)
AJE #30	4/30/2025	LAKE BUILDING REPAIRS	101-214-8600-002 CF-101		(270.00)
AJE #30	4/30/2025	STREET BUILDING REPAIRS	101-214-8600-005 CF-101		(39.90)
AJE #30	4/30/2025	OFFICE SUPPLIES	101-215-9010-000 CF-101		(651.96)
AJE #30	4/30/2025	COMPUTER EXPENSE	101-215-9990-003 CF-101		(37,678.79)
AJE #30	4/30/2025	PROFESSIONAL FEES	101-216-8010-000 CF-101		(13,183.50)
AJE #30	4/30/2025	COMPUTER EXPENSE	101-216-9990-003 CF-101		(129.81)
AJE #30	4/30/2025	ADMINISTRATION FEE	102-102-8050-000 AOF-102		(5,752.85)
AJE #30	4/30/2025	SUPPLIES & MATERIALS	102-102-9020-000 AOF-102		(139.36)
AJE #30	4/30/2025	MEDICAL SUPPLIES & EQUIP.	102-102-9030-000 AOF-102		(582.04)

Number	Date	Name	Account No	Debit	Credit
AJE #30	4/30/2025	TRAINING/SCHOOL EXPENSE	102-102-9600-000 AOF-102		(1,960.48)
AJE #30	4/30/2025	CLOTHING ALLOWANCE	104-240-7531-000 SOF-104		(207.86)
AJE #30	4/30/2025	PROFESSIONAL FEES	104-240-8010-000 SOF-104		(3,680.00)
AJE #30	4/30/2025	GAS & ELECTRIC	104-240-8930-000 SOF-104		(11,801.49)
AJE #30	4/30/2025	REPAIRS & MAINTENANCE	106-106-8600-000 WOF-106		(3,212.13)
AJE #30	4/30/2025	WATER PLANT BLDG REPAIRS	106-106-8600-006 WOF-106		(8,824.48)
AJE #30	4/30/2025	PRINTING	106-106-8650-000 WOF-106		(3,219.78)
AJE #30	4/30/2025	OFFICE SUPPLIES	106-106-9010-000 WOF-106		(1,467.06)
AJE #30	4/30/2025	FREIGHT, POSTAGE OR UPS	106-106-9040-000 WOF-106		(522.50)
AJE #30	4/30/2025	CHEMICALS	106-106-9050-000 WOF-106		(20,159.16)
AJE #30	4/30/2025	DIESEL MAINTENANCE/FUEL	106-106-9700-001 WOF-106		(1,490.11)
AJE #30	4/30/2025	REPAIRS & MAINTENANCE	113-113-8600-000 LOF-113		(363.98)
AJE #30	4/30/2025	BEACH HOUSE RENTALS SUPPLIES	113-113-9064-000 LOF-113		(10.00)
AJE #30	4/30/2025	DOCK REPAIRS	113-113-9990-066 LOF-113		(9,298.49)
AJE #30	4/30/2025	ROAD IMPROVEMENTS	115-115-9990-130 CST-115		(32,307.90)
AJE #30	4/30/2025	OIL & CHIP OR BLADE MIX	126-126-9990-047 TF-126		(138.44)
AJE #30	4/30/2025	MARKETING	135-135-9525-000 TF-135		(1,120.00)
AJE #30	4/30/2025	SPECIAL EVENTS	135-135-9529-000 TF-135		(8,739.20)
AJE #30	4/30/2025	DUFF GRANT - MILNOT BEACH	136-136-9991-001 GF-136		(70.00)
AJE #30	4/30/2025	EQUIPMENT REPLACEMENT - FIRE	139-139-9990-812 ER-139		(465.00)
AJE #30	4/30/2025	DUI/ANTI CRIME EQUIPMENT	142-142-9990-074 D-CF-142		(1,000.60)
To reverse AP					
AJE #31	4/30/2025	ACCOUNTS PAYABLE	101-2000 CF-101		(239.50)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	101-2000 CF-101		(84,605.23)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	102-2000 AOF-102		(14,869.23)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	104-2000 SOF-104		(7,869.79)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	108-2000 WOF-106		(44,967.12)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	108-2000 WDF-108		(14,516.00)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	113-2000 LOF-113		(66.00)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	113-2000 LOF-113		(15,633.96)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	115-2000 CST-115		(4,658.63)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	116-2000 CDF-116		(16.53)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	117-2000 EDF-117		(1,049.16)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	126-2000 TF-126		(15,122.43)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	135-2000 TF-135		(1,150.00)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	135-2000 TF-135		(8,979.78)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	136-2000 GF-136		(70.00)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	139-2000 ER-139		(465.00)
AJE #31	4/30/2025	ACCOUNTS PAYABLE	142-2000 D-CF-142		(1,000.60)
AJE #31	4/30/2025	PROFESSIONAL FEES	101-210-8010-000 CF-101	13,056.54	
AJE #31	4/30/2025	DUES & SUBSCRIPTIONS	101-210-8530-000 CF-101	24.00	
AJE #31	4/30/2025	PRINTING	101-210-8650-000 CF-101	1,264.50	
AJE #31	4/30/2025	OFFICE SUPPLIES	101-210-9010-000 CF-101	636.35	
AJE #31	4/30/2025	BOND & INSURANCE	101-210-9540-000 CF-101	53.35	
AJE #31	4/30/2025	TRAVEL-CONVENTION-MEETING	101-210-9580-000 CF-101	239.53	
AJE #31	4/30/2025	IT SERVICES	101-210-9660-000 CF-101	3,996.55	
AJE #31	4/30/2025	EMP/VOL RECOGNITION	101-210-9710-000 CF-101	72.00	
AJE #31	4/30/2025		101-210-9990-000 CF-101	383.46	
AJE #31	4/30/2025	HOSPITAL & LIFE INSURANCE	101-211-7530-000 CF-101	150.00	
AJE #31	4/30/2025	STREET REPAIR	101-211-8560-000 CF-101	80.00	
AJE #31	4/30/2025	VEHICLE REPAIR	101-211-8580-000 CF-101	395.10	
AJE #31	4/30/2025	VEHICLE FUEL	101-211-8590-000 CF-101	1,700.46	
AJE #31	4/30/2025	SUPPLIES & MATERIALS	101-211-9020-000 CF-101	313.07	
AJE #31	4/30/2025		101-211-9570-000 CF-101	4,800.00	

Number	Date	Name	Account No	Debit	Credit
AJE #31	4/30/2025	IT SERVICES	101-211-9660-000 CF-101	2,268.14	
AJE #31	4/30/2025	VOLUNTEER FIREMEN	101-212-9530-000 CF-101	169.11	
AJE #31	4/30/2025	TRAINING/SCHOOL EXPENSE	101-212-9600-000 CF-101	324.36	
AJE #31	4/30/2025	IT SERVICES	101-212-9660-000 CF-101	3,317.30	
AJE #31	4/30/2025	SERVICES/PROFESSIONAL	101-212-9700-000 CF-101	636.20	
AJE #31	4/30/2025		101-212-9990-000 CF-101	88.20	
AJE #31	4/30/2025	RADIO EXPENSE	101-213-8610-000 CF-101	16,482.83	
AJE #31	4/30/2025	PRINTING	101-213-8650-000 CF-101	11.00	
AJE #31	4/30/2025	FREIGHT, POSTAGE OR UPS	101-213-9040-000 CF-101	28.55	
AJE #31	4/30/2025	UNIFORM ALLOWANCE	101-213-9560-000 CF-101	2,194.05	
AJE #31	4/30/2025	TRAVEL-CONVENTION-MEETING	101-213-9580-000 CF-101	292.95	
AJE #31	4/30/2025	IT SERVICES	101-213-9660-000 CF-101	10,091.43	
AJE #31	4/30/2025	PROFESSIONAL SERVICES	101-213-9700-000 CF-101	522.00	
AJE #31	4/30/2025		101-213-9990-000 CF-101	1,090.61	
AJE #31	4/30/2025	REPAIRS & MAINTENANCE	101-214-8600-000 CF-101	3,243.15	
AJE #31	4/30/2025	GAS & ELECTRIC	101-214-8930-000 CF-101	1,565.37	
AJE #31	4/30/2025	OFFICE SUPPLIES	101-215-9010-000 CF-101	651.96	
AJE #31	4/30/2025	TRAVEL-CONVENTION-MEETING	101-215-9580-000 CF-101	155.63	
AJE #31	4/30/2025	IT SERVICES	101-215-9660-000 CF-101	7,598.50	
AJE #31	4/30/2025	PROFESSIONAL FEES	101-216-8010-000 CF-101	3,733.50	
AJE #31	4/30/2025	IT SERVICES	101-216-9660-000 CF-101	3,085.17	
AJE #31	4/30/2025		101-216-9990-000 CF-101	129.81	
AJE #31	4/30/2025	PHYSICALS,LICENSE, HEP B	102-102-7540-000 AOF-102	489.00	
AJE #31	4/30/2025	ADMINISTRATION FEE	102-102-8050-000 AOF-102	5,752.85	
AJE #31	4/30/2025	VEHICLE REPAIR	102-102-8580-000 AOF-102	388.47	
AJE #31	4/30/2025	MEDICAL SUPPLIES & EQUIP.	102-102-9030-000 AOF-102	488.92	
AJE #31	4/30/2025	TRAINING/SCHOOL EXPENSE	102-102-9600-000 AOF-102	3,927.00	
AJE #31	4/30/2025	IT SERVICES/SONIC WALL	102-102-9660-000 AOF-102	3,317.30	
AJE #31	4/30/2025	PROFESSIONAL SERVICES	102-102-9700-000 AOF-102	505.69	
AJE #31	4/30/2025	HOSPITAL & LIFE INSURANCE	104-240-7530-000 SOF-104	150.00	
AJE #31	4/30/2025	PROFESSIONAL FEES	104-240-8010-000 SOF-104	3,680.00	
AJE #31	4/30/2025	SEWER REPAIRS & MAINTENANCE	104-240-8600-000 SOF-104	292.45	
AJE #31	4/30/2025	PRINTING	104-240-8650-000 SOF-104	1,609.89	
AJE #31	4/30/2025	GAS & ELECTRIC	104-240-8930-000 SOF-104	872.83	
AJE #31	4/30/2025	FREIGHT, POSTAGE OR UPS	104-240-9040-000 SOF-104	66.50	
AJE #31	4/30/2025		104-240-9990-000 SOF-104	1,198.12	
AJE #31	4/30/2025	REPAIRS & MAINTENANCE	106-106-8600-000 WOF-106	6,099.16	
AJE #31	4/30/2025	PRINTING	106-106-8650-000 WOF-106	1,609.89	
AJE #31	4/30/2025	GAS & ELECTRIC	106-106-8930-000 WOF-106	6,389.40	
AJE #31	4/30/2025	OFFICE SUPPLIES	106-106-9010-000 WOF-106	16.39	
AJE #31	4/30/2025	FREIGHT, POSTAGE OR UPS	106-106-9040-000 WOF-106	66.50	
AJE #31	4/30/2025	CHEMICALS	106-106-9050-000 WOF-106	23,135.50	
AJE #31	4/30/2025	IT SERVICES	106-106-9660-000 WOF-106	2,098.33	
AJE #31	4/30/2025	PROFESSIONAL SERVICES	106-106-9700-000 WOF-106	4,976.82	
AJE #31	4/30/2025		106-106-9990-000 WOF-106	575.13	
AJE #31	4/30/2025		108-108-9990-000 WDF-108	14,516.00	
AJE #31	4/30/2025	EQUIPMENT REPAIR	113-113-8585-000 LOF-113	85.78	
AJE #31	4/30/2025	GAS & ELECTRIC	113-113-8930-000 LOF-113	1,963.94	
AJE #31	4/30/2025	SHOP EQUIPMENT	113-113-9018-000 LOF-113	141.24	
AJE #31	4/30/2025	SUPPLIES & MATERIALS	113-113-9020-000 LOF-113	1,609.40	
AJE #31	4/30/2025	BEACH HOUSE SUPPLIES	113-113-9060-000 LOF-113	664.38	
AJE #31	4/30/2025	MARINA RESALE	113-113-9063-000 LOF-113		(193.22)
AJE #31	4/30/2025	TRAVEL-CONVENTION-MEETING	113-113-9580-000 LOF-113	340.48	
AJE #31	4/30/2025	IT SERVICES	113-113-9670-000 LOF-113	1,049.16	
AJE #31	4/30/2025	SERVICES/ARMK/DUMPSTERS/CCFEES	113-113-9700-000 LOF-113	1,211.00	
AJE #31	4/30/2025		113-113-9990-000 LOF-113	8,827.80	

Number	Date	Name	Account No	Debit	Credit
AJE #31	4/30/2025		115-115-9990-000 CST-115	4,658.63	
AJE #31	4/30/2025	GAS & ELECTRIC	116-116-8930-000 CDF-116	16.53	
AJE #31	4/30/2025	IT SERVICES	117-117-9660-000 EDF-117	1,049.16	
AJE #31	4/30/2025	ENGINEERING SERVICES	126-126-8060-000 TF-126	13,133.27	
AJE #31	4/30/2025		126-126-9990-000 TF-126	1,989.16	
AJE #31	4/30/2025		135-135-9520-000 TF-135	7,981.62	
AJE #31	4/30/2025	IT SERVICES	135-135-9660-000 TF-135	1,049.16	
AJE #31	4/30/2025		135-135-9890-000 TF-135	1,099.00	
AJE #31	4/30/2025		136-136-9990-000 GF-136	70.00	
AJE #31	4/30/2025		139-139-9990-000 ER-139	465.00	
AJE #31	4/30/2025		142-142-9990-000 D-CF-142	1,000.60	

To record AP in line with detail

AJE #32	4/30/2025	PREPAID INSURANCE	101-1205 CF-101		(132,664.47)
AJE #32	4/30/2025	PREPAID INS	102-1200 AOF-102		(24,884.80)
AJE #32	4/30/2025	PREPAID INSURANCE	104-1201 SOF-104		(2,011.84)
AJE #32	4/30/2025	PREPAID INS	106-1200 WOF-106		(9,768.45)
AJE #32	4/30/2025	PREPAID INSURANCE	113-1205 LOF-113		(14,495.44)
AJE #32	4/30/2025	BOND & INSURANCE	101-210-9540-000 CF-101	17,996.34	
AJE #32	4/30/2025	BOND & INSURANCE	101-211-9540-000 CF-101	32,293.47	
AJE #32	4/30/2025	BOND & INSURANCE	101-212-9540-000 CF-101	24,884.80	
AJE #32	4/30/2025	BOND & INSURANCE	101-213-9540-000 CF-101	57,365.48	
AJE #32	4/30/2025	BOND & INSURANCE	101-216-9540-000 CF-101	124.38	
AJE #32	4/30/2025	BOND & INSURANCE	102-102-9540-000 AOF-102	24,884.80	
AJE #32	4/30/2025	BOND & INSURANCE	104-240-9540-000 SOF-104	2,011.84	
AJE #32	4/30/2025	BOND & INSURANCE	106-106-9540-000 WOF-106	9,768.45	
AJE #32	4/30/2025	BOND & INSURANCE	113-113-9540-000 LOF-113	14,495.44	

To correct semi-annual prepaid payment

AJE #33	4/30/2025	ACCOUNTS PAYABLE	101-2000 CF-101		(136,412.78)
AJE #33	4/30/2025	ACCOUNTS PAYABLE	104-2000 SOF-104		(72,758.32)
AJE #33	4/30/2025	ACCOUNTS PAYABLE	106-2000 WOF-106		(73,972.80)
AJE #33	4/30/2025	ACCOUNTS PAYABLE	116-2000 CDF-116		(36,842.87)
AJE #33	4/30/2025	ACCOUNTS PAYABLE	132-2000 T1F-132		(423,298.55)
AJE #33	4/30/2025	RADIO EXPENSE	101-213-8610-000 CF-101	32,965.66	
AJE #33	4/30/2025	STREET LIGHTING	101-214-8600-020 CF-101	11,748.76	
AJE #33	4/30/2025	GAS & ELECTRIC	101-214-8930-000 CF-101	62,858.36	
AJE #33	4/30/2025	MOWING	101-214-9700-001 CF-101	28,840.00	
AJE #33	4/30/2025	PROFESSIONAL FEES	104-240-8010-000 SOF-104	54,256.75	
AJE #33	4/30/2025	SEWER PLANT REPAIR-MAINT	104-240-8601-000 SOF-104	18,501.57	
AJE #33	4/30/2025	WATER PLANT BLDG REPAIRS	106-106-8600-006 WOF-106	24,812.21	
AJE #33	4/30/2025	CAPITAL ASSET RECLASS	106-106-9990-170 WOF-106	49,160.59	
AJE #33	4/30/2025	GAS & ELECTRIC	116-116-8930-000 CDF-116	36,842.87	
AJE #33	4/30/2025	DEV PROGRAMS/SURPLUS	132-132-9875-000 T1F-132	423,298.55	

To record unaccrued payables

AJE #34	4/30/2025	Lease Receivable	113-1XX1 LOF-113	319,059.00	
AJE #34	4/30/2025	Deferred Inflow - Leases	113-2XX1 LOF-113		(307,498.00)
AJE #34	4/30/2025	ANNUAL LAKE HOME LEASE	113-113-5701-000 LOF-113		(7,145.00)
AJE #34	4/30/2025	LAKEFRONT LOT	113-113-5901-003 LOF-113		(4,416.00)

To record GASB 87 lessor activity

PASSED ADJUSTMENTS

City of Litchfield	GOVERNMENTAL ACTIVITIES
(CLIENT)	(OPINION UNIT)

For the Year Ended 4/30/2025

All entries posted as Debit (Credit)

Description	Assets/ Deferred Outflows	(Liabilities)/ Deferred Inflows	(Net Position)	Change in Net Position
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period	\$ -	\$ -	\$ -	\$ -
To write off old outstanding checks	(88,006)	-	88,006	-
Totals	\$ (88,006)	\$ -	\$ 88,006	\$ -

PASSED ADJUSTMENTS

	<u>City of Litchfield</u>		<u>BUSINESS-TYPE ACTIVITIES</u>	
	(CLIENT)		(OPINION UNIT)	
	For the Year Ended <u>4/30/2025</u>			
	All entries posted as Debit (Credit)			
Description	Assets/ Deferred Outflows	(Liabilities)/ Deferred Inflows	(Net Position/ Fund Balance)	Change in Net Position/ Fund Balance
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period	\$ -	\$ -	\$ -	\$ -
To recognized 4/30/2024 unbilled receivable in proper fiscal year	-	-	(363,427)	363,427
Totals	\$ -	\$ -	\$ (363,427)	\$ 363,427

PASSED ADJUSTMENTS

City of Litchfield
(CLIENT)

WATERWORKS AND SEWERAGE
(OPINION UNIT)

For the Year Ended 4/30/2025

All entries posted as Debit (Credit)

Description	Assets/ Deferred Outflows	(Liabilities)/ Deferred Inflows	(Net Position/ Fund Balance)	Change in Net Position/ Fund Balance
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period	\$ -	\$ -	\$ -	\$ -
To record GASB 87 lessor impact in proper fiscal year	-	-	(9,323)	9,323
To write off old outstanding checks	(88,006)	-	88,006	-
Totals	<u>\$ (88,006)</u>	<u>\$ -</u>	<u>\$ 78,683</u>	<u>\$ 9,323</u>

PASSED ADJUSTMENTS

	<u>City of Litchfield</u>			<u>Waterworks Fund</u>	
	(CLIENT)			(OPINION UNIT)	
	For the Year Ended <u>4/30/2025</u>				
	All entries posted as Debit (Credit)				
Description	Assets/ Deferred Outflows	(Liabilities)/ Deferred Inflows	(Net Position/ Fund Balance)	Change in Net Position/ Fund Balance	
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period	\$ -	\$ -	\$ -	\$ -	-
To record compensated absences in proper fund	-	15,724	-	-	(15,724)
To recognized April 30, 2024 unbilled receivable in proper fiscal year	-	-	(179,840)	-	179,840
Totals	<u>\$ -</u>	<u>\$ 15,724</u>	<u>\$ (179,840)</u>	<u>\$ -</u>	<u>164,116</u>

PASSED ADJUSTMENTS

	<u>City of Litchfield</u>		<u>Sewerage Fund</u>	
	(CLIENT)		(OPINION UNIT)	
	For the Year Ended <u>4/30/2025</u>			
	All entries posted as Debit (Credit)			
Description	Assets/ Deferred Outflows	(Liabilities)/ Deferred Inflows	(Net Position/ Fund Balance)	Change in Net Position/ Fund Balance
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period	\$ -	\$ -	\$ -	\$ -
To record compensated absences in proper fund	-	(15,724)	-	15,724
To recognized April 30, 2024 unbilled receivable in proper fiscal year	-	-	(183,587)	183,587
Totals	<u>\$ -</u>	<u>\$ (15,724)</u>	<u>\$ (183,587)</u>	<u>\$ 199,311</u>

CITY OF LITCHFIELD, ILLINOIS
COMMUNICATION OF DEFICIENCIES
IN INTERNAL CONTROL AND
OTHER COMMENTS TO MANAGEMENT

April 30, 2025

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

The Honorable Mayor
Members of the City Council
City of Litchfield, Illinois

As part of the annual audit, we are required to communicate internal control matters that we classify as significant deficiencies and material weaknesses to those charged with governance. 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 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. 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 City's financial statements will not be prevented, or detected and corrected, on a timely basis.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency as listed on the next page.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We have communicated the material weaknesses and significant deficiencies in internal controls identified during our audit to the Mayor and Members of the City Council in a separate letter dated December 23, 2025 titled "Management Letter."

This memorandum is intended solely for the information and use of management and is not intended and should not be used by anyone other than these specified parties.

SiKich CPA LLC

Naperville, Illinois
December 23, 2025

DEFICIENCY

GASB S-34 Account Groupings

The long-term assets, deferred outflows, liabilities, and deferred inflows of the governmental activities and the associated increases/decreases in balances are currently not maintained in the City's accounting system. The City should consider implementing GASB S-34 account groupings in the financial system, to ensure all balances related to the City are recorded and to assist with the proper review and reconciliation of the activity, as well as reconciliation to the financial statements.

OTHER COMMENTS

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that may impact the City in the future.

GASB Statement No. 102, *Certain Risk Disclosures*, establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement is effective for the fiscal year ending April 30, 2026.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. This Statement requires

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. This Statement requires governments to present budgetary comparison information using a single method of communication-RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for the fiscal year ending April 30, 2027.

GASB Statement No. 104, Disclosure of Certain Capital Assets, requires certain types of capital assets to be disclosed separately in the capital asset note disclosures. Lease assets recognized in accordance with GASB Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital assets held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probably that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for the fiscal year ending April 30, 2027.

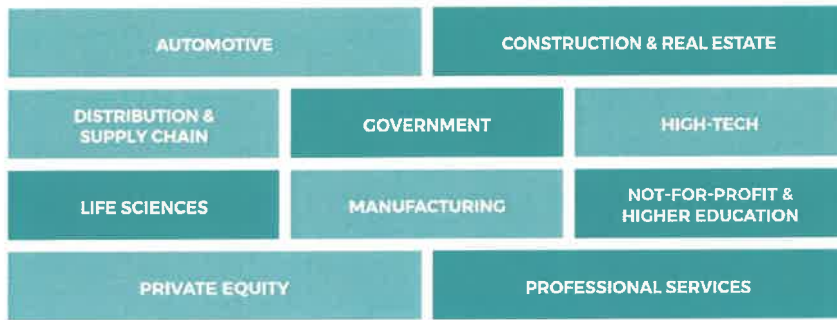
We will advise the City of any progress made by GASB in developing this and other future pronouncements that may have an impact on the financial position and changes in financial position of the City.

Sikich is a global company specializing in technology-enabled professional services.

Now with more than 1,900 employees, Sikich draws on a diverse portfolio of technology solutions to deliver transformative digital strategies and ranks as one of the largest CPA firms in the United States. From corporations and not-for-profits to state and local governments and federal agencies, Sikich clients utilize a broad spectrum of services and products to help them improve performance and achieve long-term, strategic goals.

INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:



SPECIALIZED SERVICES

ACCOUNTING, AUDIT, TAX & CONSULTING SERVICES

- Outsourced Accounting
- Audit & Assurance
- Consulting Services
- Employee Benefit Plan Audits
- International Tax
- Tax

TECHNOLOGY

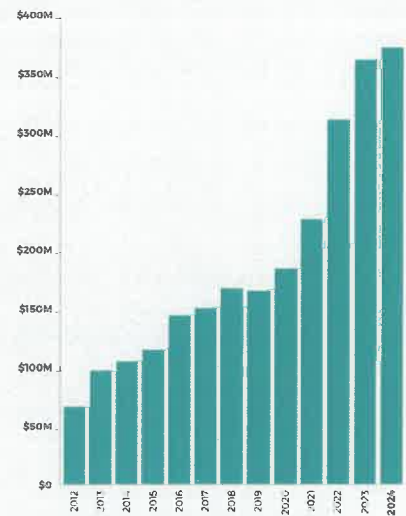
- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Cybersecurity & Compliance
- Digital Transformation Consulting

ADVISORY

- Forensic & Valuation Services
- Governance, Risk & Compliance Services
- Human Capital Management & Payroll Consulting
- Insurance Services
- Investment Banking
- Marketing & Communications
- Retirement Plan Services
- Regulatory, Quality & Compliance
- Site Selection & Business Incentives
- Succession Planning
- Supply Chain
- Transaction Advisory Services
- Wealth Management
- Workforce Risk Management

WHO WE ARE

TOTAL PERSONNEL1,900+
2024 REVENUE\$375M



OFFICE LOCATIONS

Ahmedabad, GJ	Los Angeles, CA*
Alexandria, VA	877.279.1900
703.836.1350	Sacramento, CA*
703.836.6701	925.577.5144
Bangalore, KA	Milwaukee, WI
Boston, MA	262.754.9400
508.485.5588	Naperville, IL
Chattanooga, TN	630.566.8400
423.954.3007	Peoria, IL
Chicago, IL	309.694.4251
312.648.6666	Princeton, NJ
Cleveland, OH	609.285.5000
330.864.6661	Springfield, IL
Coimbatore, TN	217.793.3363
Decatur, IL	St. Louis, MO
217.423.6000	314.275.7277
Indianapolis, IN	
317.842.4466	

*Perform only Technology and Advisory services

Sikich practices in an alternative practice structure in accordance with the AICPA Professional Code of Conduct and applicable law, regulations, and professional standards. Sikich CPA LLC is a licensed CPA firm that provides audit and attest services to its clients, and Sikich LLC and its subsidiaries provide tax and business advisory services to its clients. Sikich CPA LLC has a contractual arrangement with Sikich LLC under which Sikich LLC supports Sikich CPA LLC's performance of its professional services. Sikich LLC and its subsidiaries are not licensed CPA firms.

"Sikich" is the brand name under which Sikich CPA LLC and Sikich LLC provide professional services. The entities under the Sikich brand are independently owned and are not liable for the services provided by any other entity providing services under the Sikich brand. The use of the terms "our company", "we" and "us" and other similar terms denote the alternative practice structure of Sikich CPA LLC and Sikich LLC.

Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC. Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

CULTURE

Our dynamic work culture fosters learning, growth and innovation, attracting top-notch team members who see the big picture. Sikich's culture is built on a flexible, trusting work environment and the key pillars of Absolute Integrity, Bias for Action, Continuous Innovation and Servant Leadership. We believe our people are our greatest asset and work hard to ensure that all team members feel empowered, comfortable and valued.



CERTIFICATIONS & AWARDS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the **American Institute of Certified Public Accountants' Governmental Audit Quality Center** and the **Employee Benefit Plan Audit Quality Center**.

We adhere to the strict requirements of membership, which assure we meet the highest standards of audit quality. **In 2023, Sikich received its 12th consecutive unmodified ("pass") peer review report**, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

Sikich ranks among the **top 30 firms nationally** on the **Accounting Today Top 100 Firms list**.



Sikich is among the **50 firms that place on Inside Public Accounting's 2024 Best of the Best Firms**, an exclusive list that ranks organizations on key areas of management, growth and strategic vision.



Sikich is a **Microsoft Dynamics' 2023/2024 Inner Circle** award recipient, a recognition that places Sikich in the **top 1% of all Microsoft Business Applications partners globally**.



We also maintain the **Oracle NetSuite 5 Star Award** and are among the **top three U.S. partners of Oracle NetSuite**.



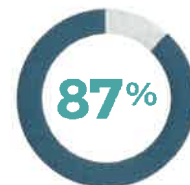
Sikich ranks on the **Redmond Channel Partner Magazine's top 350 Microsoft partners in the U.S.**, **CRN's Top 500 Managed Service Providers**, **CRN's Top 500 Solution Providers** and **Channel Futures' MSP 501**.



NET PROMOTER SCORE

The firm's overall Net Promoter Score (NPS) is 87%.

This is a measure of our clients' willingness to recommend Sikich's services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.





CITY OF LITCHFIELD, ILLINOIS

MANAGEMENT LETTER

For the Year Ended April 30, 2025



SIKICH.COM

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

The Honorable Mayor
Members of the City Council
City of Litchfield, Illinois

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Litchfield, Illinois (the City) as of and for the year ended April 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's system of 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we did identify certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies in internal control that we consider to be significant deficiencies.

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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control identified as 2025-001, 2025-002, and 2025-003 to be material weaknesses.

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. We consider the deficiencies in internal control identified as 2025-004 and 2025-005 to be significant deficiencies.

In addition, we noted other matters involving internal control and its operation that we have reported to management of the City in the separate letter dated December 23, 2025.

This communication is intended solely for the information and use of the Mayor, the City Council, and the management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sikich CPA LLC

Naperville, Illinois
December 23, 2025

MATERIAL WEAKNESSES

2025-001: Month End and Year End Close Process

Condition: At the start of the audit many of the year end accrual adjustments remained to be completed in order to accurately reflect balances at April 30, 2025. During our testing, we noted the City does maintain reconciling schedules to assist in the preparation of year end close journal entries, however, in some cases these schedules had not been maintained. Additionally, certain accrual accounts which were not supported by schedules had been unadjusted for a number of years. Significant turnover in recent years in the City's finance department resulted in a loss of knowledge and understanding of the year end and month end close procedures which had not been previously documented in detail.

Recommendation: The City should develop and document a detailed listing of month end and year end close procedures and set reasonable deadlines for completion of these procedures. Certain reconciliations, such as receivables and payables, withholding accounts, and adjustments related to bank reconciliations, should be completed on a monthly basis. Adhering to a list of month end and year end close procedures would facilitate in the efficient and effective closing of the year and processing of adjusted trial balances.

2025-002: Segregation of Duties

Condition: A system of internal control provides for a proper segregation of the accounting functions. This system would segregate recording of transactions, custody of assets, and authorization of transactions. Proper segregation is not always possible in smaller entities, but limited segregation to the extent possible can and should be implemented to reduce the risk of errors or fraud. At the City, there is a lack of segregation of duties due to the number of personnel performing the accounting functions. The City does have compensating controls, such as Council approval of bills lists and Department Head approval of payroll timesheets and accounts payable invoices.

Recommendation: We recommend that management continuously review the current assignments of accounting functions and, when possible, segregate duties and/or implement compensating controls to reduce the risk of errors or fraud. Additionally, we recommend that the City's finance department employees be cross-trained on each other's job responsibilities and that reviews and approvals be more prevalent in the City's internal controls.

2025-003: Grant Revenue Recognition and Tracking

Condition: The City is a recipient of numerous grant awards from a variety of agencies. Each grant program provides specific guidance to the City regarding aspect such as the use of funds, period of eligibility, and reporting requirements. The City does not have a process in place to accurately track activities by program. Audit adjustments were recommended to restate certain balances to reflect receivables which should have been accrued in prior periods, as well as to adjust current period grant receivable and deferred revenues. Additionally, we noted instances where grant revenues were improperly netted with grant related expenditures in the City's general ledger.

Recommendation: It is recommended that the City prepare schedules to assist in tracking activity for all grants awarded, including information such as costs incurred, revenues received, reimbursement requests submitted, which will allow the City to have a better understanding of the status of each of its significant grant programs. These schedules can be used to reconcile to the City's accounting system to ensure revenue is properly recognized. Grant revenues should be recorded separately from grant expenditures.

SIGNIFICANT DEFICIENCIES

2025-004: Collateralization of Deposits

Condition: At April 30, 2025, \$1,609,768 of the City's deposits were not insured by the Federal Deposit Insurance Corporation (FDIC) and uncollateralized. Additionally, we did not note any processes in place for monitoring of balances and tracking of collateral.

Recommendation: We recommend the City implement procedures to ensure the appropriate collateral is obtained for all bank balances throughout the year, and monitor balances and collateral statements regularly throughout the year to ensure City deposits are properly protected.

2025-005: Bank Reconciliations

Condition: Certain bank account reconciliations were not completed on a timely basis resulting in incomplete data and lack of timely review of certain City transactions.

Recommendation: All cash accounts should be reconciled in the subsequent month. Completing bank reconciliations in a timely manner ensures that the City has accurate information regarding bank activity and consistent review of cash transactions for unusual activity is being performed regularly and allows for any discrepancies to be addressed promptly.



CITY OF LITCHFIELD, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2025



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CITY OF LITCHFIELD, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Litchfield, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Litchfield, Illinois (the City), as of and for the year ended April 30, 2025, and the related notes to financial statements, which collectively comprise the City'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 City of Litchfield, Illinois, as of April 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Litchfield, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 14 to the financial statements, the City adopted the Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections* and No. 101, *Compensated Absences*, for the year ended April 30, 2025. The implementation of GASB Statement No. 101 resulted in changes to accrual of compensated absence balances. Our opinion was not modified with respect to this matter.

Emphasis of Matter - Correction of Error

As part of our audit of the 2025 financial statements, we also audited adjustments described in Note 14 that were applied to restate the 2024 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2024 financial statements of the City other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements as a whole

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 City’s ability to continue as a going concern for 12 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 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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

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

Management has omitted the Schedule of Changes in the Total OPEB Liability and Related Ratios for April 30, 2018 through April 30, 2023 for the Other Postemployment Benefits Plan, the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios for the Police and Firefighters' Pension Plans for the years April 30, 2016 and April 30, 2022, and the Schedule of Investment Returns for the Police Pension and Firefighters' Pension Funds for the years April 30, 2016 through April 30, 2023, that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other supplementary information included in the annual report. Our opinions on the basic financial statements do not cover the other supplementary 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 December 23, 2025, on our consideration of the City of Litchfield, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City of Litchfield, Illinois' 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 City of Litchfield, Illinois' internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
December 23, 2025

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**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***

The Honorable Mayor
Members of the City Council
City of Litchfield, 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 City of Litchfield, Illinois (the City), as of and for the year ended April 30, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2025-001, 2025-002 and 2025-003 to be a material weaknesses and 2025-004 and 2025-005 are considered to be Significant Deficiencies.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sibich CPA LLC

Naperville, Illinois
December 23, 2025

MATERIAL WEAKNESSES

2025-001: Month End and Year End Close Process

Condition: At the start of the audit many of the year end accrual adjustments remained to be completed in order to accurately reflect balances at April 30, 2025. During our testing, we noted the City does maintain reconciling schedules to assist in the preparation of year end close journal entries, however, in some cases these schedules had not been maintained. Additionally, certain accrual accounts which were not supported by schedules had been unadjusted for a number of years. Significant turnover in recent years in the City's finance department resulted in a loss of knowledge and understanding of the year end and month end close procedures which had not been previously documented in detail.

Recommendation: The City should develop and document a detailed listing of month end and year end close procedures and set reasonable deadlines for completion of these procedures. Certain reconciliations, such as receivables and payables, withholding accounts, and adjustments related to bank reconciliations, should be completed on a monthly basis. Adhering to a list of month end and year end close procedures would facilitate in the efficient and effective closing of the year and processing of adjusted trial balances.

2025-002: Segregation of Duties

Condition: A system of internal control provides for a proper segregation of the accounting functions. This system would segregate recording of transactions, custody of assets, and authorization of transactions. Proper segregation is not always possible in smaller entities, but limited segregation to the extent possible can and should be implemented to reduce the risk of errors or fraud. At the City, there is a lack of segregation of duties due to the number of personnel performing the accounting functions. The City does have compensating controls, such as Council approval of bills lists and Department Head approval of payroll timesheets and accounts payable invoices.

Recommendation: We recommend that management continuously review the current assignments of accounting functions and, when possible, segregate duties and/or implement compensating controls to reduce the risk of errors or fraud. Additionally, we recommend that the City's finance department employees be cross-trained on each other's job responsibilities and that reviews and approvals be more prevalent in the City's internal controls.

2025-003: Grant Revenue Recognition and Tracking

Condition: The City is a recipient of numerous grant awards from a variety of agencies. Each grant program provides specific guidance to the City regarding aspect such as the use of funds, period of eligibility, and reporting requirements. The City does not have a process in place to accurately track activities by program. Audit adjustments were recommended to restate certain balances to reflect receivables which should have been accrued in prior periods, as well as to adjust current period grant receivable and deferred revenues. Additionally, we noted instances where grant revenues were improperly netted with grant related expenditures in the City's general ledger.

MATERIAL WEAKNESSES (Continued)

2025-003: Grant Revenue Recognition and Tracking (Continued)

Recommendation: It is recommended that the City prepare schedules to assist in tracking activity for all grants awarded, including information such as costs incurred, revenues received, reimbursement requests submitted, which will allow the City to have a better understanding of the status of each of its significant grant programs. These schedules can be used to reconcile to the City's accounting system to ensure revenue is properly recognized. Grant revenues should be recorded separately from grant expenditures.

SIGNIFICANT DEFICIENCIES

2025-004: Collateralization of Deposits

Condition: At April 30, 2025, \$1,609,768 of the City's deposits were not insured by the Federal Deposit Insurance Corporation (FDIC) and uncollateralized. Additionally, we did not note any processes in place for monitoring of balances and tracking of collateral.

Recommendation: We recommend the City implement procedures to ensure the appropriate collateral is obtained for all bank balances throughout the year, and monitor balances and collateral statements regularly throughout the year to ensure City deposits are properly protected.

2025-005: Bank Reconciliations

Condition: Certain bank account reconciliations were not completed on a timely basis resulting in incomplete data and lack of timely review of certain City transactions.

Recommendation: All cash accounts should be reconciled in the subsequent month. Completing bank reconciliations in a timely manner ensures that the City has accurate information regarding bank activity and consistent review of cash transactions for unusual activity is being performed regularly and allows for any discrepancies to be addressed promptly.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the City of Litchfield, Illinois' (City) annual audit presents a Management Discussion and Analysis (MD&A) of the City's financial activity during the fiscal year ended April 30, 2025. The MD&A section of the report is designed to focus on current activities, resulting changes, and currently known facts and should be read in conjunction with the basic financial statements and footnotes. The City is responsible for the completeness and fairness of this information.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the City's basic financial statements. There are three components to the basic statements.

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements exclude fiduciary fund activities.

The government-wide financial statements distinguish functions of the City 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 City include the functions of general government, public safety, highways and streets, economic development and culture and recreation. The business-type activities include water and sewer.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. Changes in net position are reported using accounting principles generally accepted in the United States for the governmental activities and the business-type activities.

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 City, 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 City can be divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are used to account for essential functions reported as governmental activities in the government-wide financial statements. 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 City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between government funds and government-wide governmental activities.

The City maintains multiple individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for its four major funds: the General, Ambulance, Tax Increment Financing #1 and Long-Term Economic Development. Data from the other governmental funds are combined into a single, aggregated presentation called "Other Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules in the other supplementary information section of this report.

The City adopts an annual budget for all governmental funds. Budgetary comparison schedules for the major funds have been provided to demonstrate legal compliance, or lack thereof, with the adopted budgets.

Proprietary funds

Enterprise funds are used to report the same functions and the same type of information presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. The City also reports budget and actual comparison schedules for its general fund and major special revenue funds.

Other information

The combining statements of nonmajor funds and fiduciary funds are presented immediately following the required supplementary information.

Basis of accounting

The City presents its government-wide financial statements and proprietary fund financial statements on the accrual basis of accounting. The governmental fund financial statements are presented on the modified accrual basis of accounting.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City has presented its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,164,763 at the close of fiscal year 2025.

The largest portion of the City's net position or 71% reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related current debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the City'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.

The condensed statement of net position is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current & other assets	\$25,450,811	\$23,385,245	\$8,269,636	\$6,367,319	\$33,720,447	\$29,752,564
Capital assets	25,130,669	25,163,292	16,855,285	17,070,293	41,985,954	42,233,585
Total assets	50,581,480	48,548,537	25,124,921	23,438,612	75,706,401	71,986,149
Deferred Outflows	1,297,974	473,614	177,752	255,023	1,475,726	728,637
Long term liabilities	19,000,454	18,863,334	4,579,130	5,385,640	23,579,584	24,248,974
Other liabilities	1,900,172	1,292,557	1,353,086	1,346,210	3,253,258	2,638,767
Total liabilities	20,900,626	20,155,891	5,932,216	6,731,850	26,832,842	26,887,741
Deferred Inflows	5,170,686	3,539,832	13,836	11,364	5,184,522	3,551,196
Net position:						
Net investment in capital assets	\$19,412,638	\$18,762,823	\$12,675,874	\$11,999,596	\$32,088,512	\$30,762,419
Restricted	11,033,490	9,768,665	-	-	11,033,490	9,768,665
Unrestricted	(4,637,986)	(3,205,060)	6,680,747	4,949,825	2,042,761	1,744,765
Total net position	\$25,808,142	\$25,326,428	\$9,055,060	\$19,356,621	\$45,164,763	\$42,275,849

Total net position increased \$2,888,914 resulting in a balance of \$45,164,763 as of April 30, 2025. Current assets, which primarily include cash, investments and accounts receivable, increased \$3,967,883. Noncurrent assets, consisting of capital assets, decreased \$247,631, due to a change in presentation of Notes and Leases receivable. Total liabilities changed by an immaterial amount when comparing FY2025 to FY2024.

ANALYSIS OF NET POSITION

Net investment in capital assets increased in the current year by approximately \$1.33 million due to additions to capital assets of approximately \$2.63 million, less the increase in accumulated depreciation of approximately \$2.9 million, and plus capital debt payments of approximately \$1.5 million.

The condensed comparative statement of activities is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charge for services	2,361,510	\$2,158,032	\$5,523,857	\$4,955,238	\$7,885,367	\$7,113,270
Operating grants and Contributions	808,631	1,647,300	20,000	-	828,631	1,647,300
Capital grants/donations	3,929,752	-	-	-	3,929,752	-
General revenues						
Property taxes	3,988,656	3,011,907	-	-	3,988,656	3,011,907
Sales taxes	5,696,287	5,759,601	-	-	5,696,287	5,759,601
Other taxes	2,063,346	1,977,893	-	25,957	2,063,346	2,003,850
Interest/Invest Income	559,266	642,368	278,174	254,176	837,440	896,544
Miscellaneous	175,169	223,056	9,026	-	184,195	232,082
Transfers	(1,297,500)	(1,000,000)	1,297,500	1,000,000	-	-
<i>Subtotal general revenue and transfers</i>	11,185,224	10,614,825	1,584,700	1,280,133	12,769,924	11,894,958
Total revenues and transfers	15,786,696	14,420,157	7,128,557	6,235,371	16,603,404	22,915,253
Expenses:						
General government	2,157,914	2,614,084	-	-	2,157,914	2,614,084
Public safety	5,947,277	4,520,261	-	-	5,947,277	4,520,261
Public works	1,979,005	1,641,458	-	-	1,979,005	1,641,458
Economic Development	5,549,627	940,470			5,549,627	940,470
Culture and recreation	1,640,778	1,456,712			1,640,778	1,456,712
Debt service interest	186,173	233,843	-	-	186,173	233,843
Water and Stormwater Utility	-	-	4,710,539	4,884,499	4,470,539	4,884,499
Total expenses	17,460,774	11,406,828	4,710,539	4,884,499	22,171,313	16,291,327
Incr/(Decr) in net position	824,343	3,013,329	2,418,018	1,350,872	3,242,361	4,364,201
Net position, beginning	\$25,326,428	\$22,313,099	\$16,649,421	\$15,598,549	\$42,275,849	\$37,911,648
Restatements	(342,629)	-	(10,818)	-	(353,447)	-
Net position, ending	\$25,808,142	\$25,326,428	\$19,356,621	\$16,949,421	\$45,164,763	\$42,275,849

EXPENDITURES BY CATEGORY

GOVERNMENTAL ACTIVITIES

The City's total expenses increased by approximately \$5.9 million during the current fiscal year. In both years, the largest category of expense is public safety which consists of the City police, fire and ambulance departments. The large increase in total expenses is mostly attributable to budgeted capital and maintenance projects.

The governmental expenditure categories include amounts for depreciation expense on assets purchased in the current and prior years. The breakdown by category is as follows:

General Government	\$ 926,758
Public Safety	333,375
Highways and Streets	175,599
Culture and recreation	<u>1,110</u>
Total	<u>\$1,436,842</u>

Total capital outlay expenditures for the governmental activities in the current year totaled \$1,404,219.

BUSINESS-TYPE ACTIVITIES

Business-type activities expenses decreased by \$173,960, with minimal amounts spread over multiple expense categories

FUNDS FINANCIAL ANALYSIS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

As of April 30, 2025, the City's governmental funds reported combined ending fund balances of \$19,379,256, a decrease of \$292,163 as compared to the prior year. Of the total amount, \$68,818 is nonspendable and \$11,033,490 is restricted by external restrictions for specific purposes.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$8,276,948. As a measure of the general fund's liquidity, it may be useful to compare the unassigned general fund balance to total general fund expenditures.

The unassigned general fund balance at April 30, 2025 represents 93.6% of total general fund

expenditures. The fund balance of the City’s General Fund decreased \$620,972 during the current fiscal year.

At the end of the current fiscal year, the TIF #1 fund had a fund balance of \$2,776,451, which represents 14.3% of the total governmental fund balances. The fund balance of the TIF #1 fund balance decreased \$909,278 during the current fiscal year due to spending on significant capital projects.

The Ambulance Fund has charges for service revenues of \$1,205,444 which represent 63.5% of governmental fund charges for services revenues.

The Long-Term Economic Development Fund had a fund balance of \$4,119,999, which represents 21.3% of the total governmental fund balances.

Proprietary funds

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

Unrestricted net position of the water and sewer funds at the end of the year amounted to \$6,680,747, an increase of \$2,563,640 as compared to the prior year.

CAPITAL ASSETS

The City’s investment in capital assets for its governmental and business-type activities as of April 30, 2025 amounts to \$41,985,954, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, equipment, vehicles and infrastructure.

Major capital asset events during the current fiscal year included the following:

- Three public safety vehicles and one public works truck
- Street improvements
- Lake restoration and beach improvements
- Sewer plant improvements

Capital assets are reported in more detail in Note 4 to the financial statements.

CURRENT AND LONG-TERM DEBT AND COMPENSATED ABSENCES

Totals are summarized below.

	Governmental Activities		Business-type Activities		Total	
	April 30, 2025	April 30, 2024	April 30, 2025	April 30, 2024	April 30, 2025	April 30, 2024
Bonds payable	\$ 4,391,348	\$ 4,788,376	\$ 4,179,411	\$ 5,012,129	\$ 8,570,759	9,800,505
Notes payable	1,326,683	1,591,084	-	59,740	1,326,683	1,650,824
Compensated absences	246,127	213,622	35,672	33,146	281,799	246,768
Total debt and compensated absences	<u>\$ 5,964,158</u>	<u>\$ 6,593,082</u>	<u>\$ 4,215,083</u>	<u>\$ 5,105,015</u>	<u>\$ 10,179,241</u>	<u>\$ 11,698,097</u>

Additional information related to long-term debt can be located in Note 5 of the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Litchfield, Illinois for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk's office, 120 East Ryder, Litchfield, IL 62056.

BASIC FINANCIAL STATEMENTS

CITY OF LITCHFIELD, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,923,366	\$ 7,164,574	\$ 26,087,940
Receivables, net			
Property taxes	4,163,112	-	4,163,112
Accounts	427,592	1,100,350	1,527,942
Notes	216,257	-	216,257
Leases	319,059	-	319,059
Intergovernmental	1,332,607	-	1,332,607
Prepaid items	68,818	4,712	73,530
Capital assets not being depreciated	4,432,312	1,475,714	5,908,026
Capital assets (net of accumulated depreciation)	20,698,357	15,379,571	36,077,928
Total assets	50,581,480	25,124,921	75,706,401
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	301,574	177,752	479,326
Pension items - Police Pension	343,715	-	343,715
Pension items - Fire Pension	652,685	-	652,685
Total deferred outflows of resources	1,297,974	177,752	1,475,726
Total assets and deferred outflows of resources	51,879,454	25,302,673	77,182,127
LIABILITIES			
Accounts payable	830,072	214,084	1,044,156
Accrued liabilities	214,588	41,203	255,791
Deposits payable	2,000	211,644	213,644
Unearned revenue	150,000	-	150,000
Interest payable	31,681	29,617	61,298
Noncurrent liabilities			
Due within one year	671,831	856,538	1,528,369
Due within more than one year	19,000,454	4,579,130	23,579,584
Total liabilities	20,900,626	5,932,216	26,832,842
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	4,147,669	-	4,147,669
Lease items	307,498	-	307,498
Pension items - IMRF	23,473	13,836	37,309
Pension items - Police Pension	319,755	-	319,755
Pension items - Fire Pension	372,291	-	372,291
Total deferred inflows of resources	5,170,686	13,836	5,184,522
Total liabilities and deferred inflows of resources	26,071,312	5,946,052	32,017,364
NET POSITION			
Net investment in capital assets	19,412,638	12,675,874	32,088,512
Restricted for			
Public safety	1,059,165	-	1,059,165
Highways and streets	1,006,677	-	1,006,677
Economic development	8,333,507	-	8,333,507
Culture and recreation	235,207	-	235,207
Debt service	398,934	-	398,934
Unrestricted (deficit)	(4,637,986)	6,680,747	2,042,761
TOTAL NET POSITION	\$ 25,808,142	\$ 19,356,621	\$ 45,164,763

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,157,914	\$ 1,079,507	\$ 319,005	\$ -
Public safety	5,947,277	1,282,003	94,663	143,047
Highways and streets	1,979,005	-	298,537	-
Economic development	5,549,627	-	96,426	3,185,944
Culture and recreation	1,640,778	-	-	600,761
Interest	186,173	-	-	-
Total governmental activities	17,460,774	2,361,510	808,631	3,929,752
Business-Type Activities				
Waterworks	2,581,422	2,719,394	20,000	-
Sewerage	2,129,117	2,804,463	-	-
Total business-type activities	4,710,539	5,523,857	20,000	-
TOTAL PRIMARY GOVERNMENT	\$ 22,171,313	\$ 7,885,367	\$ 828,631	\$ 3,929,752

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (759,402)	\$ -	\$ (759,402)
	(4,427,564)	-	(4,427,564)
	(1,680,468)	-	(1,680,468)
	(2,267,257)	-	(2,267,257)
	(1,040,017)	-	(1,040,017)
	(186,173)	-	(186,173)
	<u>(10,360,881)</u>	<u>-</u>	<u>(10,360,881)</u>
	-	157,972	157,972
	-	675,346	675,346
	<u>-</u>	<u>833,318</u>	<u>833,318</u>
	<u>(10,360,881)</u>	<u>833,318</u>	<u>(9,527,563)</u>
General Revenues			
Taxes			
Property	3,988,656	-	3,988,656
Sales	5,696,287	-	5,696,287
Other	723,493	-	723,493
Intergovernmental			
State income taxes	1,148,097	-	1,148,097
Replacement taxes	191,756	-	191,756
American Rescue Plan Act	21,600	-	21,600
Investment income	559,266	278,174	837,440
Miscellaneous	153,569	9,026	162,595
Transfers	(1,297,500)	1,297,500	-
Total	<u>11,185,224</u>	<u>1,584,700</u>	<u>12,769,924</u>
CHANGE IN NET POSITION	<u>824,343</u>	<u>2,418,018</u>	<u>3,242,361</u>
NET POSITION, MAY 1, AS REPORTED	25,326,428	16,949,421	42,275,849
Restatements	(342,629)	(10,818)	(353,447)
NET POSITION, MAY 1, AS RESTATED	<u>24,983,799</u>	<u>16,938,603</u>	<u>41,922,402</u>
NET POSITION, APRIL 30	<u>\$ 25,808,142</u>	<u>\$ 19,356,621</u>	<u>\$ 45,164,763</u>

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2025

	General Fund	Ambulance Fund	Tax Increment Financing Fund #1
ASSETS			
Cash and cash equivalents	\$ 7,881,223	\$ 716,652	\$ 3,193,475
Receivables, net			
Property taxes	1,769,991	749,703	1,501,318
Accounts	200	427,392	-
Notes	-	-	-
Leases	319,059	-	-
Intergovernmental	1,040,211	-	-
Prepaid items	58,864	9,954	-
TOTAL ASSETS	\$ 11,069,548	\$ 1,903,701	\$ 4,694,793
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	244,131	100,463	423,299
Accrued liabilities	162,239	48,505	-
Deposits payable	2,000	-	-
Unearned revenue	150,000	-	-
Total liabilities	558,370	148,968	423,299
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue - property taxes	1,760,823	749,703	1,495,043
Unavailable revenue - loans receivable	-	-	-
Unavailable revenue - grants	107,045	-	-
Lease items	307,498	-	-
Total deferred inflows of resources	2,175,366	749,703	1,495,043
Total liabilities and deferred inflows of resources	2,733,736	898,671	1,918,342
FUND BALANCES			
Nonspendable			
Prepaid items	58,864	9,954	-
Restricted			
Public safety	-	995,076	-
Highways and streets	-	-	-
Economic development	-	-	2,776,451
Culture and recreation	-	-	-
Debt service	-	-	-
Unassigned	8,276,948	-	-
Total fund balances	8,335,812	1,005,030	2,776,451
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 11,069,548	\$ 1,903,701	\$ 4,694,793

	Long-Term Economic Development Fund	Nonmajor Governmental	Total
\$	4,119,999	\$ 3,012,017	\$ 18,923,366
	-	142,100	4,163,112
	-	-	427,592
	191,063	25,194	216,257
	-	-	319,059
	96,426	195,970	1,332,607
	-	-	68,818
\$	4,407,488	\$ 3,375,281	\$ 25,450,811
	-	62,179	830,072
	-	3,844	214,588
	-	-	2,000
	-	-	150,000
	-	66,023	1,196,660
	-	142,100	4,147,669
	191,063	25,194	216,257
	96,426	-	203,471
	-	-	307,498
	287,489	167,294	4,874,895
	287,489	233,317	6,071,555
	-	-	68,818
	-	64,089	1,059,165
	-	1,006,677	1,006,677
	4,119,999	1,437,057	8,333,507
	-	235,207	235,207
	-	398,934	398,934
	-	-	8,276,948
	4,119,999	3,141,964	19,379,256
\$	4,407,488	\$ 3,375,281	\$ 25,450,811

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 19,379,256
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 governmental funds	25,130,669
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	419,728
The deferred outflows and inflows of resources related to the pension plans and the other postemployment benefits is a flow of current financial resources and thus is not reported in the funds	
Illinois Municipal Retirement Fund	278,101
Police Pension Fund	23,960
Firefighter's Pension Fund	280,394
Long-term liabilities, including installment contracts, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(4,391,348)
Notes payable	(1,326,683)
Accrued interest payable	(31,681)
Compensated absences	(246,127)
Net pension liability - IMRF	(945,966)
Net pension liability - Police Pension	(6,557,257)
Net pension liability - Firefighter's Pension	(5,526,429)
Total OPEB liability	<u>(678,475)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 25,808,142</u></u>

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2025

	General Fund	Ambulance Fund	Tax Increment Financing Fund #1
REVENUES			
Taxes	\$ 7,611,138	\$ 715,653	\$ 1,410,422
Charges for service	691,569	1,205,444	-
Fines and fees	76,559	-	-
Licenses and permits	387,938	-	-
Intergovernmental	1,695,645	94,663	304,337
Investment income	334,018	15,118	97,897
Miscellaneous	100,615	55	-
Total revenues	10,897,482	2,030,933	1,812,656
EXPENDITURES			
Current			
General government	1,492,309	-	60,289
Public safety	3,990,435	1,658,083	-
Highways and streets	1,710,338	-	-
Economic development	135,326	-	1,230,346
Culture and recreation	1,263,695	-	-
Debt service			
Principal retirement	211,832	52,570	-
Interest and fiscal charges	40,735	9,760	-
Total expenditures	8,844,670	1,720,413	1,290,635
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,052,812	310,520	522,021
OTHER FINANCING SOURCES (USES)			
Transfers in	2,763,000	-	-
Transfers (out)	(5,137,895)	-	-
Sale of capital assets	9,486	-	-
Total other financing sources (uses)	(2,365,409)	-	-
NET CHANGE IN FUND BALANCES	(312,597)	310,520	522,021
FUND BALANCES, MAY 1, AS REPORTED	8,956,784	694,510	2,254,430
Adjustments and restatements	(308,375)	-	-
FUND BALANCES, MAY 1, AS RESTATED	8,648,409	694,510	2,254,430
FUND BALANCES, APRIL 30	\$ 8,335,812	\$ 1,005,030	\$ 2,776,451

Long-Term Economic Development Fund	Formerly Major West Side Expansion Project	Nonmajor Governmental	Total
\$ -	\$ -	\$ 671,223	\$ 10,408,436
-	-	-	1,897,013
-	-	-	76,559
-	-	-	387,938
3,185,944	-	615,776	5,896,365
48,321	-	63,912	559,266
39,492	-	52,424	192,586
<u>3,273,757</u>	-	<u>1,403,335</u>	<u>19,418,163</u>
-	-	233,562	1,786,160
-	-	70,543	5,719,061
-	-	593,248	2,303,586
4,176,365	-	7,590	5,549,627
-	-	375,973	1,639,668
-	-	397,027	661,429
-	-	139,251	189,746
<u>4,176,365</u>	-	<u>1,817,194</u>	<u>17,849,277</u>
<u>(902,608)</u>	-	<u>(413,859)</u>	<u>1,568,886</u>
872,290	-	838,673	4,473,963
(536,278)	-	(97,290)	(5,771,463)
-	-	-	9,486
<u>336,012</u>	-	<u>741,383</u>	<u>(1,288,014)</u>
<u>(566,596)</u>	-	<u>327,524</u>	<u>280,872</u>
4,903,639	393,689	2,468,367	19,671,419
(217,044)	(393,689)	346,073	(573,035)
<u>4,686,595</u>	-	<u>2,814,440</u>	<u>19,098,384</u>
<u>\$ 4,119,999</u>	<u>\$ -</u>	<u>\$ 3,141,964</u>	<u>\$ 19,379,256</u>

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 280,872
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	1,404,219
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Depreciation	(1,436,842)
Receivables not currently available are reported as revenues when collected or currently available in the fund financial statements but are recognized as revenue when earned on the statement of activities	154,968
The change in the total OPEB liability is reported only in the statement of activities	(18,176)
The change in the net pension liability is reported only in the statement of activities Illinois Municipal Retirement Fund Police Pension Fund Firefighters' Pension Fund	26,437 (80,075) (650,552)
The change in deferred outflows and inflows of resources is reported only in the statement of activities Illinois Municipal Retirement Fund Police Pension Fund Firefighters' Pension Fund	(174,407) 196,796 488,606
Changes to accrued interest payable on long-term debt in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	3,573
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities Retirement of general obligation debt Retirement of notes payable Change in compensated absences payable	397,028 264,401 <u>(32,505)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>824,343</u>

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2025

	Waterworks Fund	Sewerage Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 4,290,825	\$ 2,873,749	\$ 7,164,574
Receivables, net			
Accounts	529,376	570,974	1,100,350
Prepaid items	3,907	805	4,712
Total current assets	<u>4,824,108</u>	<u>3,445,528</u>	<u>8,269,636</u>
NONCURRENT ASSETS			
Capital assets			
Assets not being depreciated	694,073	781,641	1,475,714
Assets being depreciated, net of depreciation	9,683,345	5,696,226	15,379,571
Total noncurrent assets	<u>10,377,418</u>	<u>6,477,867</u>	<u>16,855,285</u>
Total assets	<u>15,201,526</u>	<u>9,923,395</u>	<u>25,124,921</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	129,330	48,422	177,752
Total deferred outflows of resources	<u>129,330</u>	<u>48,422</u>	<u>177,752</u>
Total assets and deferred outflows of resources	<u>15,330,856</u>	<u>9,971,817</u>	<u>25,302,673</u>
CURRENT LIABILITIES			
Accounts payable	133,456	80,628	214,084
Accrued liabilities	30,324	10,879	41,203
Deposits payable	211,644	-	211,644
Interest payable	29,617	-	29,617
IEPA loans, current	852,308	-	852,308
Compensated absences, current	1,764	-	1,764
OPEB liability, current	1,554	912	2,466
Total current liabilities	<u>1,260,667</u>	<u>92,419</u>	<u>1,353,086</u>
NONCURRENT LIABILITIES			
IEPA loans	3,327,103	-	3,327,103
Compensated absences	33,908	-	33,908
Total OPEB liability	330,268	330,283	660,551
Net pension liability	405,678	151,890	557,568
Total noncurrent liabilities	<u>4,096,957</u>	<u>482,173</u>	<u>4,579,130</u>
Total liabilities	<u>5,357,624</u>	<u>574,592</u>	<u>5,932,216</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	10,067	3,769	13,836
Total deferred inflows of resources	<u>10,067</u>	<u>3,769</u>	<u>13,836</u>
Total liabilities and deferred inflows of resources	<u>5,367,691</u>	<u>578,361</u>	<u>5,946,052</u>
NET POSITION			
Net investment in capital assets	6,198,007	6,477,867	12,675,874
Unrestricted	3,765,158	2,915,589	6,680,747
TOTAL NET POSITION	<u>\$ 9,963,165</u>	<u>\$ 9,393,456</u>	<u>\$ 19,356,621</u>

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended April 30, 2025

	Waterworks Fund	Sewerage Fund	Eliminations	Total
OPERATING REVENUES				
Charges for services	\$ 2,719,394	\$ 2,804,463	\$ -	\$ 5,523,857
Total operating revenues	2,719,394	2,804,463	-	5,523,857
OPERATING EXPENSES				
Operations				
Salaries, wages, and benefits	642,689	278,109	-	920,798
Contracted services	49,403	794,694	-	844,097
Utilities	156,741	132,383	-	289,124
Repairs and maintenance	314,525	207,808	-	522,333
Materials and supplies	396,779	29,149	-	425,928
Insurance	51,283	-	-	51,283
Depreciation and amortization	766,801	674,060	-	1,440,861
Pension and OPEB	104,124	12,301	-	116,425
Total operating expenses	2,482,345	2,128,504	-	4,610,849
OPERATING INCOME	237,049	675,959	-	913,008
NON-OPERATING REVENUES (EXPENSES)				
Investment income	157,755	120,419	-	278,174
Miscellaneous income	9,026	-	-	9,026
Intergovernmental	20,000	-	-	20,000
Interest expense	(99,077)	(613)	-	(99,690)
Total non-operating revenues (expenses)	87,704	119,806	-	207,510
INCOME BEFORE TRANSFERS	324,753	795,765	-	1,120,518
TRANSFERS				
Transfers in	4,625,350	2,245,000	(5,436,549)	1,433,801
Transfers (out)	(4,165,350)	(1,407,500)	5,436,549	(136,301)
Total transfers	460,000	837,500	-	1,297,500
CHANGE IN NET POSITION	784,753	1,633,265	-	2,418,018
NET POSITION, MAY 1, AS REPORTED	9,189,230	7,760,191	-	16,949,421
Restatement	(10,818)	-	-	(10,818)
NET POSITION, MAY 1, AS RESTATED	9,178,412	7,760,191	-	16,938,603
NET POSITION, APRIL 30	\$ 9,963,165	\$ 9,393,456	\$ -	\$ 19,356,621

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended April 30, 2025

	Waterworks Fund	Sewerage Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,382,513	\$ 2,427,313	\$ 4,809,826
Payments to suppliers	(974,035)	(1,068,877)	(2,042,912)
Payments to employees	(634,382)	(275,696)	(910,078)
Net cash from operating activities	<u>774,096</u>	<u>1,082,740</u>	<u>1,856,836</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	460,000	837,500	1,297,500
Intergovernmental	20,000	-	20,000
Net cash from noncapital financing activities	<u>480,000</u>	<u>837,500</u>	<u>1,317,500</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(108,124)	(1,117,729)	(1,225,853)
Principal paid on long-term debt	(832,718)	(59,740)	(892,458)
Interest paid on long-term debt	(105,471)	(487)	(105,958)
Net cash from capital and related financing activities	<u>(1,046,313)</u>	<u>(1,177,956)</u>	<u>(2,224,269)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	157,755	120,419	278,174
Net cash from investing activities	<u>157,755</u>	<u>120,419</u>	<u>278,174</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	365,538	862,703	1,228,241
CASH AND CASH EQUIVALENTS, MAY 1	3,925,287	2,011,046	5,936,333
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 4,290,825</u>	<u>\$ 2,873,749</u>	<u>\$ 7,164,574</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 237,049	\$ 675,959	\$ 913,008
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization	766,801	674,060	1,440,861
Miscellaneous income	9,026	-	9,026
Change in assets and liabilities			
Accounts receivable	(345,907)	(377,150)	(723,057)
Prepaid expenses	27,839	21,142	48,981
Accounts payable	(37,527)	74,015	36,488
Accrued liabilities	5,782	2,413	8,195
Deposits payable	4,384	-	4,384
Compensated absences	2,525	-	2,525
Pension items	102,452	11,256	113,708
OPEB items	1,672	1,045	2,717
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 774,096</u>	<u>\$ 1,082,740</u>	<u>\$ 1,856,836</u>

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2025

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 275,044
Pooled investments, at fair value	15,122,317
Prepaid items	<u>1,320</u>
Total assets	<u>15,398,681</u>
LIABILITIES	
Accounts payable	<u>3,456</u>
Total liabilities	<u>3,456</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 15,395,225</u></u>

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the Year Ended April 30, 2025

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions - employer	\$ 1,001,472
Contributions - employee	<u>200,881</u>
Total contributions	<u>1,202,353</u>
Investment income	
Net appreciation in fair value of investments	1,256,350
Interest earned on investments	<u>182,400</u>
Total investment income	1,438,750
Less investment expense	<u>(17,008)</u>
Net investment income	<u>1,421,742</u>
Total additions	<u>2,624,095</u>
DEDUCTIONS	
Benefits and refunds	1,320,792
Administrative	<u>55,009</u>
Total deductions	<u>1,375,801</u>
NET INCREASE	1,248,294
NET POSITION RESTRICTED FOR PENSION BENEFITS	
May 1	<u>14,146,931</u>
April 30	<u><u>\$ 15,395,225</u></u>

See accompanying notes to financial statements.

CITY OF LITCHFIELD, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Litchfield, Illinois (the City) 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 more significant of the City's accounting policies are described below:

a. Reporting Entity

The City was incorporated as a city on April 4, 1856. The City operates on a Council-City Administrator form of government and provides all municipal services to its residents. As required by GAAP, these financial statements present the City (the primary government) and its component units. Management has determined that there are two fiduciary component units that are required to be included in the financial statements of the City as pension trust funds.

In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the primary government. Based on these criteria, the City is not considered a component unit of any other governmental unit.

Police Pension Employees Retirement System

The City's police employees participate in Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. The City is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the City. PPERS is reported as a pension trust fund. PPERS does not issue a stand-alone financial report.

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System (Continued)

a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the City. FPERS is reported as a pension trust fund. FPERS does not issue a stand-alone financial report.

b. Fund Accounting

The City uses funds to report on its financial position and the change in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of committed, restricted, or assigned 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 City not accounted for in some other fund.

Enterprise 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 to 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 City (internal service funds). The City does not report any internal service funds.

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The City utilizes pension trust funds which are generally used to account for assets that the City holds in a fiduciary capacity. The City reports two fiduciary funds, including the Police Pension Trust Fund and the Firefighters' Pension Trust Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The Tax Increment Financing Fund #1, a special revenue fund, accounts for the City's redevelopment and community projects. Its primary source of funding is real property taxes.

The Ambulance Fund, a special revenue fund, accounts for the City's ambulance service. Its primary sources of revenue are property taxes and ambulance charges for service.

The Long-Term Economic Development Fund, a special revenue fund, accounts for the City's major economic development projects. Its primary sources of funding are grants and debt proceeds.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

The Waterworks Fund provides retail and wholesale service to the City and surrounding areas. Operation of the Waterworks Fund is designated to be self-supporting through user charges.

The Sewerage Fund provides wastewater service to the City and surrounding areas. Operation of the Sewerage Fund is designed to be self-supporting through user charges.

Additionally, the City reports the Police Pension Trust Fund and the Firefighters' Trust Fund as Fiduciary Funds:

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. The City recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Property taxes, sales taxes owed from the state at year end, franchise taxes, licenses, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The City may report unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet the available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow of resources for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

For purposes of the statement of cash flows, the City considers cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (current portion of interfund loans) or “advances to/from other funds” (noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Advances are offset by nonspendable fund balance in applicable governmental funds.

Interfund service transactions 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 are reported as transfers.

g. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items. Prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

h. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost of \$25,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment	3-20
Infrastructure	20-50
Buildings	40-50
Water and Sewer Equipment	5-10
Water and Sewer Systems	10-40

i. Compensated Absences

City employees are granted vacation, compensatory, sick, and personal time in various amounts. All vested vacation, compensatory, sick, and personal time that is due and payable from current spendable resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation, compensatory, sick, and personal time leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire balance of vacation, compensatory, and personal leave is recognized as a liability at year end.

For the year ended April 30, 2025, the City began recording sick time in accordance with GASB Statement No. 101, *Compensated Absences*. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

As a result of the implementation of GASB Statement 101, *Compensated Absences*, beginning net position was restated. See footnotes 5 and 14 for additional information.

j. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts, as well as the unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of any applicable bond premium or discount.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Long-Term Obligations (Continued)

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

k. Deferred Outflows/Inflows of Resources

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

l. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. Under the City's adopted policy, only the City Council may assign amounts for specific purposes. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances of other governmental funds are also reported as unassigned.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned and then unassigned funds.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balance/Net Position (Continued)

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

m. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The City and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

a. City Investments

The City is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States 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.

The City maintains a cash pool that is available for use by all funds, except the pension trust funds. Investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City's deposits may not be returned to it. At April 30, 2025, \$1,609,768 of the City's deposits were not insured or collateralized.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Investments (Continued)

Investments

The City does not have any investments subject to recurring fair value measurements as of April 30, 2025.

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. The City 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 rates. The City utilizes third-party investment advisors to manage its exposure to fair value losses.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The City does not have a formal investment policy that addresses credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. The City does not have a formal investment policy that addresses custodial credit risk.

Concentration of credit risk is the risk that the City has a high percentage of its investments invested in one type of investment. The City does not have a formal investment policy that addresses concentration of credit risk.

3. PROPERTY TAXES

Property taxes for the 2024 levy year attach as an enforceable lien on January 1, 2024, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Property taxes are billed and collected by the County, which in turn, remits them to the City. Payments are typically made during the period July through November. The 2024 taxes are intended to finance the 2026 fiscal year and are not considered available for current operations and, therefore, are shown as unavailable/deferred revenue. The 2025 tax levy has not been recorded as a receivable at April 30, 2025, as the tax attached as a lien on property as of January 1, 2025; however, the tax will not be levied until December 2025 and, accordingly, is not measurable at April 30, 2025.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,811,496	\$ -	\$ -	\$ 3,811,496
Construction in progress	3,660,092	497,176	3,536,452	620,816
Total capital assets not being depreciated	<u>7,471,588</u>	<u>497,176</u>	<u>3,536,452</u>	<u>4,432,312</u>
Capital assets being depreciated				
Infrastructure	20,080,238	1,479,650	-	21,559,888
Buildings and improvements	4,280,781	2,685,083	-	6,965,864
Equipment	7,339,164	278,762	-	7,617,926
Total capital assets being depreciated	<u>31,700,183</u>	<u>4,443,495</u>	<u>-</u>	<u>36,143,678</u>
Less accumulated depreciation for				
Infrastructure	6,841,953	668,956	-	7,510,909
Buildings and improvements	2,105,799	186,130	-	2,291,929
Equipment	5,060,727	581,756	-	5,642,483
Total accumulated depreciation	<u>14,008,479</u>	<u>1,436,842</u>	<u>-</u>	<u>15,445,321</u>
Total capital assets being depreciated, net	<u>17,691,704</u>	<u>3,006,653</u>	<u>-</u>	<u>20,698,357</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 25,163,292</u>	<u>\$ 3,503,829</u>	<u>\$ 3,536,452</u>	<u>\$ 25,130,669</u>

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	
General government	\$ 926,758
Public safety	333,375
Highways and streets	175,599
Culture and recreation	<u>1,110</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 1,436,842</u>

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Business-type capital asset activity for the year ended April 30, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 598,744	\$ -	\$ -	\$ 598,744
Construction in progress	9,705	867,265	-	876,970
Total capital assets not being depreciated	<u>608,449</u>	<u>867,265</u>	<u>-</u>	<u>1,475,714</u>
Capital assets being depreciated				
Plant and equipment	40,676,841	358,588	-	41,035,429
Total capital assets being depreciated	<u>40,676,841</u>	<u>358,588</u>	<u>-</u>	<u>41,035,429</u>
Less accumulated depreciation for				
Plant and equipment	24,214,997	1,440,861	-	25,655,858
Total accumulated depreciation	<u>24,214,997</u>	<u>1,440,861</u>	<u>-</u>	<u>25,655,858</u>
Total capital assets being depreciated, net	<u>16,461,844</u>	<u>(1,082,273)</u>	<u>-</u>	<u>15,379,571</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 17,070,293</u>	<u>\$ (215,008)</u>	<u>\$ -</u>	<u>\$ 16,855,285</u>
DEPRECIATION EXPENSE -				
BUSINESS-TYPE ACTIVITIES				
Waterworks			\$ 766,801	
Sewerage			<u>674,060</u>	
TOTAL DEPRECIATION EXPENSE -				
BUSINESS-TYPE ACTIVITIES				
			<u>\$ 1,440,861</u>	

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported in the governmental activities:

	Beginning Balances, Restated**	Additions	Reductions	Ending Balances	Current Portion
General obligation bonds	\$ 4,788,376	\$ -	\$ 397,028	\$ 4,391,348	\$ 357,584
Notes payable	1,591,084	-	264,401	1,326,683	275,122
Compensated absences**/*	213,622	32,505	-	246,127	12,306
Net pension liability - IMRF	972,403	-	26,437	945,966	-
Net pension liability - Police Pension	6,477,182	80,075	-	6,557,257	-
Net pension liability - Firefighters' Pension	4,875,877	650,552	-	5,526,429	-
Total other postemployment benefit liability	660,299	18,176	-	678,475	26,819
TOTAL GOVERNMENTAL ACTIVITIES	\$ 19,578,843	\$ 781,308	\$ 687,866	\$ 19,672,285	\$ 671,831

*The amount displayed as additions or reductions represents the net change in the liability.

**Compensated absences beginning balances were restated for the implementation of GASB 101, *Compensated Absences*. See Note 14 for additional information.

The net pension liabilities and total other postemployment benefit liability have typically been liquidated by the General Fund.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

During the fiscal year, the following changes occurred in liabilities reported in the business-type activities:

	Beginning Balances, Restated**	Additions	Reductions	Ending Balances	Current Portion
IEPA loans	\$ 5,012,129	\$ -	\$ 832,718	\$ 4,179,411	\$ 852,308
Notes payable	59,740	-	59,740	-	-
Compensated absences*/**	33,146	2,526	-	35,672	1,764
Net pension liability - IMRF	523,601	33,967	-	557,568	-
Total other postemployment benefit liability	660,300	2,717	-	663,017	2,466
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 6,288,916	\$ 39,210	\$ 892,458	\$ 5,435,668	\$ 856,538

*The amount displayed as additions or reductions represents the net change in the liability.

**Compensated absences beginning balances were restated for the implementation of GASB 101, *Compensated Absences*. See Note 14 for additional information.

b. General Obligation Bonds

The City issued \$6,000,000 General Obligation Bonds, Series 2018 for the West Side expansion project during the year ended April 30, 2022. Quarterly payments of principal and interest of \$134,070 are payable beginning September 27, 2020. The interest rate is 3% with a maturity date of June 27, 2035.

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2026	\$ 357,584	\$ 182,655
2027	356,176	185,383
2028	372,955	168,603
2029	391,431	150,127
2030	410,358	131,201
2031-2035	2,363,737	457,985
2036	139,107	2,279
TOTAL	\$ 4,391,348	\$ 1,278,233

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

c. Notes Payable

The City borrowed \$1,966,000 on a note payable to Lichfield National Bank for a lake subdivision project. Interest on the note is 3% with annual payments of \$252,501 due through December 1, 2029.

The City borrowed \$274,743 on a note payable for the purchase of an ambulance. Interest on the note is 4.29% with annual payments of \$62,330 due through March 23, 2028.

The City borrowed \$276,705 on a note payable for the purchase of a new sewer flusher vehicle with Litchfield National Bank. Interest on the note is 2.90% with annual payments of \$60,253 due through September 2024. This note fully matured during fiscal year ended April 30, 2025.

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Activities	
	Notes Payable	
	Principal	Interest
2026	\$ 275,122	\$ 39,709
2027	281,692	33,140
2028	288,044	23,922
2029	238,006	14,495
2030	245,147	7,354
TOTAL	\$ 1,328,011	\$ 118,620

d. IEPA Loans

The City received \$2,612,173 from the State of Illinois Environmental Protection Agency Water Revolving Fund. The loan has a repayment period of 20 years, with the final payment due on May 11, 2034. Interest on the loan is 1.25%. Payments of \$61,124 are due each November 11th and May 11th and are to be paid from Waterworks Fund revenues. The outstanding balance at April 30, 2025, was \$1,091,841.

The City received \$12,750,000 from the State of Illinois Environmental Protection Agency Water Revolving Fund. The loan has a repayment period of 20 years, with the final payment due on January 10, 2029. Interest on the loan is 2.50%. Payments of \$407,970 are due each January 10th and July 10th and are to be paid from Waterworks Fund revenues. The outstanding balance at April 30, 2025, was \$3,087,571.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. IEPA Loans

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Business-Type Activities	
	IEPA Loans	
	Principal	Interest
2026	\$ 852,308	\$ 85,881
2027	872,375	65,814
2028	892,928	45,260
2029	913,982	24,207
2030	114,507	7,741
2031-2035	533,311	16,805
TOTAL	\$ 4,179,411	\$ 245,708

6. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters, for which the City carries commercial insurance. There have been no significant reductions in insurance coverage. The City purchases health insurance for its employees. Settlement amounts have not exceeded insurance coverage for the current or past three years.

The City participates in the Illinois County Risk Management Trust (ICRMT), a public entity risk pool, currently operating as a common risk management and insurance program for over 600 members. The City pays an annual premium to ICRMT for workers' compensation coverage. The formation agreement to ICRMT provides that ICRMT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. They are accounted for in the General, Ambulance and Waterworks and Sewerage Funds.

7. CONTINGENT LIABILITIES

a. Litigation

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

7. CONTINGENT LIABILITIES (Continued)

b. 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, constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

8. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

The City provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City 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.

b. Benefits Provided

The City provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans or meet COBRA requirements. All health care benefits are provided through the City's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; and prescriptions. Upon a retiree reaching age 65 years, Medicare becomes the primary insurer and the City's plan becomes secondary. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2024 (most recent data available), membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	-
Active plan members	<u>27</u>
TOTAL	<u><u>30</u></u>
Participating employers	<u><u>1</u></u>

d. Total OPEB Liability

The City's total OPEB liability of \$1,341,492 was measured as of April 30, 2025 and was determined by an actuarial valuation as of April 30, 2024.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2025, using the Alternative Measurement Method, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to April 30, 2025, including updating the discount rate, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	2.50%
Inflation	2.50%
Discount rate	4.64%
Healthcare cost trend rates	6.75% Initial 4.00% Ultimate

Mortality rates were based on the PubG-2010 Mortality Tables projected to the valuation date using the Projection Scale MP-2019.

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT MAY 1, 2024	\$ 1,320,598
Changes for the period	
Service cost	31,972
Interest	59,109
Differences between expected and actual experience	-
Assumption changes*	(39,360)
Benefit payments	(30,827)
Net changes	20,894
BALANCES AT APRIL 30, 2025	\$ 1,341,492

*There were changes in assumptions related to the discount rate.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.64% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.64%) or 1 percentage point higher (5.64%) than the current rate:

	1% Decrease (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
Total OPEB liability	\$ 1,533,310	\$ 1,341,492	\$ 1,180,174

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.00% to 6.75% as well as what the City’s total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.00% to 5.75%) or 1 percentage point higher (5.00% to 7.75%) than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	\$ 1,169,130	\$ 1,341,492	\$ 1,546,030

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

For the year ended April 30, 2025, the City recognized OPEB expense of \$53,421. Under GASB Statement No. 75, plans that qualify for the Alternative Measurement Method, changes to the OPEB liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

9. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters’ Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Litchfield, Illinois 60523 or at www.imrf.org. The Police and Firefighters’ Pension Plans do not issue separate reports.

The table below is a summary for all pension plans as of and for the year ended April 30, 2025:

	IMRF	Police Pension	Firefighters’ Pension	Total
Net pension liability	\$ 1,503,534	\$ 6,557,257	\$ 5,526,429	\$ 13,587,220
Deferred outflows of resources	479,326	343,715	652,685	1,475,726
Deferred inflows of resources	37,309	319,755	372,291	729,355
Pension expense/(income)	485,212	549,327	497,370	1,531,909

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police and Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2024, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	10
Active employees	32
 TOTAL	 48

Benefits Provided

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The actual employer contribution rate for the year ended April 30, 2025 was 12.56% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2024 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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 in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	33.50%	4.35%
International equity	18.00%	5.40%
Fixed income	24.50%	5.20%
Real estate	10.50%	6.40%
Alternative investments	12.50%	4.85% to 6.25%
Cash equivalents	1.00%	3.60%
TOTAL	100.00%	

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	\$ 3,634,620	\$ 2,138,616	\$ 1,496,004
Changes for the period			
Service cost	165,760	-	165,760
Interest	263,755	-	263,755
Difference between expected and actual experience	77,111	-	77,111
Changes in assumptions	-	-	-
Employer contributions	-	228,498	(228,498)
Employee contributions	-	80,611	(80,611)
Net investment income	-	140,800	(140,800)
Benefit payments and refunds	(159,009)	(159,009)	-
Other (net transfer)	-	49,187	(49,187)
Net changes	347,617	340,087	7,530
BALANCES AT DECEMBER 31, 2024	\$ 3,982,237	\$ 2,478,703	\$ 1,503,534

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2025, the City recognized pension expense of \$485,212.

At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 345,107	\$ 12,037
Changes in assumption	-	25,272
Net difference between projected and actual earnings on pension plan investments	67,020	-
Contributions subsequent to the measurement date	67,199	-
TOTAL	\$ 479,326	\$ 37,309

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

\$67,199 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending</u> <u>April 30,</u>	
2026	\$ 107,579
2027	116,557
2028	80,797
2029	64,345
2030	5,540
TOTAL	\$ 374,818

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.25% as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 1,931,059	\$ 1,503,534	\$ 1,148,237

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City President, one member is elected by pension beneficiaries, and two members are elected by active police employees.

Plan Membership

At April 30, 2025, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>15</u>
TOTAL	<u><u>35</u></u>

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit 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% of the original pension, and 3% 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 obtaining by dividing the total salary during the 48 consecutive months of service within the last of 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 is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City has chosen a policy to fund 90% of the past service costs by 2040. For the year ended April 30, 2025, the City's contribution was 62.37% of covered payroll.

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The plan 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 plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual 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.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2025.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$7,922,191 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 plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment 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 10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability at April 30, 2025, was 6.50% which was the same as the previous measurement period. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City 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 be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2024	\$ 13,733,272	\$ 7,256,090	\$ 6,477,182
Changes for the period			
Service cost	244,311	-	244,311
Interest	886,682	-	886,682
Difference between expected and actual experience	412,456	-	412,456
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	666,048	(666,048)
Employee contributions	-	105,826	(105,826)
Net investment income	-	711,870	(711,870)
Benefit payments and refunds	(672,661)	(672,661)	-
Administrative expense	-	(20,370)	20,370
Net changes	870,788	790,713	80,075
BALANCES AT APRIL 30, 2025	\$ 14,604,060	\$ 8,046,803	\$ 6,557,257

As of April 30, 2025, the plan fiduciary net position was 55.10% of the total pension liability.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	6.50%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

Active Mortality follows the PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale (currently Scale MP-2021). 10% of active member deaths are assumed to be in the line of duty.

Inactive Mortality follows the PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.15 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021).

Beneficiary Mortality follows the PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.15 for female beneficiaries, with generational improvements with most recent projection scale (currently Scale MP-2021).

Disabled Mortality follows the PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021).

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 8,784,389	\$ 6,557,257	\$ 4,760,470

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2025, the City recognized pension expense of \$549,327. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 343,715	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	319,755
TOTAL	\$ 343,715	\$ 319,755

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending</u> <u>April 30,</u>	
2026	\$ (21,998)
2027	(21,998)
2028	(21,998)
2029	21,211
2030	<u>68,743</u>
 TOTAL	 <u>\$ 23,960</u>

Firefighters' Pension Plan

Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City President, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

Plan Membership

At April 30, 2025, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>12</u>
 TOTAL	 <u>35</u>

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

The following is a summary of benefits of the plan as provided for in ILCS:

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. 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 at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% 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 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% of the original pension, and 3% 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 average monthly salary obtained by dividing the total salary of the firefighter 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. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% 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. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

9. **DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The City has chosen a policy to fund 90% of the past service costs by 2040. For the year ended April 30, 2025, the City's contribution was 33.36% of covered payroll.

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (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.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for its deposits in excess of federal depository insurance. However, all deposits at April 30, 2025 are covered by federal depository insurance.

Investments

Investments of the plan 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. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2025.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was \$7,200,126 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 plan 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.

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.

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 10.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability at April 30, 2025, was 6.50% which was the same as the previous measurement period. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City 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 be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2024	\$ 11,766,718	\$ 6,890,841	\$ 4,875,877
Changes for the period			
Service cost	215,276	-	215,276
Interest	757,766	-	757,766
Difference between expected and actual experience	783,222	-	783,222
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	335,424	(335,424)
Employee contributions	-	95,055	(95,055)
Net investment income	-	709,872	(709,872)
Benefit payments and refunds	(648,131)	(648,131)	-
Administrative expense	-	(34,639)	34,639
Net changes	1,108,133	457,581	650,552
BALANCES AT APRIL 30, 2025	\$ 12,874,851	\$ 7,348,422	\$ 5,526,429

As of April 30, 2025, the plan fiduciary net position was 57.08% of the total pension liability.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.25% to 12.78%
Interest rate	6.5%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

Active Mortality follows the PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale (currently Scale MP-2021). 20% of active member deaths are assumed to be in the line of duty.

Inactive Mortality follows the PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.081 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021).

Beneficiary Mortality follows the PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.098 for female beneficiaries, with generational improvements with most recent projection scale (currently Scale MP-2021).

Disabled Mortality follows the PubS-2010 Disabled mortality, adjusted by a factor of 1.178 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021).

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 7,537,528	\$ 5,526,429	\$ 3,918,314

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2025, the City recognized pension expense of \$497,370. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 652,685	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	372,291
TOTAL	\$ 652,685	\$ 372,291

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

<u>Year Ending</u> <u>April 30,</u>	
2026	\$ 24,451
2027	24,451
2028	24,451
2029	76,504
2030	<u>130,537</u>
 TOTAL	 <u>\$ 280,394</u>

10. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the City's lessor disclosures are as follows:

The City entered various lease agreements in February 1997 through January 2024 to lease property. Payments ranging from \$200 to \$3,200 are due to the City in monthly installments, through November 2062. The lease agreements are noncancelable and maintain an interest rates ranging from 2.57% to 3.90%.

During the year, the City recognized lease revenue of \$836 and interest revenue of \$10,064 related to leases. At April 30, 2025, lease receivable and deferred inflows for leases were \$319,059 and \$307,498, respectively.

11. RELATED PARTY TRANSACTIONS

The City has contracted with Precision Lawn Mowing, Inc. (Precision) to perform lawn maintenance services during the year ended April 30, 2025. The owner of Precision is related to a member of management of the City. During the year ended April 30, 2025, the City paid \$145,710 to Precision for lawn maintenance services.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. TAX ABATEMENTS

Under the Illinois Enterprise Zone Program, the City will abate any portion of its real estate taxes on real property located within a zone and upon which new improvements have been constructed or upon which existing improvements have been renovated. The abatement applies only to taxes on the increase in assessed value attributable to the new construction or renovation. For the year ended April 30, 2025, the City abated property taxes totaling \$97,890 related to Enterprise Zones.

13. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan.

a. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 125,072	\$ 149,972	\$ 275,044
Investments			
Investment held in the Illinois Police Officers' Pension Investment Fund	7,922,191	-	7,922,191
Investment held in the Illinois Firefighters' Pension Investment Fund	-	7,200,126	7,200,126
Prepaid items	-	1,320	1,320
Total assets	8,047,263	7,351,418	15,398,681
LIABILITIES			
Accounts payable	460	2,996	3,456
Total liabilities	460	2,996	3,456
NET POSITION	\$ 8,046,803	\$ 7,348,422	\$ 15,395,225

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. PENSION TRUST FUNDS (Continued)

Fiduciary Funds Summary Financial Information (Continued)

B. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 666,048	\$ 335,424	\$ 1,001,472
Participants	105,826	95,055	200,881
Total contributions	771,874	430,479	1,202,353
Investment income			
Net appreciation in fair value of investments	673,708	582,642	1,256,350
Interest earned	43,397	139,003	182,400
Less investment expense	(5,235)	(11,773)	(17,008)
Net investment income	711,870	709,872	1,421,742
Total additions	1,483,744	1,140,351	2,624,095
DEDUCTIONS			
Benefits and refunds	672,661	648,131	1,320,792
Administrative	20,370	34,639	55,009
Total deductions	693,031	682,770	1,375,801
NET INCREASE	790,713	457,581	1,248,294
NET POSITION RESTRICTED FOR PENSION BENEFITS			
May 1	7,256,090	6,890,841	14,146,931
April 30	\$ 8,046,803	\$ 7,348,422	\$ 15,395,225

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. RESTATEMENTS

Change within Financial Reporting Entity

The City's beginning fund balances were adjusted due to a change within the reporting entity, in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. The West Side Expansion Project Fund was reported as major for the fiscal year ended April 30, 2024, and is reported as nonmajor for the fiscal year ended April 30, 2025.

Change in Accounting Principle

The City's beginning net position was adjusted due the implementation GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The implementation of this guidance resulted in an increase in compensated absences and expense of \$55,263 of governmental activities and \$10,818 for business-type activities for the fiscal year ended April 30, 2024.

Error Corrections

During the fiscal year ended April 30, 2025, the City determined there were certain liabilities and interfund balances carried on the books which were not accurate. As a result, revenue and net income was understated by \$308,375.

During the fiscal year ended April 30, 2025, the City determined there were certain long-term receivables related to long-term loans which were recognized as revenues in the governmental funds, which did not meet the revenue recognition criteria. As a result, revenues and net income were overstated by \$264,660 for the fiscal year ended April 30, 2024.

During the fiscal year ended April 30, 2025, the City determined there were long-term debt balances which were overstated. As a result, net income was understated by \$21,009.

CITY OF LITCHFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. RESTATEMENTS (Continued)

The net effect of these restatements are summarized below:

	Governmental Activities	Business- Type Activities	General Fund	Long-Term Economic Development Fund
BEGINNING NET POSITION/ FUND BALANCE, AS REPORTED	\$ 25,326,428	\$ 16,949,421	\$ 8,956,784	\$ 4,903,639
Change within financial reporting entity	-	-	-	-
Change in accounting principle	(55,263)	(10,818)	-	-
Error correction - stale liability balances	(308,375)	-	(308,375)	-
Error correction - revenue recognition	-	-	-	(217,044)
Error correction - long-term debt	21,009	-	-	-
Total net restatement	(342,629)	(10,818)	(308,375)	(217,044)
BEGINNING NET POSITION/ FUND BALANCE, AS RESTATED	\$ 24,983,799	\$ 16,938,603	\$ 8,648,409	\$ 4,686,595
	West Side Expansion Project Fund	Nonmajor Governmental Funds	Waterworks Fund	
BEGINNING NET POSITION/ FUND BALANCE, AS REPORTED	\$ 393,689	\$ 2,468,367	\$ 9,189,230	
Change within financial reporting entity	(393,689)	393,689	-	
Change in accounting principle	-	-	(10,818)	
Error correction - stale liability balances	-	-	-	
Error correction - revenue recognition	-	(47,616)	-	
Error correction - long-term debt	-	-	-	
Total net restatement	(393,689)	346,073	(10,818)	
BEGINNING NET POSITION/ FUND BALANCE, AS RESTATED	\$ -	\$ 2,814,440	\$ 9,178,412	

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LITCHFIELD, 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 Over (Under)
REVENUES			
Taxes			
Property taxes	\$ 1,745,374	\$ 1,751,705	\$ 6,331
Sales taxes	5,353,000	5,696,287	343,287
Other	119,250	163,146	43,896
Charges for service	935,361	691,569	(243,792)
Fines and fees	58,200	76,559	18,359
Licenses and permits	376,126	387,938	11,812
Intergovernmental			
Grants	-	355,791	355,791
State income taxes	975,000	1,148,098	173,098
Replacement taxes	90,000	191,756	101,756
Investment income	208,550	334,018	125,468
Miscellaneous	107,500	100,615	(6,885)
Total revenues	9,968,361	10,897,482	929,121
EXPENDITURES			
Current			
General government	2,170,326	1,492,309	(678,017)
Public safety	3,444,278	3,990,435	546,157
Highways and streets	2,064,543	1,710,338	(354,205)
Economic development	242,461	135,326	(107,135)
Culture and recreation	822,155	1,263,695	441,540
Debt service			
Principal retirement	252,500	211,832	(40,668)
Interest and fiscal charges	-	40,735	40,735
Total expenditures	8,996,263	8,844,670	(151,593)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	972,098	2,052,812	1,080,714
OTHER FINANCING SOURCES (USES)			
Transfers in	2,838,000	2,763,000	(75,000)
Transfers (out)	(5,345,000)	(5,137,895)	207,105
Sale of capital assets	6,000	9,486	3,486
Total other financing sources (uses)	(2,501,000)	(2,365,409)	135,591
NET CHANGE IN FUND BALANCE	\$ (1,528,902)	(312,597)	\$ 1,216,305
FUND BALANCE, MAY 1, AS REPORTED		8,956,784	
Restatements		<u>(308,375)</u>	
FUND BALANCE, MAY 1, AS RESTATED		8,648,409	
FUND BALANCE, APRIL 30		<u>\$ 8,335,812</u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMBULANCE FUND**

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property taxes	\$ 714,000	\$ 715,653	\$ 1,653
Charges for service	525,000	1,205,444	680,444
Intergovernmental			
GEMT reimbursements	360,000	94,663	(265,337)
Investment income	7,000	15,118	8,118
Miscellaneous	100	55	(45)
	<hr/>	<hr/>	<hr/>
Total revenues	1,606,100	2,030,933	424,833
EXPENDITURES			
Current			
Public safety	1,597,306	1,658,083	60,777
Debt service			
Principal retirement	-	52,570	52,570
Interest and fiscal charges	-	9,760	9,760
	<hr/>	<hr/>	<hr/>
Total expenditures	1,597,306	1,720,413	123,107
NET CHANGE IN FUND BALANCE	<u>\$ 8,794</u>	310,520	<u>\$ 301,726</u>
FUND BALANCE, MAY 1		<u>694,510</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 1,005,030</u></u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF #1 FUND**

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property taxes	\$ 1,212,843	\$ 1,410,422	\$ 197,579
Intergovernmental			
Grants	670,000	304,337	(365,663)
Investment income	31,000	97,897	66,897
Miscellaneous	65,000	-	(65,000)
	<hr/>	<hr/>	<hr/>
Total revenues	1,978,843	1,812,656	(166,187)
EXPENDITURES			
Current			
General government	90,000	60,289	(29,711)
Economic development	2,551,000	1,230,346	(1,320,654)
	<hr/>	<hr/>	<hr/>
Total expenditures	2,641,000	1,290,635	(1,350,365)
NET CHANGE IN FUND BALANCE	<u>\$ (662,157)</u>	522,021	<u>\$ 1,184,178</u>
FUND BALANCE, MAY 1		<u>2,254,430</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 2,776,451</u></u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Fiscal Years

	2018	2019	2020	2021	2022	2023	2025	2025	2018
FISCAL YEAR ENDED APRIL 30,									
Actuarially determined contribution	\$ -	\$ 96,803	\$ 96,802	\$ 187,197	\$ 193,356	\$ 208,785	\$ 223,532	\$ 223,532	\$ -
Contributions in relation to the actuarially determined contribution	9,938	257,513	96,802	187,197	193,357	200,911	223,532	223,532	9,938
CONTRIBUTION DEFICIENCY (Excess)	\$ (9,938)	\$ (257,513)	\$ 1	\$ -	\$ (1)	\$ 7,874	\$ -	\$ -	\$ (9,938)
Covered payroll	\$ 66,074	\$ 1,712,180	\$ 1,772,941	\$ 1,669,914	\$ 1,723,316	\$ 1,741,327	\$ 1,779,254	\$ 1,779,254	\$ 66,074
Contributions as a percentage of covered payroll	15.04%	15.04%	5.46%	11.21%	11.22%	11.54%	12.56%	12.56%	15.04%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 19 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022*	2023	2024	2025
Actuarially determined contribution	\$ 384,706	\$ 425,024	\$ 458,839	\$ 437,119	\$ 452,585	\$ 413,306	N/A	\$ 467,806	\$ 479,777	\$ 526,582
Contributions in relation to the actuarially determined contribution	393,788	422,407	460,747	497,167	469,260	501,378	N/A	510,434	464,336	666,048
CONTRIBUTION DEFICIENCY (Excess)	\$ (9,082)	\$ 2,617	\$ (1,908)	\$ (60,048)	\$ (16,675)	\$ (88,072)	N/A	\$ (42,628)	\$ 15,441	\$ (139,466)
Covered payroll	\$ 806,367	\$ 811,584	\$ 821,382	\$ 829,519	\$ 819,687	\$ 853,058	N/A	\$ 956,478	\$ 1,038,264	\$ 1,067,871
Contributions as a percentage of covered payroll	48.83%	52.05%	56.09%	59.93%	57.25%	58.77%	N/A	53.37%	44.72%	62.37%

*The City did not have an actuarial study completed for the reporting period ended April 30, 2022. The financial information for this reporting period is unknown and, therefore, has not been included in the schedule and is displayed with "N/A."

Notes to Required Supplementary Information

This information directly above is presented in accordance with GASB Statement No. 68. The information presented was determined as part of the actuarial valuations as of April 30, 2025. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040; and the amortization period was 15 years; the asset valuation method was at five-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 6.80%, projected salary increases assumption of 3.50% to 11.00% compounded annually and postretirement benefit increases of 3.50% compounded annually.

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIRE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022*	2023	2024	2025
Actuarially determined contribution	\$ 231,354	\$ 308,442	\$ 294,102	\$ 299,664	\$ 341,085	\$ 366,282	N/A	\$ 320,957	\$ 298,552	\$ 345,536
Contributions in relation to the actuarially determined contribution	308,235	254,032	334,374	318,668	322,071	379,580	N/A	424,383	375,447	335,424
CONTRIBUTION DEFICIENCY (Excess)	\$ (76,881)	\$ 54,410	\$ (40,272)	\$ (19,004)	\$ 19,014	\$ (13,298)	N/A	\$ (103,426)	\$ (76,895)	\$ 10,112
Covered payroll	\$ 836,108	\$ 859,725	\$ 826,684	\$ 796,341	\$ 806,356	\$ 809,878	N/A	\$ 780,931	\$ 924,326	\$ 1,005,341
Contributions as a percentage of covered payroll	36.87%	29.55%	40.45%	40.02%	39.94%	46.87%	N/A	54.34%	40.62%	33.36%

*The City did not have an actuarial study completed for the reporting period ended April 30, 2022. The financial information for this reporting period is unknown and, therefore, has not been included in the schedule and is displayed with "N/A."

Notes to Required Supplementary Information

This information directly above is presented in accordance with GASB Statement No. 68. The information presented was determined as part of the actuarial valuations as of April 30, 2025. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040; and the amortization period was 15 years; the asset valuation method was at five-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7.125%, projected salary increases assumption of 4.25% to 12.78% compounded annually and postretirement benefit increases of 4.25% compounded annually.

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Seven Calendar Years

MEASUREMENT DATE DECEMBER 31,	2024	2023	2022	2021	2020	2019	2018
TOTAL PENSION LIABILITY							
Service cost	\$ 165,760	\$ 152,032	\$ 154,933	\$ 168,307	\$ 169,466	\$ 75,731	\$ 6,509
Interest	263,755	243,262	195,573	174,740	141,702	2,776	244
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	77,111	7,570	352,706	(24,109)	201,612	1,807,538	(1,813)
Changes of assumptions	-	(18,329)	-	-	(34,336)	-	170
Benefit payments, including refunds of member contributions	(159,009)	(58,487)	(29,451)	(20,358)	(23,994)	(9,374)	-
Net change in total pension liability	347,617	326,048	673,761	298,580	454,450	1,876,671	5,110
Total pension liability - beginning	3,634,620	3,308,572	2,634,811	2,336,231	1,881,781	5,110	-
TOTAL PENSION LIABILITY - ENDING	\$ 3,982,237	\$ 3,634,620	\$ 3,308,572	\$ 2,634,811	\$ 2,336,231	\$ 1,881,781	\$ 5,110
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 228,498	\$ 200,911	\$ 193,357	\$ 187,197	\$ 96,802	\$ 257,513	\$ 9,938
Contributions - member	80,611	164,522	144,365	96,905	135,680	525,559	2,973
Net investment income	140,800	171,160	(57,792)	130,410	86,520	2,244	-
Benefit payments, including refunds of member contributions	(159,009)	(58,487)	(29,451)	(20,358)	(23,994)	(9,374)	-
Other	49,187	(1,004)	(18,673)	(24,300)	(16,328)	(7,079)	(600)
Net change in plan fiduciary net position	340,087	477,102	231,806	369,854	278,680	768,863	12,311
Plan fiduciary net position - beginning	2,138,616	1,661,514	1,429,708	1,059,854	781,174	12,311	-
PLAN FIDUCIARY NET POSITION - ENDING	\$ 2,478,703	\$ 2,138,616	\$ 1,661,514	\$ 1,429,708	\$ 1,059,854	\$ 781,174	\$ 12,311
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,503,534	\$ 1,496,004	\$ 1,647,058	\$ 1,205,103	\$ 1,276,377	\$ 1,100,607	\$ (7,201)

MEASUREMENT DATE DECEMBER 31,

	2024	2023	2022	2021	2020	2019	2018
Plan fiduciary net position as a percentage of the total pension liability (asset)	62.24%	58.84%	50.22%	54.26%	45.37%	41.51%	240.92%
Covered payroll	\$ 1,786,536	\$ 1,741,327	\$ 1,723,316	\$ 1,669,914	\$ 1,772,941	\$ 1,712,180	\$ 66,074
Employer's net pension liability (asset) as a percentage of covered payroll	84.16%	85.91%	95.57%	72.17%	71.99%	64.28%	(10.90%)

Assumption Changes:

In 2023, changes in assumptions were made related to mortality rates.

In 2020, changes in assumptions were made related to salary rates, price inflation, retirement age and mortality rates.

In 2018, changes in assumptions were made related to the discount rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF LITCHFIELD, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYERS
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Ten Fiscal Years

MEASUREMENT DATE APRIL 30,	2025	2024	2023	2022*	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service cost	\$ 244,311	\$ 206,053	\$ 212,384	N/A	\$ 233,030	\$ 265,157	\$ 309,870	\$ 293,024	\$ 267,307	\$ 247,350
Interest	886,682	859,339	819,566	N/A	702,529	682,446	666,926	627,675	576,822	551,115
Changes of benefit terms	-	-	-	N/A	5,177	-	-	-	-	-
Differences between expected and actual experience	412,456	-	-	N/A	201,224	(688,465)	(73,039)	116,508	(96,236)	-
Changes of assumptions	-	255,455	-	N/A	-	565,479	(202,536)	-	473,435	-
Benefit payments, including refunds of member contributions	(672,661)	(693,342)	(645,026)	N/A	(514,945)	(400,611)	(395,068)	(404,685)	(394,307)	(385,638)
Net change in total pension liability	870,788	627,505	386,924	N/A	627,015	424,006	306,153	632,522	827,021	412,827
Total pension liability - beginning	13,733,272	13,105,767	12,718,843	N/A	11,733,255	11,309,249	11,003,096	10,370,574	9,543,553	9,130,726
TOTAL PENSION LIABILITY - ENDING	\$ 14,604,060	\$ 13,733,272	\$ 13,105,767	N/A	\$ 12,360,270	\$ 11,733,255	\$ 11,309,249	\$ 11,003,096	\$ 10,370,574	\$ 9,543,553
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 666,048	\$ 464,336	\$ 510,434	N/A	\$ 469,260	\$ 497,167	\$ 460,747	\$ 422,407	\$ 393,788	\$ 368,978
Contributions - member	105,826	102,892	94,787	N/A	81,231	82,205	81,399	80,428	79,911	75,398
Net investment income	711,870	650,362	81,812		183,546	287,030	268,097	284,621	(56,926)	242,793
Benefit payments, including refunds of member contributions	(672,661)	(693,342)	(645,026)	N/A	(514,945)	(400,611)	(395,068)	(404,685)	(394,307)	(385,638)
Administrative expense	(20,370)	(26,075)	(20,579)	N/A	(12,186)	(12,963)	(13,343)	(14,737)	(13,916)	(25,620)
Net change in plan fiduciary net position	790,713	498,173	21,428	N/A	206,906	452,828	401,832	368,034	8,550	275,911
Plan fiduciary net position - beginning	7,256,090	6,757,917	6,736,489	N/A	5,984,156	5,531,328	5,129,496	4,761,462	4,752,912	4,477,001
PLAN FIDUCIARY NET POSITION - ENDING	\$ 8,046,803	\$ 7,256,090	\$ 6,757,917	N/A	\$ 6,191,062	\$ 5,984,156	\$ 5,531,328	\$ 5,129,496	\$ 4,761,462	\$ 4,752,912
EMPLOYER'S NET PENSION LIABILITY	\$ 6,557,257	\$ 6,477,182	\$ 6,347,850	N/A	\$ 6,169,208	\$ 5,749,099	\$ 5,777,921	\$ 5,873,600	\$ 5,609,112	\$ 4,790,641

MEASUREMENT DATE	2025	2024	2023	2022*	2021	2020	2019	2018	2017	2016
Plan fiduciary net position as a percentage of the total pension liability	55.10%	52.84%	51.56%	N/A	50.09%	51.00%	48.91%	46.62%	45.91%	49.80%
Covered payroll	\$ 1,067,871	\$ 1,038,264	\$ 2,145,552	N/A	\$ 819,687	\$ 829,516	\$ 821,382	\$ 811,584	\$ 806,367	\$ 728,728
Employer's net pension liability as a percentage of covered payroll	614.05%	623.85%	295.86%	N/A	752.63%	693.07%	703.44%	723.72%	695.60%	657.40%

*The City did not have an actuarial study completed for the reporting period ended April 30, 2022. The financial information for this reporting period is unknown and, therefore, has not been included in the schedule and is displayed with "N/A."

Assumption changes:
 In 2024, 2020, 2019, and 2017, changes in assumptions related to the discount rate.

CITY OF LITCHFIELD, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND

Last Nine Fiscal Years

MEASUREMENT DATE APRIL 30,	2025	2024	2023	2022*	2021	2020	2019	2018	2017
TOTAL PENSION LIABILITY									
Service cost	\$ 215,276	\$ 268,562	\$ 246,330	N/A	\$ 293,564	\$ 277,972	\$ 331,901	\$ 325,562	\$ 296,296
Interest	757,766	735,605	738,836	N/A	568,960	517,485	520,022	489,504	459,329
Changes of benefit terms	-	-	-	N/A	22,724	-	-	-	-
Differences between expected and actual experience	783,222	-	-	N/A	366,896	83,449	(160,608)	55,161	(312,755)
Changes of assumptions	-	(499,850)	-	N/A	-	389,709	(280,442)	-	368,013
Benefit payments, including refunds of member contributions	(648,131)	(571,787)	(542,714)	N/A	(448,672)	(403,912)	(394,530)	(341,362)	(333,082)
Net change in total pension liability	1,108,133	(67,470)	442,452	N/A	803,472	864,703	16,343	528,865	477,801
Total pension liability - beginning	11,766,718	11,834,188	11,391,736	N/A	9,413,437	8,548,734	8,532,391	8,003,526	7,525,725
TOTAL PENSION LIABILITY - ENDING	\$ 12,874,851	\$ 11,766,718	\$ 11,834,188	N/A	\$ 10,216,909	\$ 9,413,437	\$ 8,548,734	\$ 8,532,391	\$ 8,003,526
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 335,424	\$ 375,447	\$ 424,383	N/A	\$ 322,071	\$ 318,668	\$ 334,374	\$ 254,032	\$ 308,235
Contributions - member	95,055	87,395	73,837	N/A	76,241	75,294	78,163	81,287	79,054
Net investment income	709,872	669,864	(9,801)	N/A	199,687	283,890	279,581	314,791	(99,451)
Benefit payments, including refunds of member contributions	(648,131)	(571,787)	(542,714)	N/A	(448,672)	(403,912)	(394,530)	(341,362)	(333,082)
Administrative expense	(34,639)	(52,178)	(36,383)	N/A	(31,683)	(33,308)	(24,900)	(16,761)	5,576
Net change in plan fiduciary net position	457,581	508,741	(90,678)	N/A	117,644	240,632	272,688	291,987	(39,668)
Plan fiduciary net position - beginning	6,890,841	6,382,100	6,472,778	N/A	5,769,475	5,528,843	5,256,155	4,964,168	5,003,836
PLAN FIDUCIARY NET POSITION - ENDING	\$ 7,348,422	\$ 6,890,841	\$ 6,382,100	N/A	\$ 5,887,119	\$ 5,769,475	\$ 5,528,843	\$ 5,256,155	\$ 4,964,168
EMPLOYER'S NET PENSION LIABILITY	\$ 5,526,429	\$ 4,875,877	\$ 5,452,088	N/A	\$ 4,329,790	\$ 3,643,962	\$ 3,019,891	\$ 3,276,236	\$ 3,039,358

MEASUREMENT DATE	APRIL 30,	2025	2024	2023	2022*	2021	2020	2019	2018	2017
Plan fiduciary net position as a percentage of the total pension liability		57.08%	58.56%	53.93%	N/A	57.62%	61.29%	64.67%	61.60%	62.02%
Covered payroll	\$	1,005,341	\$ 924,326	\$ 780,931	N/A	\$ 806,356	\$ 796,341	\$ 826,684	\$ 859,725	\$ 836,108
Employer's net pension liability as a percentage of covered payroll		549.71%	527.51%	698.15%	N/A	536.96%	457.59%	365.30%	381.08%	363.51%

*The City did not have an actuarial study completed for the reporting period ended April 30, 2022. The financial information for this reporting period is unknown and, therefore, has not been included in the schedule and is displayed with "N/A."

Assumption changes:

In 2024, 2020, 2019, and 2017, changes in assumptions related to the discount rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Two Fiscal Years

MEASUREMENT DATE APRIL 30,	2025	2024
TOTAL OPEB LIABILITY		
Service cost	\$ 31,972	\$ 33,038
Interest	59,109	55,144
Difference between expected and actual experience	-	-
Changes of assumptions	(39,360)	(51,954)
Benefit payments, including refunds of member contributions	(30,827)	(28,810)
Net change in total OPEB liability	20,894	7,418
Total OPEB liability - beginning	1,320,598	1,313,180
TOTAL OPEB LIABILITY - ENDING	\$ 1,341,492	\$ 1,320,598
Covered employee payroll	\$ 1,853,089	\$ 1,807,891
Employer's total OPEB liability as a percentage of covered employee payroll	72.39%	73.05%

In 2024 and 2025, there were change in assumptions related to the discount rate.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2025	2024
Annual money-weighted rate of return, net of investment expense	10.00%	9.70%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2025	2024
Annual money-weighted rate of return, net of investment expense	10.60%	10.70%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2025

1. BUDGETS

The City prepares its annual operating budget under the provisions of the Illinois Municipal Budget Law. In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to the end of the first quarter of each fiscal year, a designated person or persons submit to the council a proposed operating budget for the year commencing on May 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than ten days prior to final approval of the budget.
- c. Subsequent to the public hearings, the budget is adopted by the City Council.
- d. The legal level of control at which expenditures may not legally exceed appropriations is at the fund level.

Budgets were adopted for all funds with the exception of the Foreign Fire Insurance Fund, TIF #4 Fund, Business District Fund, IDOT Maintenance State Fund, and the Pension Trust Funds.

2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had expenditures in excess of budget:

Fund	Budget	Actual
Civil Defense Fund	\$ -	\$ 63,121
Grant Fund	-	248,832
Tourism Fund	334,139	360,773
Ambulance Fund	1,597,306	1,720,413

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LONG-TERM ECONOMIC DEVELOPMENT FUND**

For the Year Ended April 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Intergovernmental			
Grants	\$ 2,408,000	\$ 2,408,000	\$ -
Project reimbursements	-	777,944	777,944
Investment income	40,000	48,321	8,321
Miscellaneous	53,000	39,492	(13,508)
	<hr/>	<hr/>	<hr/>
Total revenues	2,501,000	3,273,757	772,757
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Economic development	4,898,500	4,176,365	(722,135)
	<hr/>	<hr/>	<hr/>
Total expenditures	4,898,500	4,176,365	(722,135)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,397,500)	(902,608)	1,494,892
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	785,000	872,290	87,290
Transfers (out)	(536,278)	(536,278)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	248,722	336,012	87,290
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (2,148,778)	(566,596)	\$ 1,582,182
	<hr/>	<hr/>	<hr/>
FUND BALANCE, MAY 1 AS REPORTED		4,903,639	
Restatement		(217,044)	
		<hr/>	
FUND BALANCE, MAY 1 AS RESTATED		4,686,595	
		<hr/>	
FUND BALANCE, APRIL 30		\$ 4,119,999	
		<hr/>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF LITCHFIELD, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2025

	Special Revenue				
	Tourism Fund	Motor Fuel Tax Fund	Grant Fund	Foreign Fire Tax Insurance Fund	Tax Increment Financing Fund #2
ASSETS					
Cash and cash equivalents	\$ 243,879	\$ 447,879	\$ 353,326	\$ 50,872	\$ 336,863
Receivables, net					
Property taxes	-	-	-	-	75,073
Notes	-	-	-	-	-
Intergovernmental	5,300	23,873	-	-	-
TOTAL ASSETS	\$ 249,179	\$ 471,752	\$ 353,326	\$ 50,872	\$ 411,936
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	10,128	15,122	70	-	-
Accrued liabilities	3,844	-	-	-	-
Total liabilities	13,972	15,122	70	-	-
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	75,073
Unavailable revenue - loan receivable	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	75,073
Total liabilities and deferred inflows of resources	13,972	15,122	70	-	75,073
FUND BALANCES					
Restricted					
Public safety	-	-	-	50,872	-
Highways and streets	-	456,630	-	-	-
Economic development	-	-	353,256	-	336,863
Culture and recreation	235,207	-	-	-	-
Debt service	-	-	-	-	-
Total fund balances	235,207	456,630	353,256	50,872	336,863
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 249,179	\$ 471,752	\$ 353,326	\$ 50,872	\$ 411,936

Tax Increment Financing Fund #3	Tax Increment Financing Fund #4	Special Revenue			City Loan Fund	Debt Service West Side Expansion Project	Capital Projects		Total
		Business District Fund	Civil Defense Fund				IDOT Maintenance Shed Fund		
\$ 322,249	\$ -	\$ 110,821	\$ 50,076	\$ 147,071	\$ 398,934	\$ 550,047		\$ 3,012,017	
57,950	9,077	-	-	-	-	-		142,100	
-	-	-	-	25,194	-	-		25,194	
-	-	166,797	-	-	-	-		195,970	
\$ 380,199	\$ 9,077	\$ 277,618	\$ 50,076	\$ 172,265	\$ 398,934	\$ 550,047		\$ 3,375,281	
-	-	-	36,859	-	-	-		62,179	
-	-	-	-	-	-	-		3,844	
-	-	-	36,859	-	-	-		66,023	
57,950	9,077	-	-	-	-	-		142,100	
-	-	-	-	25,194	-	-		25,194	
57,950	9,077	-	-	25,194	-	-		167,294	
57,950	9,077	-	36,859	25,194	-	-		233,317	
-	-	-	13,217	-	-	-		64,089	
-	-	-	-	-	-	550,047		1,006,677	
322,249	-	277,618	-	147,071	-	-		1,437,057	
-	-	-	-	-	-	-		235,207	
-	-	-	-	-	398,934	-		398,934	
322,249	-	277,618	13,217	147,071	398,934	550,047		3,141,964	
\$ 380,199	\$ 9,077	\$ 277,618	\$ 50,076	\$ 172,265	\$ 398,934	\$ 550,047		\$ 3,375,281	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2025

	Special Revenue				
	Tourism Fund	Motor Fuel Tax Fund	Grant Fund	Foreign Fire Tax Insurance Fund	Tax Increment Financing Fund #2
REVENUES					
Taxes					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 62,019
Hotel/motel taxes	257,831	-	-	-	-
Other taxes	-	-	-	24,898	-
Intergovernmental					
Grants	29,855	-	287,384	-	-
Motor fuel taxes	-	298,537	-	-	-
Investment income	11,611	2,378	-	-	10,689
Miscellaneous	30,001	-	-	-	-
Total revenues	<u>\$ 329,298</u>	<u>\$ 300,915</u>	<u>\$ 287,384</u>	<u>\$ 24,898</u>	<u>\$ 72,708</u>
EXPENDITURES					
Current					
General government	-	-	233,562	-	-
Public safety	-	-	70	7,352	-
Highways and streets	-	497,038	-	-	-
Economic development	-	-	-	-	7,590
Culture and recreation	360,773	-	15,200	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>360,773</u>	<u>497,038</u>	<u>248,832</u>	<u>7,352</u>	<u>7,590</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(31,475)</u>	<u>(196,123)</u>	<u>38,552</u>	<u>17,546</u>	<u>65,118</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	(50,000)	-	-	-	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(81,475)</u>	<u>(196,123)</u>	<u>38,552</u>	<u>17,546</u>	<u>65,118</u>
FUND BALANCES (DEFICIT), MAY 1, AS REPORTED	316,682	652,753	314,704	33,326	271,745
Adjustments and restatements	-	-	-	-	-
FUND BALANCES (DEFICIT), MAY 1, AS RESTATED	316,682	652,753	314,704	33,326	271,745
FUND BALANCE, APRIL 30	<u>\$ 235,207</u>	<u>\$ 456,630</u>	<u>\$ 353,256</u>	<u>\$ 50,872</u>	<u>\$ 336,863</u>

		Special Revenue			Debt Service		Capital Projects			
					Formerly Major					
Tax Increment Financing Fund #3	Tax Increment Financing Fund #4	Business District Fund	Civil Defense Fund	City Loan Fund	West Side Expansion Project	IDOT Maintenance Shed Fund			Total	
\$ 47,302	\$ -	\$ -	\$ 1,555	\$ -	\$ -	\$ -			\$ 110,876	
-	-	-	-	-	-	-			257,831	
-	-	277,618	-	-	-	-			302,516	
-	-	-	-	-	-	-			317,239	
-	-	-	-	-	-	-			298,537	
10,260	-	-	1,329	2,381	5,245	20,019			63,912	
-	-	-	-	22,423	-	-			52,424	
\$ 57,562	\$ -	\$ 277,618	\$ 2,884	\$ 24,804	\$ 5,245	\$ 20,019			\$ 1,403,335	
-	-	-	-	-	-	-			233,562	
-	-	-	63,121	-	-	-			70,543	
-	-	-	-	-	-	96,210			593,248	
-	-	-	-	-	-	-			7,590	
-	-	-	-	-	-	-			375,973	
-	-	-	-	-	397,027	-			397,027	
-	-	-	-	-	139,251	-			139,251	
-	-	-	63,121	-	536,278	96,210			1,817,194	
57,562	-	277,618	(60,237)	24,804	(531,033)	(76,191)			(413,859)	
-	-	-	20,000	282,395	536,278	-			838,673	
-	-	-	-	(47,290)	-	-			(97,290)	
-	-	-	20,000	235,105	536,278	-			741,383	
57,562	-	277,618	(40,237)	259,909	5,245	(76,191)			327,524	
264,687	-	-	53,454	(65,222)	-	626,238			2,468,367	
-	-	-	-	(47,616)	393,689	-			346,073	
264,687	-	-	53,454	(112,838)	393,689	626,238			2,814,440	
\$ 322,249	\$ -	\$ 277,618	\$ 13,217	\$ 147,071	\$ 398,934	\$ 550,047			\$ 3,141,964	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TOURISM FUND**

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Hotel/motel taxes	\$ 265,000	\$ 257,831	\$ (7,169)
Intergovernmental			
Grants	46,410	29,855	(16,555)
Investment income	4,000	11,611	7,611
Miscellaneous	35,650	30,001	(5,649)
	<hr/>	<hr/>	<hr/>
Total revenues	351,060	329,298	(21,762)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Culture and recreation	334,139	360,773	26,634
	<hr/>	<hr/>	<hr/>
Total expenditures	334,139	360,773	26,634
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,921	(31,475)	(48,396)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(50,000)	(50,000)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(50,000)	(50,000)	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (33,079)	(81,475)	\$ (48,396)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, MAY 1		316,682	
		<hr/>	
FUND BALANCE, APRIL 30		\$ 235,207	
		<hr/>	

(See independent auditor's report.)

CITY OF LITCHFIELD, 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 Over (Under)
REVENUES			
Intergovernmental			
Grants	\$ 457,307	\$ -	\$ (457,307)
Motor fuel taxes	1,766,647	298,537	(1,468,110)
Investment income	1,072,000	2,378	(1,069,622)
	<hr/>		
Total revenues	3,295,954	300,915	(2,995,039)
	<hr/>		
EXPENDITURES			
Current			
Highways and streets	2,553,030	497,038	(2,055,992)
	<hr/>		
Total expenditures	2,553,030	497,038	(2,055,992)
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	742,924	(196,123)	(939,047)
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	46,800	-	(46,800)
	<hr/>		
Total other financing sources (uses)	46,800	-	(46,800)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 789,724</u>	(196,123)	<u>\$ (985,847)</u>
FUND BALANCE, MAY 1		<u>652,753</u>	
FUND BALANCE, APRIL 30		<u>\$ 456,630</u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANT FUND**

For the Year Ended April 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Intergovernmental			
Grants	\$ 9,562,029	\$ 287,384	\$ (9,274,645)
Total revenues	<u>9,562,029</u>	<u>287,384</u>	<u>(9,274,645)</u>
EXPENDITURES			
Current			
General government	-	233,562	233,562
Public safety	-	70	70
Culture and recreation	-	15,200	15,200
Total expenditures	<u>-</u>	<u>248,832</u>	<u>248,832</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,562,029</u>	<u>38,552</u>	<u>(9,523,477)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>2,600,205</u>	-	<u>(2,600,205)</u>
Total other financing sources (uses)	<u>2,600,205</u>	-	<u>(2,600,205)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,162,234</u>	38,552	<u>\$ (12,123,682)</u>
FUND BALANCE, MAY 1		<u>314,704</u>	
FUND BALANCE, APRIL 30		<u>\$ 353,256</u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF #2 FUND**

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property taxes	\$ 45,000	\$ 62,019	\$ 17,019
Investment income	2,500	10,689	8,189
	<hr/>	<hr/>	<hr/>
Total revenues	47,500	72,708	25,208
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Economic development	83,500	7,590	(75,910)
	<hr/>	<hr/>	<hr/>
Total expenditures	83,500	7,590	(75,910)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,000)	65,118	101,118
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(75,000)	-	75,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(75,000)	-	75,000
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (111,000)</u>	65,118	<u>\$ 176,118</u>
FUND BALANCE, MAY 1		<hr/> 271,745	
FUND BALANCE, APRIL 30		<u>\$ 336,863</u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF #3 FUND**

For the Year Ended April 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Taxes			
Property taxes	\$ 36,775	\$ 47,302	\$ 10,527
Investment income	2,000	10,260	8,260
Miscellaneous	75,000	-	(75,000)
	<u>113,775</u>	<u>57,562</u>	<u>(56,213)</u>
EXPENDITURES			
Current			
Economic development	358,958	-	(358,958)
	<u>358,958</u>	<u>-</u>	<u>(358,958)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (245,183)</u>	57,562	<u>\$ 302,745</u>
FUND BALANCE, MAY 1		<u>264,687</u>	
FUND BALANCE, APRIL 30		<u>\$ 322,249</u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIVIL DEFENSE FUND**

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property taxes	\$ 1,550	\$ 1,555	\$ 5
Investment income	500	1,329	829
Total revenues	<u>2,050</u>	<u>2,884</u>	<u>834</u>
EXPENDITURES			
Current			
Public safety	-	63,121	63,121
Total expenditures	<u>-</u>	<u>63,121</u>	<u>63,121</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,050</u>	<u>(60,237)</u>	<u>(62,287)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 22,050</u>	<u>(40,237)</u>	<u>\$ (62,287)</u>
FUND BALANCE, MAY 1		<u>53,454</u>	
FUND BALANCE, APRIL 30		<u>\$ 13,217</u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CITY LOAN FUND**

For the Year Ended April 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Investment income	\$ 700	\$ 2,381	\$ 1,681
Miscellaneous	-	22,423	22,423
	<hr/>	<hr/>	<hr/>
Total revenues	700	24,804	24,104
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	700	24,804	24,104
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	282,395	282,395
Transfers (out)	-	(47,290)	(47,290)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	235,105	235,105
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 700</u>	<u>259,909</u>	<u>\$ 259,209</u>
FUND BALANCE (DEFICIT), MAY 1, AS REPORTED		(65,222)	
Restatement		<u>(47,616)</u>	
FUND BALANCE (DEFICIT), MAY 1, AS RESTATED		<u>(112,838)</u>	
FUND BALANCE, APRIL 30		<u>\$ 147,071</u>	

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WEST SIDE EXPANSION PROJECT FUND**

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment income	\$ 2,000	\$ 5,245	\$ 3,245
Total revenues	<u>2,000</u>	<u>5,245</u>	<u>3,245</u>
EXPENDITURES			
Debt service			
Principal retirement	536,278	397,027	(139,251)
Interest and fiscal charges	-	139,251	139,251
Total expenditures	<u>536,278</u>	<u>536,278</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(534,278)</u>	<u>(531,033)</u>	<u>3,245</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>536,278</u>	<u>536,278</u>	<u>-</u>
Total other financing sources (uses)	<u>536,278</u>	<u>536,278</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,000</u>	<u>5,245</u>	<u>\$ 3,245</u>
FUND BALANCE, MAY 1		<u>393,689</u>	
FUND BALANCE, APRIL 30		<u>\$ 398,934</u>	

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

CITY OF LITCHFIELD, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

April 30, 2025

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 125,072	\$ 149,972	\$ 275,044
Pooled investments, at fair value	7,922,191	7,200,126	15,122,317
Prepaid items	-	1,320	1,320
Total assets	<u>8,047,263</u>	<u>7,351,418</u>	<u>15,398,681</u>
LIABILITIES			
Accounts payable	<u>460</u>	<u>2,996</u>	<u>3,456</u>
Total liabilities	<u>460</u>	<u>2,996</u>	<u>3,456</u>
NET POSITION			
Restricted for pensions	<u>8,046,803</u>	<u>7,348,422</u>	<u>15,395,225</u>
TOTAL NET POSITION	<u>\$ 8,046,803</u>	<u>\$ 7,348,422</u>	<u>\$ 15,395,225</u>

(See independent auditor's report.)

CITY OF LITCHFIELD, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

For the Year Ended April 30, 2025

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions - employer	\$ 666,048	\$ 335,424	\$ 1,001,472
Contributions - employee	105,826	95,055	200,881
Total contributions	771,874	430,479	1,202,353
Investment income			
Net appreciation in fair value of investments	673,708	582,642	1,256,350
Interest earned on investments	43,397	139,003	182,400
Total investment income	717,105	721,645	1,438,750
Less investment expense	(5,235)	(11,773)	(17,008)
Net investment income	711,870	709,872	1,421,742
Total additions	1,483,744	1,140,351	2,624,095
DEDUCTIONS			
Benefits and refunds	672,661	648,131	1,320,792
Administrative	20,370	34,639	55,009
Total deductions	693,031	682,770	1,375,801
CHANGE IN NET POSITION	790,713	457,581	1,248,294
NET POSITION			
May 1	7,256,090	6,890,841	14,146,931
April 30	\$ 8,046,803	\$ 7,348,422	\$ 15,395,225

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

CITY OF LITCHFIELD, ILLINOIS

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended April 30, 2025

CSFA Number	Program Name	State	Federal	Match	Total
420-00-2560	Rebuild Downtowns and Main Streets Capital Grant	\$ 304,337	\$ -	\$ -	\$ 304,337
420-25-2087	Promotion of Illinois Tourism	29,855	-	-	29,855
420-35-3071	Energy Transition Community Grant Program	96,426	-	-	96,426
420-75-1633	Community Development Block Grant Housing Rehabilitation Program	-	-	-	-
420-75-2373	Rebuild Illinois Competetive Public Infrastructure Grant Program	2,000,000	-	-	2,000,000
422-11-0970	Open Space Land Acquisition and Development	-	-	-	-
532-60-0378	Section 319(h) - Nonpoint Source Pollution Control Financial Assistance Program	-	403,469	-	403,469
532-60-3017	Lead Service Line Inventory Grant Program	20,000	-	-	20,000
	All other federal expenditures	-	57,600	-	57,600
	TOTALS	\$ 2,450,618	\$ 461,069	\$ -	\$ 2,911,687

(See independent auditor's report.)

OTHER SUPPLEMENTARY INFORMATION

CITY OF LITCHFIELD, ILLINOIS

**COMPARATIVE SCHEDULE OF PROPERTY TAXES EXTENDED,
COLLECTED, AND DISTRIBUTED**

For the Last Three Levy Years

	Levy Year		
	2024	2023	2022
ASSESSED VALUATION			
City	\$ 126,575,008	\$ 114,940,198	\$ 105,856,180
Ambulance	194,773,581	179,105,680	164,879,516
TAX RATES			
City	1.39113	1.48151	1.53211
Ambulance	0.38491	0.39865	0.41627
TAXES EXTENDED			
City	1,760,823	1,702,851	1,621,833
Ambulance	749,703	714,005	680,408
Tax Increment Financing District #1	1,495,043	1,424,029	1,213,407
Tax Increment Financing District #2	76,062	62,741	46,477
Tax Increment Financing District #3	57,949	48,903	36,774
City's share of road and bridge taxes extended	48,193	45,422	43,941
TAXES EXTENDED	\$ 4,187,773	\$ 3,997,951	\$ 3,642,840
TAX COLLECTIONS - ALL FUNDS			
Levy collections through year end	\$ -	\$ 3,998,066	\$ 3,652,155
PERCENT COLLECTED			
	N/A	100.00%	100.26%
DISTRIBUTION OF TAXES AVAILABLE			
Primary Government			
General government	\$ 217,351	\$ 244,395	
Fire protection	98,722	111,001	
Police protection	98,722	111,001	
Audit	13,972	15,705	
Liability insurance	100,691	113,216	
Civil defense	1,555	1,565	
Social security tax	82,595	92,866	
Workers' compensation	195,437	219,763	
Road and bridge	45,451	44,149	
Ambulance	715,653	683,204	
TIF - #1	1,410,422	1,212,102	
TIF - #2	62,019	45,006	
TIF - #3	47,302	35,283	
Total primary government	\$ 3,089,892	\$ 2,929,256	
Police Pension Fund	\$ 599,337	\$ 399,838	
Firefighter's Pension Fund	299,337	323,061	
Total fiduciary funds	\$ 898,674	\$ 722,899	
Total reporting entity	\$ 3,988,566	\$ 3,652,155	

(See independent auditor's report.)