



## **Town of Cortland**

### **Board of Trustees Town Board Meeting**

Town Hall, 59 S. Somonauk Road Cortland, IL 60112

September 08, 2025 at 7:00 PM

#### **AGENDA**

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#### **CALL TO ORDER / PLEDGE OF ALLEGIANCE / ROLL CALL**

#### **APPROVAL OF AGENDA**

#### **PUBLIC WISHING TO SPEAK**

#### **PRESENTATION**

1. Officer Commendation presented by Chief Dargis
2. FY2024 Audit Report by Brian LeFevre
3. Cortland Fire Protection District - Chief Trent Moser, Trustee Mark Yaeger  
Discussion of proposed expansion and intent to pursue an Intergovernmental Agreement for use of TIF funds

#### **NEW BUSINESS FOR DISCUSSION AND POSSIBLE ACTION**

4. Accept FY2024 Audit
5. Consider a motion for Approval of the Royer proposal of for construction paving at 250 S Halwood St in the amount of \$11,830, funds from budget line 01-6100-811 Capital Outlay, Construction
6. Consider a motion for Approval of the rental agreement from Atlas Bobcat for the rental of a Bobcat L85/L95 loader for winter operations. Rental expense to be paid from 01-6100-245 (Equipment Rental); Rental length will be November 2025 through February 2026.
7. Consider a request to change the current codified hourly rate of mowing private property from \$125 to \$200 per hour, with a minimum of one hour charged. This change would be reflected in Title 1, Chapter 8, Section 4 of the Town Code.

#### **UNFINISHED BUSINESS FOR DISCUSSION AND POSSIBLE ACTION**

8. Discussion of draft ordinance allowing domesticated hens and backyard coops

#### **COMMENTS**

#### **DEPARTMENT HEAD REPORTS**

#### **MAYOR'S REPORT**

#### **ADJOURNMENT**

## **TOWN OF CORTLAND, ILLINOIS**

REPORT ON COMPLIANCE  
WITH PUBLIC ACT 85-1142

**For the Year Ended April 30, 2025**

The background of the lower half of the page features a grayscale photograph of a modern building with a glass facade, overlaid with a complex geometric pattern of overlapping triangles and lines. An orange rectangular box is positioned in the bottom right corner of this section.

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**TOWN OF CORTLAND, ILLINOIS**  
**TAX INCREMENT FINANCING (TIF) FUND**  
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**INDEPENDENT ACCOUNTANT'S REPORT ON  
MANAGEMENT'S ASSERTION OF COMPLIANCE**



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

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## INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Mayor  
Members of the Board of Trustees  
Town of Cortland  
Cortland, Illinois

We have examined management's assertion, included in its representation letter dated September 5, 2025, that the Town of Cortland, Illinois (the Town) 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 Town's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to 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 Town's compliance with the specified requirements.

In our opinion, management's assertion that the Town of Cortland, 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, the Board of Trustees, management of the Town, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

*Sikich CPA LLC*

Naperville, Illinois  
September 5, 2025

**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**

## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

The Honorable Mayor  
Members of the Board of Trustees  
Town of Cortland  
Cortland, Illinois

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Cortland, Illinois (the Town) as of and for the year ended April 30, 2025, which collectively comprise the basic financial statements of the Town and have issued our report thereon dated September 5, 2025, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information (schedules of revenues, expenditures and changes in fund balance; schedule of fund balance by source) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

*Sikich CPA LLC*

Naperville, Illinois  
September 5, 2025

## **SUPPLEMENTARY INFORMATION**

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**TAX INCREMENT FINANCING FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

For the Year Ended April 30, 2025

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**REVENUES**

Taxes	\$ 604,399
Investment income	<u>60,148</u>
Total revenues	<u>664,548</u>

**EXPENDITURES**

Economic development	
Contractual services	<u>304,494</u>
Total expenditures	<u>304,494</u>

NET CHANGE IN FUND BALANCE	360,053
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FUND BALANCE, MAY 1	<u>924,559</u>
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FUND BALANCE, APRIL 30	<u><u>\$ 1,284,612</u></u>
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**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**TAX INCREMENT FINANCING FUND  
SCHEDULE OF FUND BALANCE BY SOURCE**

For the Year Ended April 30, 2025

<hr/>	
<b>BEGINNING BALANCE, MAY 1, 2024</b>	<u>\$ 924,559</u>
<b>DEPOSITS</b>	
Property taxes	604,399
Investment income	<u>60,148</u>
Total deposits	<u>664,548</u>
Balance plus deposits	<u>1,589,107</u>
<b>EXPENDITURES</b>	
Economic development	
Contractual services	<u>304,494</u>
Total expenditures	<u>304,494</u>
<b>ENDING BALANCE, APRIL 30, 2025</b>	<u><u>\$ 1,284,612</u></u>
<b>ENDING BALANCE BY SOURCE</b>	
Property taxes	<u>\$ 1,284,612</u>
Subtotal	1,284,612
Less surplus funds	<u>-</u>
<b>FUND BALANCE, APRIL 30, 2025</b>	<u><u>\$ 1,284,612</u></u>

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

## **TOWN OF CORTLAND, ILLINOIS**

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### **REPORT ON ALLOCATION OF PENSION AMOUNTS FOR THE ILLINOIS MUNICIPAL RETIREMENT FUND**

**For the Year Ended April 30, 2025**



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**TOWN OF CORTLAND, ILLINOIS**  
**REPORT ON ALLOCATION OF PENSION AMOUNTS**  
**FOR THE ILLINOIS MUNICIPAL RETIREMENT FUND**  
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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor  
Members of the Board of Trustees  
Town of Cortland, Illinois

### **Opinions**

We have audited the accompanying Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (Schedules) of the Town of Cortland, Illinois (the Town) as of and for the year ended April 30, 2025 and the related notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer. We have also audited the total for all entities of the columns net pension liability as of December 31, 2024, total deferred outflows of resources, total deferred inflows of resources, and total pension expense subject to allocation (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer (Schedules) of the Town for the year ended December 31, 2024.

In our opinion, the schedules referred to above present fairly, in all material respect, the employer allocations as of and for the fiscal year ended April 30, 2025 and the total of all participating entities of the Town of Cortland, Illinois for net pension liability as of December 31, 2024, and total deferred outflows of resources, total deferred inflows of resources and total pension expense subjected to allocation for the total of all participating entities for the Town's participation in the Illinois Municipal Retirement Fund (IMRF) as of and for the fiscal year ended April 30, 2025.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the schedule of employer allocations and the specified column totals included in the schedules section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Responsibilities of Management for the Schedule of Employer Allocations**

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

## **Auditor's Responsibility for the Audit of the Schedules**

Our objectives are to obtain reasonable assurance about whether the schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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.

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 Matter**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Town as of and for the year ended April 30, 2025, and our report thereon, dated September 5, 2025, expressed an unmodified opinion on those financial statements.

**Restriction on Use**

Our report is intended solely for the information and use of the Town of Cortland and the Cortland Community Library and is not intended to be, and should not be, used by anyone other than these specified parties.

*Sikich CPA LLC*

Naperville, Illinois  
September 5, 2025

**TOWN OF CORTLAND, ILLINOIS**

**SCHEDULE OF EMPLOYER ALLOCATIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended December 31, 2024

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	<u>Contributions</u>	<u>Allocation</u>
<b>Employer</b>		
Town of Cortland	\$ 113,939	91.54%
Cortland Community Library	10,530	8.46%
<b>TOTAL</b>	<u>\$ 124,469</u>	<u>100.00%</u>

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

For the Year Ended December 31, 2024

Entity	Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources					Proportionate Share of Plan Pension Expense
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Inflows of Resources		
Town Library	\$ 580,777 53,675	\$ 109,264 10,098	\$ 79,276 7,327	\$ - -	\$ 188,540 17,425	\$ - -	\$ 2,455 227	\$ - -	\$ 2,455 227	\$ 255,914 23,651	
TOTAL	\$ 634,452	\$ 119,362	\$ 86,603	\$ -	\$ 205,965	\$ -	\$ 2,682	\$ -	\$ 2,682	\$ 279,565	

(See independent auditor's report.)

## TOWN OF CORTLAND, ILLINOIS

### NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER

April 30, 2025

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cortland, Illinois (the Town) contributes to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (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 the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org). As noted above, IMRF is an agent multiple-employer defined benefit pension plan. The Town and the Cortland Community Library (the Library), a non-employer contributing entity, both participate in the plan and, therefore, the plan is treated as a cost-sharing plan.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

##### a. Nature of Schedules

Employers participating in a cost-sharing pension plan are required to recognize their proportionate share of the collective pension amounts for pension benefits provided to members through the IMRF plan.

GASB Statement No. 68, paragraph 92, states that in determining the employer's portion of the collective net pension liability (NPL), the basis should be consistent with the manner in which contributions to the pension plan, excluding those to separately finance specific liabilities of the individual employer to the plan, are determined, which is consistent with paragraphs 48-51. GASB Statement No. 68, paragraph 92, further states that in determining the non-employer's proportion of the collective NPL and corresponding pension amounts, the Town should follow the terms to determine the specific relationship of the contribution requirements of the non-employer contributing entity (the Library) to those of the employer (the Town).

The Schedule of Employer Allocations presents the December 31, 2024 annual contributions used within the proportionate share calculation for the Town and the Library and respective allocation percentage. This percentage was also used to allocate the opening net position.

**TOWN OF CORTLAND, ILLINOIS**  
**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS**  
**AND PENSION AMOUNTS BY EMPLOYER (Continued)**

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Item 2.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Nature of Schedules (Continued)

The Schedule of Pension Amounts by Employer presents the proportionate share of total net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense. The pension expense includes the amortization of the differences between expected and actual economic and demographic experience, differences between actual and projected investment earnings (net) on investments and the impact of changes of assumptions and future economic or demographic factors or other inputs.

b. Measurement Focus and Basis of Accounting

The financial transactions are recorded using the economic resources measurement focus and the accrual basis of accounting.

c. Use of Estimates in the Preparation of the Schedules

The preparation of the IMRF schedules in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts, and the changes therein, and disclosures. Actual results could differ from those estimates and differences could be material. IMRF uses an actuary to determine the total pension liability for the defined benefit plan and to calculate the actuarially determined contributions of the Town and the Library.

d. Basis of Allocation

In determining the proportionate share of the net pension liability and corresponding employer pension amounts for a cost-sharing plan, the basis should be consistent with the manner in which contributions to IMRF are determined. The Town has determined that the actual contributions made to IMRF during the year ended December 31, 2024 are appropriate as the basis because they are representative of future contributions.

The NPL is the Town's total pension liability less the fiduciary net position. The NPL was determined by an actuarial valuation measured as of December 31, 2024. The Town allocates a portion of the NPL to the Library based on the allocation percentage calculated within the Schedule of Employer Allocations.

**TOWN OF CORTLAND, ILLINOIS**  
**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS**  
**AND PENSION AMOUNTS BY EMPLOYER (Continued)**

Item 2.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Pension Expense and Amortization of Expense

Pension expense, as well as deferred outflows of resources and deferred inflows of resources related to pensions, should be recognized for the Town and the Library's proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position. Deferred inflows of resources are the acquisition of net position that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position. Other than differences between projected and actual investment earnings, deferred inflows and outflows of resources are recognized in pension expense beginning in the current period, using a straight-line method over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through IMRF (active or inactive), determined as of the beginning of the measurement period.

Net deferred inflows (or outflows) of resources pertaining to differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

The components of pension expense for the year ended December 31, 2024 are:

Service cost	\$ 115,533
Interest	316,476
Current - period benefit changes	-
Employee contributions	(61,032)
Projected earnings	
on plan investments	(268,307)
Other (net transfer)	61,156
Recognition of deferred inflows	100,930
Recognition of deferred outflows	14,809
	<hr/>
TOTAL	\$ 279,565

The average of the expected remaining service lives of all members for year ended December 31, 2024 is 3.8372 years.



**TOWN OF CORTLAND, ILLINOIS**  
**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS**  
**AND PENSION AMOUNTS BY EMPLOYER (Continued)**

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Item 2.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Net Pension Liability

The net pension liability, measured as of December 31, 2024, is set forth in the following table:

NET PENSION LIABILITY (BEGINNING)	\$ 668,800
Total pension expense	279,565
Deferred outflows of resources	(196,458)
Deferred inflows of resources	7,014
Employer contributions	<u>(124,469)</u>
NET PENSION LIABILITY (ENDING)	<u>\$ 634,452</u>

## **TOWN OF CORTLAND, ILLINOIS**

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### **ANNUAL FINANCIAL REPORT**

**For the Year Ended April 30, 2025**

A grayscale photograph of a modern building with a glass facade, overlaid with a complex geometric pattern of overlapping triangles and lines. The image is used as a background for the lower half of the report cover.

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Board of Trustees  
Town of Cortland, 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 Town of Cortland, Illinois (the Town) as of and for the year ended April 30, 2025 and the related notes to financial statements, which collectively comprise the Town'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 Town of Cortland, 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 (GAAS). Our responsibilities under these 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 Town 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 10 to the financial statements, the Town adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended April 30, 2025. The implementation of this guidance resulted in changes to the accrual of compensated absence balances and a restatement of beginning net position. Our opinion was not modified with respect to this matter.

## **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 and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town'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 required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town'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 information included in the annual report. The other information comprises supplemental data but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

***Sikich CPA LLC***

Naperville, Illinois  
September 5, 2025



**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## TOWN OF CORTLAND, ILLINOIS

### Management's Discussion and Analysis April 30, 2025

Our discussion and analysis of the Town of Cortland's financial performance provides an overview of the Town's financial activities for the fiscal year ended April 30, 2025. Please read it in conjunction with the Town's financial statements, which begin on page 4.

#### FINANCIAL HIGHLIGHTS

- The Town's net position increased from \$36,903,810 to \$37,384,241, an increase of \$480,431 or 1.30%.
- During the year, government-wide revenues totaled \$5,518,216, while government-wide expenses totaled \$4,980,792 resulting in an increase of net position of \$537,424.
- Total fund balances for the governmental funds were \$5,205,274 at April 30, 2025 compared to \$4,442,171 in the prior year, an increase of \$763,103.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 - 6) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operation in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

#### Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Town's finances, in a manner like a private-sector business. The government-wide financial statements can be found on pages 4 - 6 of this report.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

## TOWN OF CORTLAND, ILLINOIS

### Management's Discussion and Analysis April 30, 2025

#### Government-Wide Financial Statements – Continued

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both government-wide financial statements report functions of the Town that are principally supported by taxes and charges for services revenues (governmental activities) from other functions that are intended to recover all or a sizable portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety and highways and streets. The business-type activities of the Town include water and sewer.

#### 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 Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Town maintains six individual governmental funds, General Fund, Motor Fuel Tax Fund, Tax Increment Financing Fund, Capital Improvement Fund, Special Service Area #1 Fund, and Special Service Area #9 Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund and Tax Increment Financing Fund, all of which are considered major funds. Data from the other remaining governmental funds is presented in aggregate on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances.

**Management's Discussion and Analysis**  
**April 30, 2025**

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**Governmental Funds – Continued**

The Town adopts an annual budget for the General Fund, Capital Improvements Fund, Motor Fuel Tax Fund, and Tax Increment Financing Fund. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 - 10 of this report.

**Proprietary Funds**

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

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

The basic proprietary fund financial statements can be found on pages 11 - 14 of this report.

**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 Town's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The Town has two fiduciary funds: Special Service Area #1 Fund and Special Service Area #9. The basic fiduciary fund financial statements can be found on pages 15 and 16 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes for the financial statements can be found on pages 17 - 38 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's proportionate share of the net pension liability and employer contributions for the Illinois Municipal Retirement Fund (IMRF) and budgetary comparison schedule for the General Fund. The required supplementary information can be found on pages 39 - 43 of this report. The combining and individual fund statements and schedules can be found immediately after the required supplementary information, on pages 44 - 58 of this report.

## Management's Discussion and Analysis

### April 30, 2025

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Town, assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by \$37.4 million.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 7,169,708	6,335,958	4,882,896	4,296,953	12,052,604	10,632,911
Capital Assets	11,784,931	11,792,488	16,861,568	17,538,439	28,646,499	29,330,927
Total Assets	18,954,639	18,128,446	21,744,464	21,835,392	40,699,103	39,963,838
Deferred Outflow of Resources	195,788	334,480	69,284	96,643	265,072	431,123
Total Assets & Deferred Outflows	19,150,427	18,462,926	21,813,748	21,932,035	40,964,175	40,394,961
Long-Term Debt	897,693	878,447	699,270	709,523	1,596,963	1,587,970
Other Liabilities	1,040,978	1,005,924	77,106	67,217	1,118,084	1,073,141
Total Liabilities	1,938,671	1,884,371	776,376	776,740	2,715,047	2,661,111
Deferred Inflows of Resources	864,459	828,548	428	1,492	864,887	830,040
Total Liab. & Deferred Inflows	2,803,130	2,712,919	776,804	778,232	3,579,934	3,491,151
Net Position						
Net Investment in						
Capital Assets	11,506,425	11,493,111	16,335,098	16,961,911	27,841,523	28,455,022
Restricted	3,240,740	2,504,365	135,600	135,600	3,376,340	2,639,965
Unrestricted (Deficit)	1,600,132	1,752,531	4,566,246	4,056,292	6,166,378	5,808,823
Total Net Position	16,347,297	15,750,007	21,036,944	21,153,803	37,384,241	36,903,810

By far the largest portion of the Town's net position or 74.47% reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion or 9.03% of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining 16.49% represents an unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

# Management's Discussion and Analysis

## April 30, 2025

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	\$ 148,966	140,140	1,337,262	1,334,475	1,486,228	1,474,615
Operating Grants/Contrib.	227,684	391,719	-	100,000	227,684	491,719
Capital Grants/Contrib.	18,467	51,624	-	-	18,467	51,624
General Revenues						
Property Taxes	1,425,356	773,128	-	-	1,425,356	773,128
Utility Taxes	155,753	157,087	-	-	155,753	157,087
Replacement Taxes	1,836	2,990	-	-	1,836	2,990
Sales and Use Taxes	464,615	781,225	-	-	464,615	781,225
Income Taxes	764,391	720,016	-	-	764,391	720,016
Other Taxes	305,028	548,716	-	-	305,028	548,716
Interest Income	288,025	268,620	209,879	194,953	497,904	463,573
Miscellaneous / Other	81,191	32,679	89,763	92,924	170,954	125,603
Total Revenues	3,881,312	3,867,944	1,636,904	1,722,352	5,518,216	5,590,296
Expenses						
General Government	782,561	843,462	-	-	782,561	843,462
Public Safety	1,160,667	935,552	-	-	1,160,667	935,552
Highways and Streets	760,260	918,184	-	-	760,260	918,184
Building	242,455	201,500	-	-	242,455	201,500
Economic Development	304,494	208,042	-	-	304,494	208,042
Interest on Long-Term Debt	16,600	13,657	-	-	16,600	13,657
Water	-	-	891,619	807,378	891,619	807,378
Sewer	-	-	822,136	790,536	822,136	790,536
Total Expenses	3,267,037	3,120,397	1,713,755	1,597,914	4,980,792	4,718,311
Change in Net Position	614,275	747,547	(76,851)	124,438	537,424	871,985
Net Position - Beginning	15,750,007	15,002,460	21,153,803	21,029,365	36,903,810	36,031,825
Change in accounting principle	(16,985)	-	(40,008)	-	(56,993)	-
Net Position - Restated	15,733,022	15,002,460	21,113,795	21,029,365	36,846,817	36,031,825
Net Position - Ending	16,347,297	15,750,007	21,036,944	21,153,803	37,384,241	36,903,810

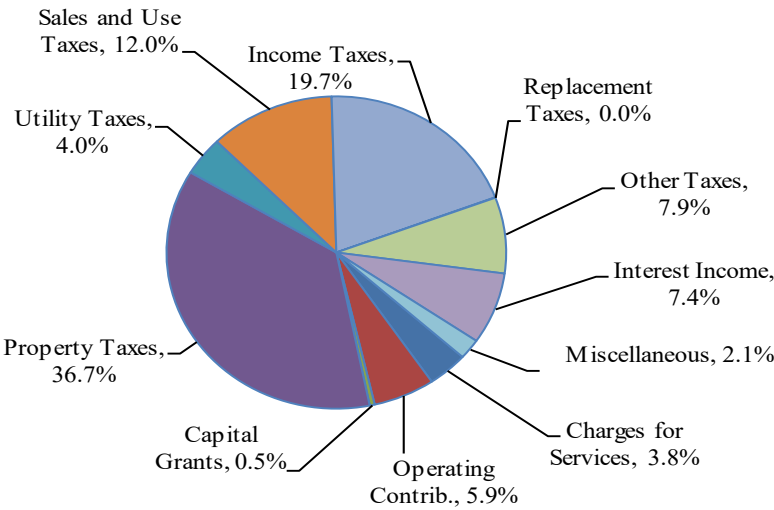
The Town's net position increased by \$480,431. Government-wide revenues totaled \$5,518,216, while government-wide expenses totaled \$4,980,792.

Management’s Discussion and Analysis  
April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

The following table graphically depicts the major revenue sources of the Town. It depicts very clearly the reliance of property taxes and sales and use taxes to fund governmental activities.

Revenues by Source - Governmental Activities

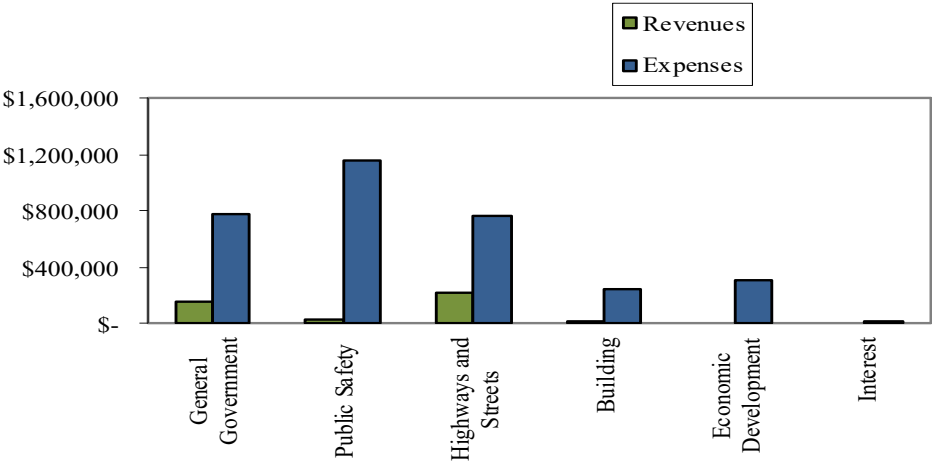


**Management’s Discussion and Analysis**  
**April 30, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

The following Expenses and Program Revenues Table identifies those governmental functions where program expenses exceed revenues. The general government, public safety and highways and streets functions charge user fees for services provided. The user fees charged do not cover the expenses, which furthermore signifies the Town’s reliance on general revenues such as property and sales tax.

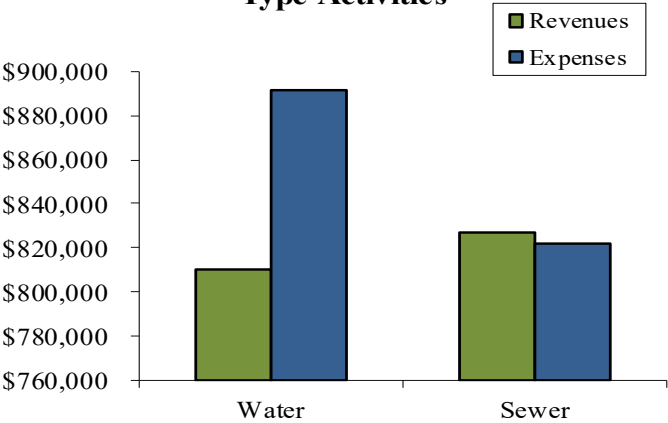
**Expenses and Program Revenues - Governmental Activities**



**Business-Type Activities**

Revenues for business-type activities totaled \$1,636,904, while expenses totaled \$1,713,755 resulting in a decrease to business-type net position of \$76,851. Water and sewer expenses increased 7.2 percent when compared to the prior year. The increase in revenue is attributable to the increase in investment income as well as an increase in permit revenue.

**Expenses and Program Revenues - Business-Type Activities**



The above graph compares program revenues to expenses for water and sewer operations. The graph shows that revenues for the water operations exceeded the water operations expenses by a small margin.



**TOWN OF CORTLAND, ILLINOIS****Management's Discussion and Analysis  
April 30, 2025**

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**Business-Type Activities – Continued**

The sewer operations expenses exceeded the revenue collected in fiscal year 2025. The Town plans to do a water and sewer study in 2026 to evaluate the water and sewer rates.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$5,205,274 or an increase of \$763,103. The prior years combined ending fund balances totaled \$4,442,171.

In the current year, governmental fund balances decreased by \$763,103 or 17.2 percent. The General Fund reported a decrease of \$311,787. The Capital Improvements Fund reported an increase of \$451,251. The Tax Increment Financing Fund reported an increase of \$360,053. Nonmajor governmental funds reported an increase of \$263,586.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund actual revenues were higher than budgeted revenues. Actual revenues for the current year were \$2,437,925 compared to budgeted revenues of \$2,297,209. The positive revenue variance of \$140,716 indicates stronger-than-budgeted income, likely due to increased activity or favorable conditions in several revenue categories.

The General Fund actual expenditures were less than budgeted expenditures. Actual expenditures totaled \$2,778,410, while budgeted expenditures totaled \$3,478,528. The expenditure savings of \$700,118 reflect effective cost control or delayed spending.

Overall, this suggests strong financial manager and a better-than-budgeted financial position for the General Fund.

## Management's Discussion and Analysis

### April 30, 2025

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of April 30, 2025, was \$28,646,499 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and infrastructure.

The total decrease in the Town's investment in capital assets for the current fiscal year was \$684,428. The depreciation expense charged for the year was \$986,847. Vehicles and equipment assets increased \$85,517 due to the purchase of tasers and a squad car for the Cortland Police Department along with a new Ford 350 truck for the Water and Sewer Departments. The Airport Road Box Culvert is a construction in progress project as of April 30, 2025. Additional 2025 projects recorded in infrastructure were the installation of a bike path, a parking lane along Klein Avenue, and new sidewalks along Hahn Drive, Hampstead Street, Pine Avenue and West Chestnut.

	Capital Assets - Net of Depreciation					
	Governmental		Business-type		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 6,203,874	6,203,874	1,156,775	1,156,775	7,360,649	7,360,649
Construction in Progress	12,381	-	-	-	12,381	-
Building and Improvements	841,137	867,672	-	-	841,137	867,672
Vehicles and Equipment	383,356	318,567	213,265	192,537	596,621	511,104
Infrastructure	4,344,183	4,402,375	15,491,528	16,189,127	19,835,711	20,591,502
Total	11,784,931	11,792,488	16,861,568	17,538,439	28,646,499	29,330,927

Additional information on the Town's capital assets can be found in Note 4 on pages 26 - 27 of this report.

# TOWN OF CORTLAND, ILLINOIS

## Management's Discussion and Analysis April 30, 2025

### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

As of April 30, 2025, the Town had a total long-term debt outstanding of \$1,596,963. This long-term debt is made up of governmental activities and business-type activities outstanding debt of \$897,693 and \$699,270, respectively. The previous year had a total long-term debt outstanding of \$1,644,963. The prior year's total outstanding debt for governmental activities was \$895,432 and business-type activities were \$749,531. The previous year's beginning balance for compensated absences was restated due to the implementation of GASB 101. Refer to Note 10 for additional information. As of April 30, 2025, the increase in long-term debt is the result of an increase in installment contracts for the lease of the Police Department's tasers. Compensated absences had an increase due to the implementation of GASB 101 as of April 30, 2025. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Notes Payable	\$ 255,548	299,377	-	-	255,548	299,377
Installment contract	22,958	-	-	-	22,958	-
Compensated Absences	139,732	90,509	41,478	40,008	181,210	130,517
Net Pension Liability	479,455	505,546	101,322	102,995	580,777	608,541
Asset Retirement Obligation	-	-	30,000	30,000	30,000	30,000
IEPA Loans Payable	-	-	526,470	576,528	526,470	576,528
Total	897,693	895,432	699,270	749,531	1,596,963	1,644,963

Additional information on the Town's long-term debt can be found in Note 5 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Town is faced with a similar economic environment like many of the other local municipalities are faced with, including inflation and unemployment rates.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Town of Cortland, 59 South Somonauk Road, PO Box 519, Cortland, Illinois 60112-0519.

## **BASIC FINANCIAL STATEMENTS**

## TOWN OF CORTLAND, ILLINOIS

Item 2.

## STATEMENT OF NET POSITION

April 30, 2025

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,000,363	\$ 4,579,843	\$ 10,580,206
Receivables (net, where applicable, of allowances for uncollectible)			
Property taxes	862,432	-	862,432
Accounts	3,274	293,620	296,894
Due from other governments	196,600	-	196,600
Prepaid items	107,039	9,433	116,472
Capital assets			
Not depreciated	6,216,255	1,156,775	7,373,030
Depreciated (net of accumulated depreciation)	5,568,676	15,704,793	21,273,469
Total assets	18,954,639	21,744,464	40,699,103
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	195,788	41,084	236,872
Asset retirement obligation	-	28,200	28,200
Total deferred outflows of resources	195,788	69,284	265,072
Total assets and deferred outflows of resources	19,150,427	21,813,748	40,964,175
<b>LIABILITIES</b>			
Accounts payable	71,739	40,730	112,469
Accrued payroll	54,047	7,675	61,722
Accrued interest	3,586	988	4,574
Customer deposits	909,006	800	909,806
Unearned revenue	2,600	26,913	29,513
Long-term liabilities			
Due within one year	77,370	59,325	136,695
Due in more than one year	820,323	639,945	1,460,268
Total liabilities	1,938,671	776,376	2,715,047
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	2,027	428	2,455
Property taxes	862,432	-	862,432
Total deferred inflows of resources	864,459	428	864,887
Total liabilities and deferred inflows of resources	2,803,130	776,804	3,579,934
<b>NET POSITION</b>			
Net investment in capital assets	11,506,425	16,335,098	27,841,523
Restricted			
Parks	13,962	-	13,962
Capital improvements	947,722	-	947,722
Special service areas	51,191	-	51,191
Debt service	52,561	-	52,561
Highways and streets	890,692	-	890,692
Economic development	1,284,612	-	1,284,612
Radium removal	-	135,600	135,600
Unrestricted	1,600,132	4,566,246	6,166,378
<b>TOTAL NET POSITION</b>	<b>\$ 16,347,297</b>	<b>\$ 21,036,944</b>	<b>\$ 37,384,241</b>

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

Item 2.

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2025

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 782,561	\$ 137,219	\$ 9,450	\$ 3,037
Public safety	1,160,667	6,247	19,450	3,315
Highways and streets	760,260	5,500	198,784	9,315
Building	242,455	-	-	2,800
Economic development	304,494	-	-	-
Interest	16,600	-	-	-
Total governmental activities	3,267,037	148,966	227,684	18,467
Business-Type Activities				
Water	891,619	660,593	-	-
Sewer	822,136	676,669	-	-
Total business-type activities	1,713,755	1,337,262	-	-
TOTAL PRIMARY GOVERNMENT	\$ 4,980,792	\$ 1,486,228	\$ 227,684	\$ 18,467

<b>Net (Expense) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
\$ (632,855)	\$ -	\$ (632,855)	
(1,131,655)	-	(1,131,655)	
(546,661)	-	(546,661)	
(239,655)	-	(239,655)	
(304,494)	-	(304,494)	
(16,600)	-	(16,600)	
(2,871,920)	-	(2,871,920)	
-	(231,026)	(231,026)	
-	(145,467)	(145,467)	
-	(376,493)	(376,493)	
(2,871,920)	(376,493)	(3,248,413)	
General Revenues			
Taxes			
Property taxes	1,425,356	-	1,425,356
Utility taxes	155,753	-	155,753
Other taxes	305,028	-	305,028
Intergovernmental			
Sales and use taxes	464,615	-	464,615
Income taxes	764,391	-	764,391
Replacement taxes	1,836	-	1,836
Investment income	288,025	209,879	497,904
Miscellaneous	81,191	89,763	170,954
Total	3,486,195	299,642	3,785,837
CHANGE IN NET POSITION	614,275	(76,851)	537,424
NET POSITION, MAY 1, AS REPORTED	15,750,007	21,153,803	36,903,810
Change in accounting principle	(16,985)	(40,008)	(56,993)
NET POSITION, MAY 1, AS RESTATED	15,733,022	21,113,795	36,846,817
NET POSITION, APRIL 30	\$ 16,347,297	\$ 21,036,944	\$ 37,384,241

See accompanying notes to financial statements.

## TOWN OF CORTLAND, ILLINOIS

Item 2.

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2025

	General	Tax Increment Financing	Capital Improvements	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,033,942	\$ 1,284,612	\$ 1,755,822	\$ 925,987	\$ 6,000,363
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	862,432	-	-	-	862,432
Accounts	3,274	-	-	-	3,274
Due from other governments	102,211	-	78,493	15,896	196,600
Prepaid items	107,039	-	-	-	107,039
<b>TOTAL ASSETS</b>	<b>\$ 3,108,898</b>	<b>\$ 1,284,612</b>	<b>\$ 1,834,315</b>	<b>\$ 941,883</b>	<b>\$ 7,169,708</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 71,739	\$ -	\$ -	\$ -	\$ 71,739
Accrued payroll	54,047	-	-	-	54,047
Customer deposits	909,006	-	-	-	909,006
Unearned revenue	2,600	-	-	-	2,600
Total liabilities	1,037,392	-	-	-	1,037,392
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes	862,432	-	-	-	862,432
Unavailable state taxes	41,294	-	23,316	-	64,610
Total deferred inflows of resources	903,726	-	23,316	-	927,042
<b>FUND BALANCES</b>					
Nonspendable - prepaid items					
Prepaid items	107,039	-	-	-	107,039
Restricted					
Parks	13,962	-	-	-	13,962
Capital improvements	947,722	-	-	-	947,722
Special service areas	-	-	-	51,191	51,191
Debt service	52,561	-	-	-	52,561
Highways and streets	-	-	-	890,692	890,692
Economic development	-	1,284,612	-	-	1,284,612
Assigned for capital improvements	-	-	1,810,999	-	1,810,999
Assigned for subsequent budget	447,280	-	-	-	447,280
Unassigned (deficit)	(400,784)	-	-	-	(400,784)
Total fund balances	1,167,780	1,284,612	1,810,999	941,883	5,205,274
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,108,898</b>	<b>\$ 1,284,612</b>	<b>\$ 1,834,315</b>	<b>\$ 941,883</b>	<b>\$ 7,169,708</b>

See accompanying notes to financial statements.



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

April 30, 2025

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 5,205,274</b>
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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	11,784,931
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Certain revenues that are deferred in governmental funds are recognized as revenue in the governmental activities	64,610
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Deferred outflows of resources related to the Town's participation in IMRF are not financial resources and, therefore, are not reported in the governmental funds	195,788
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Deferred inflows of resources related to the Town's participation in IMRF are not financial resources and, therefore, are not reported in the governmental funds	(2,027)
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Some liabilities reported in the governmental activities do not require the use  
of current financial resources and, therefore, are not reported as liabilities  
in governmental funds

Net pension liability	(479,455)
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Compensated absences	(139,732)
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Notes payable	(255,548)
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Installment contract	(22,958)
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Accrued interest payable	(3,586)
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 16,347,297</u></b>
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## TOWN OF CORTLAND, ILLINOIS

Item 2.

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

For the Year Ended April 30, 2025

	General	Tax Increment Financing	Capital Improvements	Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 857,513	\$ 604,399	\$ 429,270	\$ -	\$ 1,891,182
Intergovernmental	1,278,209	-	-	198,784	1,476,993
Charges for services	30,174	-	-	-	30,174
Licenses and permits	112,545	-	-	-	112,545
Fines and forfeitures	6,247	-	-	-	6,247
Investment income	115,574	60,148	73,768	38,535	288,025
Miscellaneous	37,663	-	-	43,528	81,191
Total revenues	2,437,925	664,547	503,038	280,847	3,886,357
<b>EXPENDITURES</b>					
Current					
General government	538,398	-	-	17,261	555,659
Public safety	1,149,146	-	-	-	1,149,146
Highways and streets	563,742	-	-	-	563,742
Building	220,241	-	-	-	220,241
Economic development	-	304,494	-	-	304,494
Capital outlay	241,290	-	51,787	-	293,077
Debt service					
Principal	49,569	-	-	-	49,569
Interest and fiscal charges	16,024	-	-	-	16,024
Total expenditures	2,778,410	304,494	51,787	17,261	3,151,952
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(340,485)	360,053	451,251	263,586	734,405
<b>OTHER FINANCING SOURCES (USES)</b>					
Installment contract issuance	28,698	-	-	-	28,698
Total other financing sources (uses)	28,698	-	-	-	28,698
NET CHANGE IN FUND BALANCES	(311,787)	360,053	451,251	263,586	763,103
FUND BALANCES, MAY 1	1,479,567	924,559	1,359,748	678,297	4,442,171
<b>FUND BALANCES, APRIL 30</b>	<u>\$ 1,167,780</u>	<u>\$ 1,284,612</u>	<u>\$ 1,810,999</u>	<u>\$ 941,883</u>	<u>\$ 5,205,274</u>

See accompanying notes to financial statements.

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**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

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 763,103</b>
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	239,992
Depreciation on capital assets is reported as an expense in the statement of activities	(247,549)
Certain revenue recognition is different on the full accrual basis than on the modified accrual basis	(5,045)
The change in deferred outflows is reported as an expense on the statement of activities	(138,692)
The change in deferred inflows is reported as an expense on the statement of activities	5,303
The change in the net pension liability is reported as an expense on the statement of activities	26,091
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase in debt outstanding on the statement of activities	
Installment contract issued	(28,698)
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	49,569
The change in accrued interest payable is reported as interest expense on the statement of activities	(576)
The change in compensated absences payable is shown as an expense on the statement of activities	(49,223)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 614,275</b>

See accompanying notes to financial statements.

## TOWN OF CORTLAND, ILLINOIS

Item 2.

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

April 30, 2025

	Water	Sewer	Total
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,454,516	\$ 3,125,327	\$ 4,579,843
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	138,871	154,749	293,620
Prepaid items	6,134	3,299	9,433
Total current assets	1,599,521	3,283,375	4,882,896
<b>NONCURRENT ASSETS</b>			
Capital assets			
Nondepreciable	20,000	1,136,775	1,156,775
Depreciable	13,244,741	17,780,871	31,025,612
Accumulated depreciation	(6,628,661)	(8,692,158)	(15,320,819)
Total noncurrent assets	6,636,080	10,225,488	16,861,568
Total assets	8,235,601	13,508,863	21,744,464
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	24,645	16,439	41,084
Asset retirement obligation	28,200	-	28,200
Total deferred outflows of resources	52,845	16,439	69,284
Total assets and deferred outflows of resources	8,288,446	13,525,302	21,813,748
<b>CURRENT LIABILITIES</b>			
Accounts payable	18,933	21,797	40,730
Accrued payroll	4,605	3,070	7,675
Accrued interest	-	988	988
Customer deposits	800	-	800
Unearned revenue	-	26,913	26,913
IEPA loan payable	-	51,029	51,029
Compensated absences	4,978	3,318	8,296
Total current liabilities	29,316	107,115	136,431
<b>NONCURRENT LIABILITIES</b>			
IEPA loan payable, net of current portion	-	475,441	475,441
Compensated absences, net of current portion	19,909	13,273	33,182
Net pension liability	60,781	40,541	101,322
Asset retirement obligation	30,000	-	30,000
Total noncurrent liabilities	110,690	529,255	639,945
Total liabilities	140,006	636,370	776,376
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	257	171	428
Total liabilities and deferred inflows of resources	140,263	636,541	776,804
<b>NET POSITION</b>			
Net investment in capital assets	6,636,080	9,699,018	16,335,098
Restricted for radium removal	135,600	-	135,600
Unrestricted	1,376,503	3,189,743	4,566,246
<b>TOTAL NET POSITION</b>	\$ 8,148,183	\$ 12,888,761	\$ 21,036,944

See accompanying notes to financial statements.

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

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

For the Year Ended April 30, 2025

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Customer charges	\$ 553,693	\$ 575,169	\$ 1,128,862
Permits and hook up fees	106,900	101,500	208,400
Miscellaneous	8,658	24,050	32,708
Total operating revenues	669,251	700,719	1,369,970
<b>OPERATING EXPENSES</b>			
Operations	570,716	392,643	963,359
Depreciation and amortization	320,903	418,695	739,598
Total operating expenses	891,619	811,338	1,702,957
<b>OPERATING INCOME (LOSS)</b>	(222,368)	(110,619)	(332,987)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	67,998	141,881	209,879
Connection fees	-	18,000	18,000
Lease/rental income	-	39,055	39,055
Interest expense	-	(10,798)	(10,798)
Total non-operating revenues (expenses)	67,998	188,138	256,136
<b>CHANGE IN NET POSITION</b>	(154,370)	77,519	(76,851)
<b>NET POSITION, MAY 1, AS REPORTED</b>	8,326,557	12,827,246	21,153,803
Change in accounting principle	(24,004)	(16,004)	(40,008)
<b>NET POSITION, MAY 1, AS RESTATED</b>	8,302,553	12,811,242	21,113,795
<b>NET POSITION, APRIL 30</b>	\$ 8,148,183	\$ 12,888,761	\$ 21,036,944

See accompanying notes to financial statements.

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2025

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 669,905	\$ 697,316	\$ 1,367,221
Payments to employees	(177,863)	(118,141)	(296,004)
Payments to suppliers	(373,845)	(262,374)	(636,219)
Net cash from operating activities	118,197	316,801	434,998
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Lease income	-	39,055	39,055
Connection fees	-	18,000	18,000
Net cash from noncapital financing activities	-	57,055	57,055
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	67,997	141,881	209,878
Net cash from investing activities	67,997	141,881	209,878
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(31,213)	(31,214)	(62,427)
Principal paid on long-term debt	-	(50,058)	(50,058)
Interest paid on long-term debt	-	(10,889)	(10,889)
Net cash from capital and related financing activities	(31,213)	(92,161)	(123,374)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	154,981	423,576	578,557
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	1,299,535	2,701,751	4,001,286
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	\$ 1,454,516	\$ 3,125,327	\$ 4,579,843

(This statement is continued on the following page.)

**TOWN OF CORTLAND, ILLINOIS***Item 2.***STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2025

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (222,368)	\$ (110,619)	\$ (332,987)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	320,903	418,695	739,598
Changes in assets and liabilities			
Receivables	654	(1,353)	(699)
Prepaid items	(4,446)	(2,241)	(6,687)
Deferred revenue	-	(2,050)	(2,050)
Accounts payable	5,117	1,747	6,864
Accrued payroll	2,868	2,298	5,166
Compensated absences	883	587	1,470
Pension items	14,586	9,737	24,323
Total adjustments	340,565	427,420	767,985
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 118,197</b>	<b>\$ 316,801</b>	<b>\$ 434,998</b>

See accompanying notes to financial statements.

**TOWN OF CORTLAND, ILLINOIS**

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS**

April 30, 2025

	<u><b>Custodial</b></u>
<b>ASSETS</b>	
Cash	<u>\$     687,612</u>
Total assets	<u>         687,612</u>
<b>LIABILITIES</b>	
None	<u>                  -</u>
Total liabilities	<u>                  -</u>
<b>NET POSITION</b>	
Restricted for debt service	<u>         687,612</u>
<b>TOTAL NET POSITION</b>	<u><u>\$     687,612</u></u>



**TOWN OF CORTLAND, ILLINOIS**

Item 2.

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

For the Year Ended April 30, 2025

	<u><b>Custodial</b></u>
<b>ADDITIONS</b>	
Contributions	
Property owner	\$ 630,019
Investment income	
Interest	<u>43,939</u>
Total additions	<u>673,958</u>
<b>DEDUCTIONS</b>	
Contractual services	
Accounting and financial services	1,807
Transfers to Capital Projects	43,528
Debt service	
Principal retirement	400,000
Interest	<u>208,674</u>
Total deductions	<u>654,009</u>
<b>CHANGE IN NET POSITION</b>	19,949
<b>NET POSITION</b>	
May 1	<u>667,663</u>
April 30	<u><u>\$ 687,612</u></u>

See accompanying notes to financial statements.

**TOWN OF CORTLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**

April 30, 2025

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Cortland, Illinois (the Town) 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 Town's accounting policies are described below.

**a. Reporting Entity**

The Town is a municipal corporation governed by an elected President and Board of Trustees. As required by GAAP, these financial statements present the Town (the primary government).

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Town is considered to be financially accountable for.

**b. Fund Accounting**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Fund Accounting (Continued)**

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

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The Town utilizes custodial funds to account for funds received and reserved for debt service on the noncommitment debt.

**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 Town. The effect of material interfund activity has been eliminated from 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 shared revenues 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.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those accounted for in another fund.

The Tax Increment Financing Fund, a special revenue fund, is used to account for the restricted property tax revenues and expenditures directly related to the Tax Increment Financing District established within the Town.

The Capital Improvements Fund, a capital projects fund, is used to fund capital improvements of the Town. It is primarily funded by utility and simplified telecommunications taxes and non-home rule sales tax.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Town reports the following major proprietary funds:

The Water Fund accounts for the water billings and expenses incurred for providing those services to residents.

The Sewer Fund accounts for the sewer billings and expenses incurred for providing those services to residents.

Additionally, the Town reports two custodial funds (Special Service Area #1 and Special Service Area #9). Custodial funds are used to account for special service area collection of taxes from benefited property owners for payment to bondholders where the Town is acting in only an agent capacity.

**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, generally 60 days. The Town 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.

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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 Town; 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 Town reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and 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 Town 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 Town has a legal claim to the resources, the liability or deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

**e. Cash and Cash Equivalents**

Cash and cash equivalents on the statement of net position are considered to be cash on hand, demand deposits and cash with fiscal agent. For the purpose of the proprietary funds' statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent and all highly liquid investments with an original maturity of three months or less.

**f. Investments**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for using the consumption method.

h. Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Town as a whole. Infrastructure such as streets and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	7-50
Vehicles and equipment	5
Software	5
Infrastructure	50
Water distribution system	35-40
Water and sewer equipment	5-10
Sewerage system	30-60

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as any gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

j. Net Position/Fund Balance

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in 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 use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Town. Committed fund balance is constrained by formal actions of the Town's Board of Trustees, which is considered the Town's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Town's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Town Administrator by the Board of Trustees. Any residual fund balance of the General Fund is reported as unassigned. Any deficit fund balances in other governmental funds are also reported as unassigned.

The Town'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 Town considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the Town's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Net position of the Town has not been restricted as a result of enabling legislation enacted by the Town.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k. Interfund Receivables, Payables and Activity**

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

**l. Receivables**

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

**m. Compensated Absences**

The Town implemented GASB Statement 101, *Compensated Absences*, for year ended April 30, 2025. Vested or accumulated vacation and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick 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 leave is recognized as a liability at year end. 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 Note 10 for additional information.

**n. 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 amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.



## **2. PROPERTY TAX CALENDAR**

Property taxes for 2024 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Since the 2024 levy is intended to finance the fiscal year ended April 30, 2026, the levy is recorded as a receivable and deferred inflow of resources. The 2025 tax levy has not been recorded as a receivable at April 30, 2025. Although the tax attached as a lien on property as of January 1, 2025, the tax will not be levied until December 2025 and, accordingly, is not measurable at April 30, 2025.

## **3. CASH AND INVESTMENTS**

The Town maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and cash equivalents." In addition, investments are separately held by several of the Town's funds.

### **Permitted Deposits and Investments**

Statutes authorize the Town to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The Town categorizes its 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 assets. 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 Town does not have any recurring investments requiring fair value measurement disclosure as of April 30, 2025.

### **3. CASH AND INVESTMENTS (Continued)**

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment policy limits its exposure to interest rate risk by structuring the portfolio to match cash flow demands. The investment policy limits the maximum maturity length of investments to two years from date of purchase, unless matched to a specific cash flow. Investments of reserved funds may be purchased with maturities exceeding two years if they are made to coincide with cash flow needs.

#### **Custodial Credit Risk**

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral evidenced by a written agreement and held at an independent third party in the name of the Town. At year end, the entire bank balance of deposits was covered by collateral, federal depository insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Town's investment policy requires all security transactions that are exposed to be delivered versus payment (DVP) basis with the underlying investments held by an independent third-party custodian designated by the treasurer and evidenced by safekeeping receipts. The Town's investment in The Illinois Fund is not subject to custodial credit risk.

#### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's investment policy does not address credit risk. The Town's investment in The Illinois Funds was rated AAA by Standard & Poor's.

#### **Concentration Credit Risk**

This is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town's investment policy states that diversification can be by type of investment, institution and length of maturity. At year end, the Town's investment in The Illinois Funds represents over 5% of the total cash and investment portfolio.

#### 4. CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 6,203,874	\$ -	\$ -	\$ 6,203,874
Construction in Progress	-	12,381	-	12,381
Total capital assets not being depreciated	6,203,874	12,381	-	6,216,255
Capital assets being depreciated				
Buildings and improvements	1,293,872	-	-	1,293,872
Vehicles and equipment	1,533,846	158,462	52,288	1,640,020
Infrastructure	6,297,889	69,149	-	6,367,038
Total capital assets being depreciated	9,125,607	227,611	52,288	9,300,930
Less accumulated depreciation for				
Buildings and improvements	426,200	26,535	-	452,735
Vehicles and equipment	1,215,279	93,673	52,288	1,256,664
Infrastructure	1,895,514	127,341	-	2,022,855
Total accumulated depreciation	3,536,993	247,549	52,288	3,732,254
Total capital assets being depreciated, net	5,588,614	(19,938)	-	5,568,676
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 11,792,488</b>	<b>\$ (7,557)</b>	<b>\$ -</b>	<b>\$ 11,784,931</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 1,156,775	\$ -	\$ -	\$ 1,156,775
Total capital assets not being depreciated	1,156,775	-	-	1,156,775
Capital assets being depreciated				
Vehicles and equipment	986,669	62,427	-	1,049,096
Infrastructure	29,976,516	-	-	29,976,516
Total capital assets being depreciated	30,963,185	62,427	-	31,025,612
Less accumulated depreciation for				
Vehicles and equipment	794,132	41,699	-	835,831
Infrastructure	13,787,389	697,599	-	14,484,988
Total accumulated depreciation	14,581,521	739,298	-	15,320,819
Total capital assets being depreciated, net	16,381,664	(676,871)	-	15,704,793
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 17,538,439</b>	<b>\$ (676,871)</b>	<b>\$ -</b>	<b>\$ 16,861,568</b>

**4. CAPITAL ASSETS (Continued)**

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

**GOVERNMENTAL ACTIVITIES**

General government	\$ 3,378
Public safety	40,006
Highways and streets	<u>204,165</u>

**TOTAL DEPRECIATION EXPENSE -  
GOVERNMENTAL ACTIVITIES**

\$ 247,549

**BUSINESS-TYPE ACTIVITIES**

Water	\$ 320,603
Sewer	<u>418,695</u>

**TOTAL DEPRECIATION EXPENSE -  
BUSINESS-TYPE ACTIVITIES**

\$ 739,298

**5. LONG-TERM DEBT**

**a. Notes Payable (Direct Placement)**

The Town enters into notes payable to provide funds typically for acquisition of capital assets. Notes payable have been issued for the governmental activities. Notes payable currently outstanding are as follows:

Issue	Beginning Balance	Issuances	Retirements	Ending Balance	Current Portion
Building Note Payable - due in semi-annual installments of \$25,564 including interest at 2.98% through June 30, 2030.	\$ 299,377	\$ -	\$ 43,829	\$ 255,548	\$ 43,684
<b>TOTAL NOTES PAYABLE (DIRECT PLACEMENT)</b>	<u>\$ 299,377</u>	<u>\$ -</u>	<u>\$ 43,829</u>	<u>\$ 255,548</u>	<u>\$ 43,684</u>

**5. LONG-TERM DEBT (Continued)**

**b. IEPA Loans Payable**

The Town has entered into a loan agreement with the IEPA to provide low interest financing for waterworks and sewerage improvements. The IEPA loan currently outstanding is as follows:

Issue	Beginning Balance	Issuances	Retirements	Ending Balance	Current Portion
IEPA #L175003 Loan Payable of 2013 - due in semiannual installments including interest at 1.93% through September 25, 2034.	\$ 576,528	\$ -	\$ 50,058	\$ 526,470	\$ 51,029
<b>TOTAL IEPA LOANS PAYABLE</b>	<b>\$ 576,528</b>	<b>\$ -</b>	<b>\$ 50,058</b>	<b>\$ 526,470</b>	<b>\$ 51,029</b>

**c. Changes in Long-Term Liabilities**

During the fiscal year, the following changes occurred in liabilities reported in the governmental long-term liabilities:

	Balances May 1, Restated**	Issuances	Retirements	Balances April 30	Current Portion
Notes payable (direct placement)	\$ 299,377	\$ -	\$ 43,829	\$ 255,548	\$ 43,684
Installment contract	-	28,698	5,740	22,958	5,740
Compensated absences**/*	90,509	49,223	-	139,732	27,946
Net pension liability	505,546	-	26,091	479,455	-
<b>TOTAL GOVERNMENTAL LONG-TERM LIABILITIES</b>	<b>\$ 895,432</b>	<b>\$ 77,921</b>	<b>\$ 75,660</b>	<b>\$ 897,693</b>	<b>\$ 77,370</b>

The General Fund has typically been used in prior years to liquidate the liability for the notes payable, installment contract, and net pension liability.

\*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 10 for additional information.

**5. LONG-TERM DEBT (Continued)**

c. Changes in Long-Term Liabilities (Continued)

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

	Balances May 1, Restated**	Issuances	Retirements	Balances April 30	Current Portion
IEPA loans payable	\$ 576,528	\$ -	\$ 50,058	\$ 526,470	\$ 51,029
Compensated absences*/**	40,008	1,470	-	41,478	8,296
Net pension liability	102,995	-	1,673	101,322	-
Asset retirement obligation	30,000	-	-	30,000	-
<b>TOTAL BUSINESS-TYPE LONG-TERM LIABILITIES</b>	<b>\$ 749,531</b>	<b>\$ 1,470</b>	<b>\$ 51,731</b>	<b>\$ 699,270</b>	<b>\$ 59,325</b>

\*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 10 for additional information.

d. Installment Contract

The Town has entered into an installment contract on March 31, 2025 for police tasers. Annual installments of \$5,740 are due through May 2029. The installment contract bears no interest.

e. Debt Service to Maturity Requirements

The annual debt service to maturity, including principal and interest, are as follows:

Year Ending April 30,	Notes Payable (Direct Placement)	
	Principal	Interest
2026	\$ 43,684	\$ 7,443
2027	45,014	6,114
2028	46,385	4,743
2029	47,787	3,341
2030	49,252	1,878
2031	23,426	377
<b>TOTAL</b>	<b>\$ 255,548</b>	<b>\$ 23,896</b>

**5. LONG-TERM DEBT (Continued)**

e. Debt Service to Maturity Requirements (Continued)

Year Ending April 30,	Installment Contract	
	Principal	Interest
2026	\$ 5,740	\$ -
2027	5,740	-
2028	5,740	-
2029	5,738	-
<b>TOTAL</b>	<b>\$ 22,958</b>	<b>\$ -</b>

Year Ending April 30,	IEPA Loans Payable	
	Principal	Interest
2026	\$ 51,029	\$ 9,918
2027	52,018	8,928
2028	53,027	7,919
2029	54,056	6,891
2030	55,104	5,843
2031-2035	261,236	12,765
<b>TOTAL</b>	<b>\$ 526,470</b>	<b>\$ 52,264</b>

f. Special Service Area Bonds

On February 23, 2017, the Town issued \$4,890,000 Special Service Area #1 Refunding Bonds, Series 2017, which were used to refund through an in-substance defeasance the \$4,686,000 Special Service Area #1 Bonds. The bonds are payable solely from the special service area tax levied upon the properties located in the special service area and do not constitute an indebtedness of the Town. The Town, through its trustee, is acting solely as agent in receiving the taxes from the County and remitting principal and interest payments to the bond holders. Accordingly, these bonds are not reported as a liability in the Town's financial statements. As of April 30, 2025, \$2,696,000 of the bonds are outstanding.

On June 15, 2007, the Town issued \$5,335,000 and \$5,000,000 Special Tax Revenue Bonds, Series 2007-1 and 2007-2, respectively, known as the Richland Trails Project. The bonds are payable solely from the special service area tax levied upon the properties located in the special service area or payments made at the time of building permit and do not constitute an indebtedness of the Town. The Town, through its trustee, is acting solely as agent in receiving the taxes from the County and payments made at the time of building permit and remitting them to the bond holders. Accordingly, these bonds are not reported as liability in the Town's financial statements. Interest is due on March 1 and September 1 of the year commencing on September 1, 2007. Principal payments are due on March 1 commencing on March 1, 2011. As of April 30, 2025, \$1,731,000 of the 2007-1 bonds are outstanding.

**5. LONG-TERM DEBT (Continued)**

g. Conduit Debt

The Town has issued Industrial Revenue Bonds (IRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Town is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as liability in these financial statements. The original principal issued on the IRBs was \$9,250,000.

h. Asset Retirement Obligation

The Town has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon its water wells at the end of its estimated useful life in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful life of the water wells is 100 years.

**6. RISK MANAGEMENT**

The Town participates in the Illinois Public Risk Fund for workers' compensation insurance and purchases third party insurance for liability insurance. The Town's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The Town is not aware of any additional assessments that may be owed as of April 30, 2025. The Town purchases third party indemnity insurance for employee health. Settled claims have not exceeded coverage for the current or prior two fiscal years.

**7. CONTINGENT LIABILITIES**

a. Grants

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



## 7. CONTINGENT LIABILITIES (Continued)

### b. Litigation

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

## 8. DEFINED BENEFIT PENSION PLAN

The Town contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes (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, Oak Brook, Illinois 60523 or at <https://www.imrf.org/>. As noted above, IMRF is an agent multiple-employer defined benefit pension plan. The Town and Cortland Community Library (the Library) both participate in the plan and, therefore, the plan is treated as a cost-sharing plan.

### Illinois Municipal Retirement Fund

#### *Plan Administration*

All employees 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 (actuarial valuation date), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	12
Active employees	18
	<hr/>
TOTAL	47
	<hr/>

The IMRF data included in the table above includes membership of both the Town and the Library.

## 8. DEFINED BENEFIT PENSION PLAN (Continued)

### Illinois Municipal Retirement Fund (Continued)

#### *Benefits Provided*

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 other requirements are established by state statute.

#### *Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Town is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended April 30, 2025 was 8.23% of covered payroll.

#### *Actuarial Assumptions*

The Town'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%
Interest rate	7.25%
Asset valuation method	Fair value

**8. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

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-2020. For active members, the Pub-2010, Amount Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2021.

*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 Town 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

*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%	4.85-6.25%
Cash Equivalents	1.00%	3.60%
TOTAL	100.00%	

**8. DEFINED BENEFIT PENSION PLAN (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	\$ 4,414,468	\$ 3,745,668	\$ 668,800
Changes for the period			
Service cost	115,533	-	115,533
Interest	316,476	-	316,476
Difference between expected and actual experience	26,064	-	26,064
Changes in assumptions	-	-	-
Employer contributions	-	124,469	(124,469)
Employee contributions	-	61,032	(61,032)
Net investment income	-	368,076	(368,076)
Benefit payments and refunds	(214,101)	(214,101)	-
Other (net transfer)	-	(61,156)	61,156
Net changes	243,972	278,320	(34,348)
BALANCES AT DECEMBER 31, 2024	\$ 4,658,440	\$ 4,023,988	\$ 634,452

The table presented on the prior page includes amounts for both the Town and the Library. The Town's proportionate share of the net pension liability at January 1, 2024, the employer contributions and the net pension liability at December 31, 2024 was \$608,541, \$113,939 and \$580,777, respectively. The Library's proportionate share of the net pension liability at January 1, 2024, the employer contributions and the net pension liability at December 31, 2024 was \$60,259, \$10,530 and \$53,675, respectively.

For the year ended April 30, 2025, the Town and Library recognized pension expense of \$179,952 and \$15,212, respectively.

**8. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

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

At April 30, 2025, the Town 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	\$ 119,362	\$ -
Changes in assumption	-	2,682
Net difference between projected and actual earnings on pension plan investments	86,603	-
Contributions subsequent to measurement date	51,291	-
<b>TOTAL</b>	<b>\$ 257,256</b>	<b>\$ 2,682</b>

The deferred outflows of resources and deferred inflows of resources presented in the table above include amounts for both the Town and the Library. The Town's proportionate share of the deferred outflows of resources and deferred inflows of resources at April 30, 2025 was \$236,872 and \$2,455, respectively. The Library's proportionate share of the deferred outflows of resources and deferred inflows of resources at April 30, 2025 was \$20,384 and \$227, respectively.

\$51,291 reported as deferred outflows of resources related to pensions resulting from the Town and Library contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2026. The Town and Library's proportional share of the contributions subsequent to measurement date was \$48,332 and \$2,959, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense by the Town as follows:

<u>Year Ending April 30,</u>	
2026	\$ 130,339
2027	131,008
2028	(38,111)
2029	(19,953)
2030	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 203,283</b>

**8. DEFINED BENEFIT PENSION PLAN (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 Town calculated using the discount rate of 7.25% as well as what the Town'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 - Town	\$ 1,128,161	\$ 580,777	\$ 139,436
Net pension liability - Library	104,263	53,675	12,886
<b>NET PENSION LIABILITY - TOTAL</b>	<b>\$ 1,232,424</b>	<b>\$ 634,452</b>	<b>\$ 152,322</b>

**9. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Town provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Town and can be amended by the Town through its personnel manual. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The Town's total OPEB liability as of April 30, 2025 is immaterial; and therefore, not recorded by the Town.

The following are the summary results from the Town's actuarial valuation performed as of April 30, 2025

Liabilities	\$ 84,411
Deferred inflows of resources	-
Deferred outflows of resources	-
Total OPEB expense/(income)	(5,437)

**9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

b. Benefits Provided

The Town provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, the employee must qualify for retirement under the Town's retirement plan. The retirees pay 100% of the average employer group cost.

c. Membership

At April 30, 2025, membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees to benefits but not yet receiving them	-
Active employees	17
	<hr/>
TOTAL	17
	<hr/>
Participating employers	1
	<hr/>

**10. RESATEMENTS**

Change in Accounting Principle

For the fiscal year ended April 30, 2025, the Town implemented GASB Statement No. 101, *Compensated Absences*. The implementation of this guidance impacted the beginning accrual balance of compensated absence balances, which resulted in a restatement of beginning net position.

The net effect of the restatements are summarized below:

	Governmental Activities	Business-Type Activities	Water Fund	Sewer Fund
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 15,750,007	\$ 21,153,803	\$ 8,326,557	\$ 12,827,246
Change in accounting principle - GASB 101	(16,985)	(40,008)	(24,004)	(16,004)
Total net restatement	(16,985)	(40,008)	(24,004)	(16,004)
BEGINNING NET POSITION, AS RESTATED	\$ 15,733,022	\$ 21,113,795	\$ 8,302,553	\$ 12,811,242

## **REQUIRED SUPPLEMENTARY INFORMATION**



**TOWN OF CORTLAND, ILLINOIS**

Item 2.

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

For the Year Ended April 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 845,559	\$ 845,559	\$ 857,513
Intergovernmental	1,256,100	1,256,100	1,278,209
Charges for services	30,000	30,000	30,174
Licenses and permits	58,750	58,750	112,545
Fines and forfeitures	8,000	8,000	6,247
Investment income	80,000	80,000	115,574
Miscellaneous	18,800	18,800	37,663
Total revenues	2,297,209	2,297,209	2,437,925
<b>EXPENDITURES</b>			
Current			
General government	609,750	609,750	538,398
Public safety	1,014,659	1,162,534	1,149,146
Highways and streets	598,175	598,175	563,742
Building	324,405	324,405	220,241
Capital outlay	727,345	732,345	241,290
Debt service			
Principal	44,055	44,055	49,569
Interest and fiscal charges	7,264	7,264	16,024
Total expenditures	3,325,653	3,478,528	2,778,410
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,028,444)	(1,181,319)	(340,485)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,227,769	1,232,769	-
Installment contract issuance	-	-	28,698
Total other financing sources (uses)	1,227,769	1,232,769	28,698
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 199,325</u>	<u>\$ 51,450</u>	(311,787)
<b>FUND BALANCE, MAY 1</b>			<u>1,479,567</u>
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 1,167,780</u></u>

(See independent auditor's report.)

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TAX INCREMENT FINANCING FUND**

For the Year Ended April 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 485,000	\$ 485,000	\$ 604,399
Investment income	25,000	25,000	60,148
Total revenues	510,000	510,000	664,547
<b>EXPENDITURES</b>			
Economic development			
Contractual services	509,500	509,500	304,494
Total expenditures	509,500	509,500	304,494
NET CHANGE IN FUND BALANCE	\$ 500	\$ 500	360,053
FUND BALANCE, MAY 1			924,559
FUND BALANCE, APRIL 30			\$ 1,284,612

(See independent auditor's report.)

**TOWN OF CORTLAND, ILLINOIS****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**April 30, 2025

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**BUDGETS AND BUDGETARY ACCOUNTING**

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

1. The budgets are adopted on a basis of accounting consistent with GAAP.
2. The Town, each year prior to April 30 of the fiscal year, must file and pass the budget for the fiscal year ended April 30. This budget can be subsequently amended by a two-thirds vote of the Board of Trustees.
3. The budget basis shown in the applicable budget versus actual statements for proprietary funds differs from the financial statements basis by principal reductions in debt and amounts capitalized as capital assets and depreciation expenses.
4. Budgets are adopted and formal budgetary integration is employed as a control device during the year at the line item level for the General Fund, Special Revenue Funds, Capital Projects Funds (except for the Special Service Area #1 and Special Service Areas #9-10) and Enterprise Funds.
5. All budgets lapse at the end of the year for which the budgets were adopted. During the year, one budget amendment was necessary.

## TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF THE TOWN'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of net pension liability	90.78%	90.78%	90.78%	92.10%	92.10%	92.33%	91.21%	90.99%	90.99%	91.54%
Employer's proportionate share of net pension liability	\$ 499,435	\$ 468,152	\$ 312,724	\$ 588,963	\$ 375,117	\$ 186,992	\$ 15,259	\$ 781,315	\$ 608,541	\$ 580,777
Employer's covered payroll	681,426	740,424	808,412	869,916	965,558	1,050,082	1,066,451	1,189,281	1,173,604	1,246,600
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	73.29%	63.23%	38.68%	67.70%	38.85%	17.81%	1.43%	65.70%	51.85%	46.59%
Plan fiduciary net position as a percentage of the total pension liability	76.01%	78.88%	88.46%	77.79%	86.88%	93.95%	99.56%	79.50%	84.85%	86.38%

(See independent auditor's report.)

## TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 79,250	\$ 89,334	\$ 88,529	\$ 90,052	\$ 96,849	\$ 110,950	\$ 105,791	\$ 106,323	\$ 102,809	\$ 113,939
Contributions in relation to the actuarially determined contribution	79,250	89,334	88,529	90,052	96,849	110,950	105,791	106,323	102,809	113,939
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 681,426	\$ 740,424	\$ 808,412	\$ 892,332	\$ 989,369	\$ 1,068,937	\$ 1,125,450	\$ 1,179,952	\$ 1,185,878	\$ 1,385,123
Contributions as a percentage of covered payroll	11.63%	12.07%	10.95%	10.09%	9.79%	10.38%	9.40%	9.01%	8.67%	8.23%

## 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 at 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 price inflation of 2.25%.

(See independent auditor's report.)

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

## **MAJOR GOVERNMENTAL FUNDS**

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended April 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>TAXES</b>			
Property taxes	\$ 804,859	\$ 804,859	\$ 803,738
Road and bridge tax	18,700	18,700	17,218
Utility taxes	6,000	6,000	6,272
Video gaming tax	16,000	16,000	30,285
Total taxes	845,559	845,559	857,513
<b>INTERGOVERNMENTAL</b>			
Sales and use tax	476,000	476,000	464,615
State income tax	720,000	720,000	764,391
Replacement tax	3,000	3,000	1,836
Grants and contributions	57,100	57,100	47,367
Total intergovernmental	1,256,100	1,256,100	1,278,209
<b>CHARGES FOR SERVICES</b>			
Franchise fees	30,000	30,000	30,174
Total charges for services	30,000	30,000	30,174
<b>LICENSES AND PERMITS</b>			
Building permits	55,000	55,000	96,435
Other	3,750	3,750	16,110
Total licenses and permits	58,750	58,750	112,545
<b>FINES AND FORFEITURES</b>			
Police fines	8,000	8,000	6,247
Total fines and forfeitures	8,000	8,000	6,247
<b>INVESTMENT INCOME</b>	80,000	80,000	115,574
<b>MISCELLANEOUS</b>			
Park development fees	1,000	1,000	800
Other	17,800	17,800	36,863
Total miscellaneous	18,800	18,800	37,663
<b>TOTAL REVENUES</b>	\$ 2,297,209	\$ 2,297,209	\$ 2,437,925

(See independent auditor's report.)



**TOWN OF CORTLAND, ILLINOIS**

*Item 2.*

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended April 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>CURRENT</b>			
General government			
Personnel services			
Salaries - elected officials	\$ 126,525	\$ 126,525	\$ 123,781
Salaries - clerical workers	97,750	97,750	57,094
Payroll taxes	15,900	15,900	14,155
IMRF contribution	15,850	15,850	12,064
Employee health insurance	45,620	45,620	37,853
Total personnel services	301,645	301,645	244,947
Contractual services			
Legal	50,000	50,000	22,283
Audit and accounting	121,430	121,430	126,116
Insurance	23,175	23,175	21,831
Postage	2,500	2,500	1,330
Telephone	16,000	16,000	12,843
Technology upgrades	2,000	2,000	-
Dues and subscriptions	25,000	25,000	25,417
Travel and training	19,500	19,500	6,342
Less reimbursements	(500)	(500)	(1,106)
Total contractual services	259,105	259,105	215,056
Commodities			
Office supplies	5,000	5,000	4,382
Office equipment and maintenance	18,550	18,550	33,630
Copies and printing	750	750	-
Total commodities	24,300	24,300	38,012
Other expenditures	24,700	24,700	40,383
Total general government	609,750	609,750	538,398
Public safety			
Personnel services			
Salaries - police officers	521,800	633,475	629,548
Salaries - special assignment	25,000	42,000	52,466
Salaries - overtime	8,000	8,000	8,000
Salaries - clerical	9,000	12,000	15,376
Payroll taxes	45,200	45,200	53,536
IMRF contribution	48,422	48,422	59,263
Employee health insurance	112,000	112,000	91,316
Uniforms	8,420	8,420	5,703
Total personnel services	777,842	909,517	915,208

(This schedule is continued on the following pages.)

## TOWN OF CORTLAND, ILLINOIS

Item 2.

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2025

	Original Budget	Final Budget	Actual
<b>CURRENT (Continued)</b>			
Public safety (Continued)			
Contractual services			
Legal services	\$ 1,500	\$ 6,800	\$ 6,498
Adjudication	3,500	3,500	2,193
Maintenance and operations - vehicles and equipment	18,500	29,400	38,603
Maintenance and operations - police office	1,500	1,500	1,352
Insurance	39,600	39,600	41,471
Telephone	15,500	15,500	12,610
Telecommunications services	66,570	66,570	55,475
Business forms expense	2,500	2,500	-
Travel and training	8,500	8,500	7,467
Total contractual services	157,670	173,870	165,669
Commodities			
Gas and petroleum	18,000	18,000	16,908
Utilities	2,500	2,500	2,483
Office supplies	1,000	1,000	968
Office equipment and maintenance	4,000	4,000	1,935
Copies and printing	1,500	1,500	783
Postage	150	150	200
Dues and subscriptions	39,450	39,450	17,527
Technology upgrades	4,000	4,000	3,325
DUI prevention	2,000	2,000	437
Total commodities	72,600	72,600	44,566
Other expenditures	6,547	6,547	23,703
Total public safety	1,014,659	1,162,534	1,149,146
Highways and streets			
Personnel services			
Salaries - maintenance and operations	203,500	203,500	241,257
Payroll taxes	17,775	17,775	18,796
IMRF contribution	19,000	19,000	21,300
Employee health insurance	34,500	34,500	36,736
Unemployment benefits	3,500	3,500	-
Uniforms	1,600	1,600	1,404
Drug and alcohol program	800	800	425
Total personnel services	280,675	280,675	319,918
Contractual services			
Maintenance and operation - street lights	5,000	5,000	434
Maintenance and operation - garage	5,000	5,000	8,167
Maintenance and operation - town hall	6,000	6,000	4,775
Maintenance and operation - streets	24,000	24,000	4,105

(This schedule is continued on the following pages.)

## TOWN OF CORTLAND, ILLINOIS

Item 2.

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2025

	Original Budget	Final Budget	Actual
<b>CURRENT (Continued)</b>			
Highways and streets (Continued)			
Contractual services (Continued)			
Maintenance and operation - maintenance vehicles	\$ 40,000	\$ 40,000	\$ 38,315
Maintenance and operation - railroad crossings	1,000	1,000	-
Parks	12,000	12,000	12,609
Street lights	36,500	36,500	28,177
Road salt	35,000	35,000	29,348
Road signs	9,000	9,000	6,703
Tools and hardware	3,000	3,000	2,118
Small equipment purchase	10,000	10,000	1,857
Equipment rental	20,000	20,000	15,084
Office equipment and maintenance	2,000	2,000	1,376
Insurance	44,000	44,000	44,903
Repairs	7,000	7,000	3,067
Forestry	8,000	8,000	7,220
Nuisance mowing	1,000	1,000	-
Telephone	6,000	6,000	3,961
Utilities	8,000	8,000	7,950
Travel and training	2,000	2,000	90
Fees and permits	2,000	2,000	1,180
Miscellaneous	500	500	3,484
Total contractual services	287,000	287,000	224,923
Commodities			
Gas and petroleum	25,000	25,000	18,563
Office supplies	1,000	1,000	188
Total commodities	26,000	26,000	18,751
Other expenditures	4,500	4,500	150
Total highways and streets	598,175	598,175	563,742
Building Department			
Personnel services			
Salaries - code official	40,000	40,000	25,963
Salaries - engineer	140,000	140,000	140,350
Payroll taxes	12,500	12,500	13,011
IMRF contribution	12,800	12,800	12,189
Employee health insurance	1,205	1,205	1,211
Total personnel services	206,505	206,505	192,724
Contractual services			
Engineering: nonreimbursable	40,000	40,000	4,225
Planning/zoning/building	1,500	1,500	8,504
Zoning administration fees	-	-	181

(This schedule is continued on the following page.)

## TOWN OF CORTLAND, ILLINOIS

Item 2.

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2025

	Original Budget	Final Budget	Actual
<b>CURRENT (Continued)</b>			
Building Department (Continued)			
Contractual services (Continued)			
Vehicle and equipment maintenance	\$ 4,000	\$ 4,000	\$ 984
Telephone	2,200	2,200	2,266
Conference and training	6,000	6,000	5,133
Copies and printing	600	600	1,028
Grant reimbursement expenses	52,000	52,000	-
Dues and subscriptions	1,500	1,500	309
Total contractual services	107,800	107,800	22,630
Commodities			
Office supplies	7,000	7,000	2,828
Postage	100	100	-
Gasoline	3,000	3,000	2,059
Total commodities	10,100	10,100	4,887
Total building department	324,405	324,405	220,241
<b>CAPITAL OUTLAY</b>			
Equipment and furniture	533,225	533,225	150,484
Building improvements	-	-	10,845
Airport road improvements	-	-	12,639
Vehicles	55,000	60,000	67,322
Road improvements	39,815	39,815	-
Town Hall	5,000	5,000	-
SSA#4	75,000	75,000	-
McPhillips Park	14,305	14,305	-
Public works facility	5,000	5,000	-
Total capital outlay	727,345	732,345	241,290
<b>DEBT SERVICE</b>			
Principal	44,055	44,055	49,569
Interest and fiscal charges	7,264	7,264	16,024
Total debt service	51,319	51,319	65,593
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,325,653</u>	<u>\$ 3,478,528</u>	<u>\$ 2,778,410</u>

(See independent auditor's report.)

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

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

For the Year Ended April 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Utility taxes	\$ 155,000	\$ 155,000	\$ 155,753
Telecommunications	20,000	20,000	22,110
Non-home rule sales tax	215,000	215,000	251,407
Investment income	40,000	40,000	73,768
Miscellaneous	250	250	-
Total revenues	430,250	430,250	503,038
<b>EXPENDITURES</b>			
Capital outlay			
Community programs	10,000	10,000	-
NPDES permit fee	1,000	1,000	-
Donations - community agencies	3,000	3,000	3,000
Street improvements	25,000	25,000	-
Emergency preparedness	-	-	12,385
Holiday decorations	15,000	15,000	3,842
Sidewalk construction	50,000	50,000	32,560
Total expenditures	104,000	104,000	51,787
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	326,250	326,250	451,251
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(639,544)	(644,544)	-
Total other financing sources (uses)	(639,544)	(644,544)	-
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ (313,294)</u>	<u>\$ (318,294)</u>	451,251
<b>FUND BALANCE, MAY 1</b>			
			<u>1,359,748</u>
<b>FUND BALANCE, APRIL 30</b>			
			<u><u>\$ 1,810,999</u></u>

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**TOWN OF CORTLAND, ILLINOIS**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2025

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Total</u>
	<u>Motor Fuel</u>		<u>Special</u>		<u>Nonmajor</u>
	<u>Tax</u>		<u>Service</u>		<u>Governmental</u>
			<u>Area #1</u>		<u>Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 874,796	\$	15,507	\$	35,684
Due from other governments	15,896		-		15,896
<b>TOTAL ASSETS</b>	<u>\$ 890,692</u>	<u>\$</u>	<u>15,507</u>	<u>\$</u>	<u>35,684</u>
<b>LIABILITIES AND</b>					
<b>FUND BALANCES</b>					
<b>LIABILITIES</b>					
None	\$ -	\$	-	\$	-
<b>FUND BALANCES</b>					
Restricted					
Special service areas	-		15,507		35,684
Highways and streets	890,692		-		890,692
Total fund balances	<u>890,692</u>		<u>15,507</u>		<u>35,684</u>
<b>TOTAL LIABILITIES AND</b>					
<b>FUND BALANCES</b>	<u>\$ 890,692</u>	<u>\$</u>	<u>15,507</u>	<u>\$</u>	<u>35,684</u>

(See independent auditor's report.)

## TOWN OF CORTLAND, ILLINOIS

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

For the Year Ended April 30, 2025

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Total</u>
	<u>Motor Fuel</u>		<u>Special</u>	<u>Special</u>	<u>Nonmajor</u>
	<u>Tax</u>		<u>Service</u>	<u>Service</u>	<u>Governmental</u>
			<u>Area #1</u>	<u>Areas #9</u>	<u>Funds</u>
<b>REVENUES</b>					
Intergovernmental	\$ 198,784	\$ -	\$ -	\$ -	\$ 198,784
Investment income	37,248	360	927		38,535
Miscellaneous	-	21,528	22,000		43,528
Total revenues	236,032	21,888	22,927		280,847
<b>EXPENDITURES</b>					
Current					
General government	-	13,261	4,000		17,261
Total expenditures	-	13,261	4,000		17,261
NET CHANGE IN FUND BALANCES	236,032	8,627	18,927		263,586
FUND BALANCES, MAY 1	654,660	6,880	16,757		678,297
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 890,692</b>	<b>\$ 15,507</b>	<b>\$ 35,684</b>	<b>\$</b>	<b>\$ 941,883</b>

(See independent auditor's report.)



**TOWN OF CORTLAND, ILLINOIS**

Item 2.

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2025

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Motor fuel tax allotments	\$ 178,000	\$ 178,000	\$ 198,784
Investment income	30,000	30,000	37,248
Total revenues	208,000	208,000	236,032
<b>EXPENDITURES</b>			
Highways and streets			
Contractual services	65,000	65,000	-
Commodities	150,000	150,000	-
Total expenditures	215,000	215,000	-
NET CHANGE IN FUND BALANCE	<u>\$ (7,000)</u>	<u>\$ (7,000)</u>	236,032
FUND BALANCE, MAY 1			<u>654,660</u>
FUND BALANCE, APRIL 30			<u>\$ 890,692</u>

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUNDS**

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS  
WATER FUND**

For the Year Ended April 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Customer charges	\$ 525,000	\$ 525,000	\$ 532,406
Permits and hook up fees	85,000	85,000	106,900
Meter sales	5,000	5,000	21,287
Miscellaneous	8,370	8,370	8,658
<b>Total operating revenues</b>	<b>623,370</b>	<b>623,370</b>	<b>669,251</b>
<b>OPERATING EXPENSES</b>			
Operations	676,325	676,325	601,929
<b>Total operating expenses</b>	<b>676,325</b>	<b>676,325</b>	<b>601,929</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(52,955)</b>	<b>(52,955)</b>	<b>67,322</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	50,000	50,000	67,998
<b>Total non-operating revenues (expenses)</b>	<b>50,000</b>	<b>50,000</b>	<b>67,998</b>
<b>CHANGE IN NET POSITION (BUDGETARY BASIS)</b>	<b>\$ (2,955)</b>	<b>\$ (2,955)</b>	<b>135,320</b>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Additions to capital assets			31,213
Depreciation and ARO amortization			(320,903)
<b>CHANGE IN NET POSITION (GAAP BASIS)</b>			<b>(154,370)</b>
<b>NET POSITION, MAY 1, AS REPORTED</b>			<b>8,326,557</b>
Change in accounting principle			(24,004)
<b>NET POSITION, MAY 1, AS RESTATED</b>			<b>8,302,553</b>
<b>NET POSITION, APRIL 30</b>			<b>\$ 8,148,183</b>

(See independent auditor's report.)

**TOWN OF CORTLAND, ILLINOIS**

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL -  
BUDGETARY BASIS  
WATER FUND**

For the Year Ended April 30, 2025

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<hr/>			
<b>OPERATING EXPENSES</b>			
Personnel services	\$ 215,975	\$ 215,975	\$ 196,200
Contractual services	270,350	270,350	288,748
Commodities	70,000	70,000	64,942
Capital outlay	120,000	120,000	52,039
	<hr/>		
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 676,325</b>	<b>\$ 676,325</b>	<b>\$ 601,929</b>
	<hr/> <hr/>		

(See independent auditor's report.)

**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS  
SEWER FUND**

For the Year Ended April 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Customer charges	\$ 560,000	\$ 560,000	\$ 575,169
Permits and hook up fees	50,000	50,000	101,500
Miscellaneous	31,225	31,225	24,050
Total operating revenues	641,225	641,225	700,719
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Operations	441,872	441,872	423,857
Total operating expenses excluding depreciation	441,872	441,872	423,857
<b>OPERATING INCOME</b>	199,353	199,353	276,862
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	95,000	95,000	141,881
Connection fees	18,000	18,000	18,000
Lease/rental income	34,800	34,800	39,055
Intergovernmental	2,547	2,547	-
Interest expense	(11,000)	(11,000)	(10,798)
Debt service - principal	(48,000)	(48,000)	(50,058)
Total non-operating revenues (expenses)	91,347	91,347	138,080
<b>CHANGE IN NET POSITION (BUDGETARY BASIS)</b>	<u>\$ 290,700</u>	<u>\$ 290,700</u>	414,942
<b>ADJUSTMENTS TO BUDGETARY BASIS</b>			
Additions to capital assets			31,214
Depreciation			(418,695)
Debt service - principal			50,058
<b>CHANGE IN NET POSITION (GAAP BASIS)</b>			<u>77,519</u>
<b>NET POSITION, MAY 1, AS REPORTED</b>			12,827,246
Change in accounting principle			(16,004)
<b>NET POSITION, MAY 1, AS RESTATED</b>			<u>12,811,242</u>
<b>NET POSITION, APRIL 30</b>			<u>\$ 12,888,761</u>

(See independent auditor's report.)

## TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL -  
BUDGETARY BASIS  
SEWER FUND

For the Year Ended April 30, 2025

---

	Original Budget		Final Budget		Actual
<b>OPERATING EXPENSES</b>					
Personnel services	\$ 145,775	\$	145,775	\$	130,763
Contractual services	186,850		186,850		184,690
Commodities	63,200		63,200		49,824
Other	3,047		3,047		559
Capital outlay	43,000		43,000		58,021
	<hr/>				
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 441,872</b>	<b>\$</b>	<b>441,872</b>	<b>\$</b>	<b>423,857</b>
	<hr/>				

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**TOWN OF CORTLAND, ILLINOIS****COMBINING STATEMENT OF NET POSITION  
CUSTODIAL FUNDS - SPECIAL SERVICE AREA FUNDS**

April 30, 2025

	<b>Special Service Area #1</b>	<b>Special Service Area #9-10</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 458,702	\$ 228,910	\$ 687,612
Total assets	458,702	228,910	687,612
<b>LIABILITIES</b>			
None	-	-	-
Total liabilities	-	-	-
<b>NET POSITION</b>			
Restricted for debt service	\$ 458,702	\$ 228,910	\$ 687,612



**TOWN OF CORTLAND, ILLINOIS**

Item 2.

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
CUSTODIAL FUNDS - SPECIAL SERVICE AREA FUNDS**

For the Year Ended April 30, 2025

	<b>Special Service Area #1</b>	<b>Special Service Area #9-10</b>	<b>Total Custodial Funds</b>
<b>ADDITIONS</b>			
Contributions			
Property owner	\$ 422,079	\$ 207,940	\$ 630,019
Investment earnings			
Interest	28,894	15,045	43,939
 Total additions	 450,973	 222,985	 673,958
<b>DEDUCTIONS</b>			
Contractual services			
Accounting and financial services	1,807	-	1,807
Transfers to Capital Projects	21,528	22,000	43,528
Debt service			
Principal retirement	319,000	81,000	400,000
Interest	105,724	102,950	208,674
 Total deductions	 448,059	 205,950	 654,009
 CHANGE IN NET POSITION	 2,914	 17,035	 19,949
 NET POSITION, MAY 1	 455,788	 211,875	 667,663
 <b>NET POSITION, APRIL 30</b>	 \$ 458,702	 \$ 228,910	 \$ 687,612

(See independent auditor's report.)

**SUPPLEMENTAL DATA (UNAUDITED)**

**TOWN OF CORTLAND, ILLINOIS***Item 2.***LONG-TERM DEBT REQUIREMENTS  
BUILDING NOTE PAYABLE OF 2020**

April 30, 2025

---

Date of Issue	September 25, 2020
Date of Maturity	June 30, 2030
Authorized Issue	\$441,509
Interest Rate	2.98%
Interest Date	June 30 and December 30
Principal Maturity Date	June 30 and December 30
Payable at	Resource Bank N.A., Cortland IL

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 43,684	\$ 7,443	\$ 51,127
2027	45,014	6,114	51,128
2028	46,385	4,743	51,128
2029	47,787	3,341	51,128
2030	49,252	1,878	51,130
2031	23,426	377	25,263
	<u>\$ 255,548</u>	<u>\$ 23,896</u>	<u>\$ 280,904</u>

(See independent auditor's report.)

**TOWN OF CORTLAND, ILLINOIS****LONG-TERM DEBT REQUIREMENTS  
IEPA LOAN PAYABLE**

April 30, 2025

---

Date of Issue	November 28, 2013
Date of Maturity	September 25, 2034
Disbursements plus capitalized interest	\$986,512
Interest Rate	1.93%
Interest Date	March 25 and September 25
Principal Maturity Date	March 25 and September 25
Payable at	IEPA

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 51,029	\$ 9,918	\$ 60,947
2027	52,018	8,928	60,946
2028	53,027	7,919	60,946
2029	54,056	6,891	60,947
2030	55,104	5,843	60,947
2031	56,173	4,774	60,947
2032	57,262	3,685	60,947
2033	58,372	2,574	60,946
2034	59,504	1,442	60,946
2035	29,925	290	30,215
	<u>\$ 526,470</u>	<u>\$ 52,264</u>	<u>\$ 578,734</u>

(See independent auditor's report.)

## TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES,  
TAX EXTENSIONS AND TAX COLLECTIONS

Last Ten Levy Years

	2024	2023*	2022	2021*	2020	2019	2018	2017*	2016	2015
<b>ASSESSED VALUATIONS</b>										
DeKalb County	\$ 104,874,093	\$ 92,990,574	\$ 84,861,520	\$ 78,262,644	\$ 74,530,933	\$ 72,062,180	\$ 67,936,779	\$ 63,554,345	\$ 58,341,017	\$ 55,621,683
<b>TAX RATES</b>										
Town										
Corporate	0.4935	0.5418	0.5905	0.6184	0.6451	0.6800	0.7065	0.7410	0.7970	0.8288
IMRF	0.0524	0.0591	0.0648	0.0716	0.0764	0.0805	0.0839	0.0905	0.0968	0.1025
Social Security	0.0496	0.0559	0.0613	0.0664	0.0698	0.0735	0.0765	0.0826	0.0891	0.0935
Police protection	0.2129	0.2086	0.1768	0.1584	0.1656	0.1311	0.1222	0.1215	0.1286	0.1313
Total tax rates	0.8084	0.8654	0.8934	0.9148	0.9569	0.9651	0.9891	1.0356	1.1115	1.1561
<b>TAX EXTENSIONS</b>										
Town										
Corporate	\$ 517,543	\$ 503,860	\$ 500,183	\$ 484,008	\$ 472,705	\$ 480,763	\$ 475,388	\$ 464,684	\$ 455,964	\$ 451,492
IMRF	55,006	55,004	54,914	56,005	55,973	56,915	56,462	56,735	55,412	55,827
Social Security	52,007	52,000	51,910	52,006	51,143	52,007	51,510	51,803	51,002	50,933
Police protection	223,287	194,006	149,730	124,007	121,381	92,730	82,210	76,176	73,551	71,502
Total tax extensions	\$ 847,843	\$ 804,870	\$ 756,737	\$ 716,026	\$ 701,202	\$ 682,415	\$ 665,570	\$ 649,398	\$ 635,929	\$ 629,754
<b>TAX COLLECTIONS</b>										
Town										
Corporate	\$ -	\$ 519,412	\$ 499,403	\$ 489,623	\$ 471,568	\$ 479,486	\$ 472,462	\$ 483,333	\$ 450,976	\$ 444,481
IMRF	-	54,927	54,827	56,411	55,838	56,764	56,115	59,012	54,806	54,961
Social Security	-	51,927	51,828	52,383	51,020	51,870	51,193	53,882	50,443	50,142
Police protection	-	193,733	149,493	124,906	121,089	92,483	81,705	79,234	72,745	70,391
Total tax collections	\$ -	\$ 819,999	\$ 755,551	\$ 723,323	\$ 699,515	\$ 680,603	\$ 661,475	\$ 675,461	\$ 628,970	\$ 619,975
<b>PERCENTAGE OF EXTENSIONS COLLECTED AS OF APRIL 30</b>										
	0.00%	101.88%	99.84%	101.02%	99.76%	99.73%	99.38%	104.01%	98.91%	98.45%

\*Collections exceeded tax extensions due to the collection of back taxes.

(See independent auditor's report.)

**TOWN OF CORTLAND, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

April 30, 2025

---

<b>ASSESSED VALUATION - 2024</b>	<u>\$ 104,874,093</u>
<b>STATUTORY DEBT LIMITATION</b>	
(8.625% of assessed valuation)	<u>\$ 9,045,391</u>
<b>AMOUNT OF DEBT APPLICABLE TO LIMIT</b>	
Building Note Payable of 2020	<u>255,548</u>
Total debt	<u>255,548</u>
<b>LEGAL DEBT MARGIN</b>	<u>\$ 8,789,843</u>

**TOWN OF CORTLAND  
CORTLAND, ILLINOIS**

---

**AUDITOR'S COMMUNICATION TO THE  
BOARD OF TRUSTEES**

**For the Year Ended April 30, 2025**

The background of the lower half of the page features a grayscale photograph of a modern building with a glass facade, overlaid with a complex geometric pattern of overlapping triangles and lines. An orange rectangular box is positioned in the bottom right corner of this section.

**SIKICH.COM**

**TOWN OF CORTLAND, ILLINOIS**  
**AUDITOR’S COMMUNICATION TO THE BOARD OF TRUSTEES**  
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---

Item 2.

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

**SIKICH.COM**

September 5, 2025

Honorable Mayor  
Members of the Board of Trustees  
Town of Cortland  
59 S. Somonauk Road  
P.O. Box 519  
Cortland, Illinois 60112-0519

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 auditing 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 on May 13, 2025.

In addition, auditing standards require the communication of internal control related matters to management. Our communication of these matters is enclosed within this document.

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

Sincerely,



Sikich CPA LLC  
By: Brian D. LeFevre, CPA, MBA  
Principal

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

**SIKICH.COM**

September 5, 2025

The Honorable Mayor  
Members of the Board of Trustees  
Town of Cortland  
Cortland, 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 Town of Cortland, Cortland, Illinois (the Town) for the year ended April 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted 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 March 21, 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 Town 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, except for the implementation of GASB Statement No. 101, *Compensated Absences*. We noted no transactions entered into by the Town 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 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 particularly sensitive estimates made by management during our audit of the basic financial statements except for the actuarial assumptions used by the actuary in determining the total pension liability. Management's estimate of the Town's total pension liability is based on various actuarially determined amounts, including estimated investments returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop management's estimates of the Town's total pension liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive disclosures affecting the financial statements. 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, except for AJE 01.

**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 September 5, 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 Town'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 Town'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 applied certain limited procedures to the required supplementary information as listed in the table of contents which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules and supplemental information, which accompany the financial statements but are not RSI. 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 financial statements themselves.

We were not engaged to report on the supplemental data, which accompany the financial statements but are not RSI. 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.

## Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the Town of Cortland and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A stylized, handwritten signature in black ink that reads "Sikich CPA LLC". The letters are cursive and slanted to the right.

Sikich CPA LLC  
By: Brian D. LeFevre, CPA, MBA  
Principal

**TOWN OF CORTLAND-00****Year End: April 30, 2025****Adjusting Journal Entries - Town****Date: 5/1/2024 To 4/30/2025****Account No: AJE 01 To AJE 02**

Number	Date	Name	Account No	Debit	Credit
AJE 01	4/30/2025	ACCOUNTS RECEIVABLE	01-1300 GEF-01	41,193.64	
AJE 01	4/30/2025	UNEARNED REVENUE	01-2000 GEF-01		-41,193.64
AJE 01	4/30/2025	ACCOUNTS RECEIVABLE	03-1300 CIF-03	23,315.82	
AJE 01	4/30/2025	UNEARNED REVENUE	03-2000 CIF-03		-23,315.82
To record the additional receivable and unearned revenue for April.					
AJE 02	4/30/2025	VEHICLES	50-1540 GFA50		-21,186.83
AJE 02	4/30/2025	VEHICLES	50-1540 GFA50		-31,101.00
AJE 02	4/30/2025	ACCUM DEPR - VEHICLES	50-1541 GFA50	21,186.83	
AJE 02	4/30/2025	ACCUM DEPR - VEHICLES	50-1541 GFA50	31,101.00	
Entry to dispose of older vehicles as brought up by Sikich.					

**Town of Cortland****Governmental Activities**

(CLIENT)

(OPINION UNIT)

For the Year Ended

April 30, 2025

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
Current Effect of Prior Period OPEB Passed AJE that have carried forward to Current Period		\$ -	\$ (75,652)	\$ 75,652	\$ -
Change in OPEB liability	4167	-	4,578	-	(4,578)
Entry to record GASB 96 activity	4219	20,769	(20,872)	-	103
Totals		\$ 20,769	\$ (91,946)	\$ 75,652	\$ (4,475)

	Town of Cortland			Water Fund	
	(CLIENT)			(FUND OR FUND TYPE)	
	For the Year Ended	<u>April 30, 2025</u>			
	All entries posted as Debit (Credit)				
Description	Workpaper Reference	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
Current Effect of Prior Period OPEB Passed AJE's that have carried forward to Current Period		\$ -	\$ (8,518)	\$ 8,518	\$ -
Current Effect of Prior Period GASB 87 Passed AJE's that have carried forward to Current Period		3,561	(3,497)	(64)	-
Change in OPEB liability	4167	-	516	-	(516)
Entry to record current year GASB 87 lessor activity	4214	(3,561)	3,496	-	65
Totals		\$ -	\$ (8,003)	\$ 8,454	\$ (451)

**Town of Cortland****Sewer Fund**

(CLIENT)

(FUND OR FUND TYPE)

For the Year Ended

April 30, 2025

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
Current Effect of Prior Period Passed OPEB AJE's that have carried forward to Current Period		\$ -	\$ (5,678)	\$ 5,678	\$ -
Change in OPEB liability	4167	-	343	-	(343)
Totals		\$ -	\$ (5,335)	\$ 5,678	\$ (343)



**TOWN OF CORTLAND, ILLINOIS**  
**COMMUNICATION OF DEFICIENCIES**  
**IN INTERNAL CONTROL AND**  
**OTHER COMMENTS TO MANAGEMENT**  
  
For the Year Ended April 30, 2025

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

**SIKICH.COM**

The Honorable Mayor  
Members of the Board of Trustees  
Town of Cortland  
Cortland, 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 Town's financial statements will not be prevented, or detected and corrected, on a timely basis.

We have communicated the significant deficiency identified during our audit to the Board of Trustees in our separate correspondence titled "Management Letter."

During our audit, we also identify certain matters which we communicate only to management. While many of these matters are operational in nature, they may include internal control deficiencies that do not meet the definition of a significant deficiency or material weakness. We have chosen to communicate these matters in this communication.

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  
September 5, 2025

## OTHER COMMENTS

### Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that may affect the Town in the future:

GASB Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's 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. 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. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this Statement are effective for the fiscal year ended 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 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. This Statement is effective for the fiscal year ended April 30, 2027.

**OTHER COMMENTS (Continued)****Future Accounting Pronouncements (Continued)**

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.

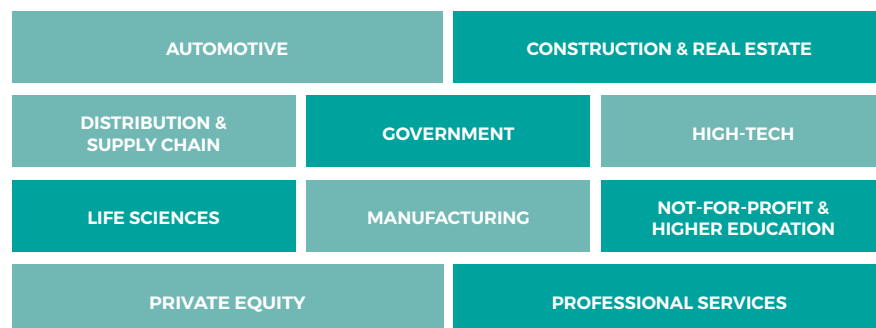


## Sikich is a global company specializing in technology-enabled professional services.

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

*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.*

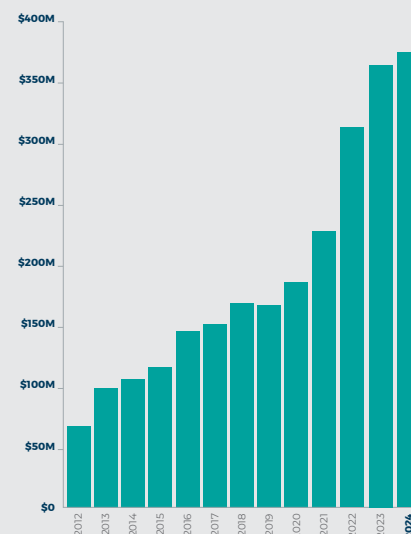
*"Sikich" is the brand name under which Sikich CPA LLC and Sikich LLC provide professional services. The entities under the Sikich brand are independently owned and are not liable for the services provided by any other entity providing services under the Sikich brand. The use of the terms "our company",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

## WHO WE ARE

TOTAL PERSONNEL .....1,900+

2024 REVENUE .....\$375M



## OFFICE LOCATIONS

Ahmedabad, GJ  
 Alexandria, VA  
 703.836.1350  
 703.836.6701  
 Bangalore, KA  
 Boston, MA  
 508.485.5588  
 Chattanooga, TN  
 423.954.3007  
 Chicago, IL  
 312.648.6666  
 Cleveland, OH  
 330.864.6661  
 Coimbatore, TN  
 Decatur, IL  
 217.423.6000  
 Indianapolis, IN  
 317.842.4466

Los Angeles, CA\*  
 877.279.1900  
 Sacramento, CA\*  
 925.577.5144  
 Milwaukee, WI  
 262.754.9400  
 Naperville, IL  
 630.566.8400  
 Peoria, IL  
 309.694.4251  
 Princeton, NJ  
 609.285.5000  
 Springfield, IL  
 217.793.3363  
 St. Louis, MO  
 314.275.7277

*\*Perform only Technology and Advisory services*

## 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**.



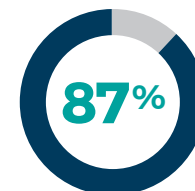
Sikich ranks on the **Redmond Channel Partner Magazine's top 350 Microsoft partners in the U.S.**, **CRN's Top 500 Managed Service Providers**, **CRN's Top 500 Solution Providers** and **Channel Futures' MSP 501**.



## 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.



**A Division of Curran Contracting Company**

2220 County Farm Road, DeKalb, IL 60115

Phone (815) 756-9394 / Fax (815) 758-0929

**Date: Friday, September 5, 2025****Proposal # 90-25-0847****Submitted To:**Brandy Williams  
Town Of Cortland  
59 S Somonauk Rd  
Cortland, IL 60112**Contact Information:**

Phone: (815) 756-9041

Mobile:

E-mail: engineering@cortlandil.org

**Site Description:** # S123076Cortland Halwood Paving  
236 S. Halwood St.  
Cortland, IL 60112

Site Contact: Brandy Williams

Site Phone:

Site Email:

**Prepared By:**

Josh Taylor

**Contact Information:**

Mobile: 224-227-5331

Office: (815) 756-9394

E-mail: jtaylor@currancontracting.com

**Project Manager:**

Jeff Ricker

Mobile: 224-828-4789

Email: jricker@currancontracting.com

Qty	Proposed Service(s) & Description(s)	Depth	
4,240 Sq. Ft.	Gravel Shape And Pave <i>Fine grade and compact existing gravel base. Extra gravel required for grade corrections to be billed at \$25.00 per ton furnished and installed. Pave area with a 3" (Compacted) layer of hot asphalt mixture.</i>  <i>Exclusions: Any permits, if required. Any traffic control devices. We have flagging included for our work only. Any landscape restoration. Any excavation or undercutting of soft areas (base repairs). Repairs to any unmarked lines(site electrical, irrigation, etc). No specialty hours included (i.e. night work, holidays, weekends, etc.). Additional gravel, if needed. Any structure adjustments, if needed.</i>	3"	\$11,830.00

**PAYMENT TERMS** 0% Down, Balance Upon Completion**Payment Note: 3% to be added for credit card payments**Project Total: **\$11,830.00**This proposal may be withdrawn at our option if not accepted within **30** days of Sep 5, 2025

Pavement Consultant Josh Taylor

Client's Authorized Signature

**ACCEPTANCE OF PROPOSAL** – I have read and understand the above price, payment terms, scope of work, exclusions, and terms and conditions, and they are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

# TERMS, CONDITIONS & GUARANTEE

Item 5.

Royer

1 **Extras**. Royer shall not be required to perform any alterations, extras, or additions in work (collectively, "Extras") unless Royer (i) agrees in writing to perform such Extras and to the price to be paid for such Extras, and (ii) receives a signed change order setting forth such terms. Any such change order is subject to these Terms and Conditions

2 **Permits**. Customer shall obtain all building and construction permits. Royer shall not be responsible for any permit relating to the work to be performed under this Proposal.

3 **Retention**. There shall be no retention unless specified in writing by the parties.

4 **Material**. All material removed from the job location by Royer under this Proposal shall be the property of Royer.

5 **Force Majeure**. Royer shall not be liable for any loss, damage, or delay due to transportation problems, accident, fire, strike, riots, civil or military authority, insurrection, acts of God (including weather) or any cause beyond its reasonable control.

6 **Default: Attorneys' Fees**. In the event of a Customer default or refusal to pay, Royer shall be entitled to all expenses of collection, including attorneys' fees and court costs.

7 **Governing Law; Venue**. This Proposal shall be governed by and construed in accordance with the laws of the State of Illinois. Customer consents to the jurisdiction of the State courts of Illinois with venue in McHenry County, Illinois for all matters associated with this Proposal.

8 **Warranty; Warranty Disclaimer; Limitation of Liability**. Royer warrants to Customer that the work will be free from defects in workmanship and materials for a period of one (1) year from the date of substantial completion of the work. The obligation of Royer, and Customer's **SOLE AND EXCLUSIVE REMEDY** hereunder, shall be limited to the repair or replacement of the defective work, at Royer's sole option. Royer reserves the right to employ production and construction methods to better meet completed project objectives. Final in-place material specifications will be met as required by product descriptions contained in this Proposal. Cracks, depressions, or other damage resulting from extreme temperature fluctuations, excessive weight from large heavy vehicles, or other causes beyond Royer's reasonable control are not considered defects in workmanship and materials for purposes of this warranty and are specifically excluded from coverage under the terms of this warranty. **OTHER THAN THE WARRANTIES SET FORTH ABOVE, ROYER DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, WITH RESPECT TO THE WORK TO BE PERFORMED UNDER THIS PROPOSAL.** Royer shall not be liable for any damage to the work performed under this Proposal caused by the intentional or negligent conduct of Customer or any third-party, including, but not limited to, damage arising out of improper or faulty site-preparation work. In no event shall Royer's liability under this Proposal exceed the amount paid to Royer in connection with such work; nor shall Royer be responsible for any special, incidental or consequential damages. Royer shall not be liable for any errors or omissions contained in any plans or specifications provided by Customer or any third party. Notwithstanding any law, ordinance or regulation to the contrary, Customer agrees not to institute or maintain any claim, action, or proceeding against Royer with respect to this Proposal or the work performed or materials provided under this Proposal, more than twelve (12) months after substantial completion of the work.





☐ Elk Grove Village, IL  
(847) 678-3633

☐ Mokena, IL  
(708) 596-8050

☐ Wauconda, IL  
(847) 526-4255

☐ Yorkville, IL  
(630) 553-0150

☒ DeKalb, IL  
(815) 748-4228

☐ Merrillville, IN  
(219) 381-3006

☐ West Chicago, IL  
(630) 293-0606

# RENTAL AGREEMENT

RJA # **100288**

DATE: **8/6/2025**

CUSTOMER #: <b>514547</b>	PO #:	DATE / TIME REQUIRED: <b>11/1/25</b>	SALESMAN: <b>Will</b>
CUSTOMER / COMPANY: <b>town of Cortland</b>		SHIP VIA:	CREDIT APPROVAL:
CUSTOMER ADDRESS (BILLING): <b>Planning @ Cortland il. 0-9</b>		DELIVERY LOCATION (ADDRESS):	
ATTN:	PHONE: <b>815-751-5512</b>	ATTN:	PHONE:

Atlas No.	Make	Model	Serial No.	Description / Accessories
	<b>Bobcat</b>	<b>L85</b>		
	<b>Bobcat</b>	<b>L Bucket</b>		

PICKUP DATE	PICKUP TIME	DATE OUT	TIME OUT	CHARGES			
				RATES SUBJECT TO CHANGE UPON WRITTEN NOTICE			
CALL DATE		DATE IN	TIME IN		RATE	AMOUNT	TOTAL
				DAY (8 HRS)	\$ /DAY		\$
REQUESTED BY		ENDING RENTAL DATE		WEEK (40 HRS)	\$ /WEEK		\$
<b>Travis Lanning</b>		<b>Feb 28 2026</b>		MONTH (4 WEEKS)	<b>\$ 2,800</b> /MONTH		\$
CHECKLIST		CHECK OUT	CHECK IN	OVERTIME (HOURLY)	\$ /HOUR		\$
General Appearance				FUEL	\$ /GAL		\$
Physical Damage				MISC.	\$ /		\$
Oil, Fuel & Coolant Levels				<input type="checkbox"/> DELIVERY CARTAGE	\$ /HOUR		\$
Engine / Motor Operations				<input type="checkbox"/> PICK UP CARTAGE	\$ /HOUR		\$
Machine Operations						GRAND TOTAL:	\$
Tire/Track Condition				COMMENTS OUT		COMMENTS IN	
Tires # Qty.				<b>SNOW lease</b>			
Bucket				<b>NOV 1 - Delivery</b>			
Hydraulic Boom				<b>Min - 4 months</b>			
Fuel Tank				<b>Max 160 HOURS</b>			
Misc.				<b>Overtime 45 / Hour</b>			
HOUR METER READING							
RENTAL RATES DO NOT INCLUDE FUEL CHARGES, CLEANING FEES, TIRE OR BATTERY MAINTENANCE.							

CUSTOMER ACKNOWLEDGES THAT PRIOR TO SIGNING THIS CONTRACT, HE/SHE HAS BEEN PROPERLY INSTRUCTED AS TO THE PROPER USE AND CARE OF THIS EQUIPMENT AND CERTIFIES THAT 50% OR MORE OF THE USE OF THE EQUIPMENT WILL (NOT) TAKE PLACE IN THE CITY OF CHICAGO.

The above described equipment has been received in good repair and operating condition and is accepted by LESSEE, subject to the terms of a written Rental Agreement between LESSEE and LESSOR or, if there is no such written Rental Agreement, then subject to the terms and conditions on the reverse side hereof, which are hereby made a part thereof by reference as if fully set forth herein.

CUSTOMER IS RESPONSIBLE FOR MINIMUM INSURANCE COVERAGE FOR THEFT, DAMAGE AND ON ITEM #8 (ON THE REVERSE SIDE HEREOF): BODILY INJURY: \$100,000 / 300,000; PROPERTY DAMAGE: \$100,000. WS

EQUIPMENT INSURANCE VALUE: \$ **140,000**

Agent's Signature \_\_\_\_\_ Date \_\_\_\_\_ Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

OFFICE COPY





# Town of Cortland

## Agenda Request

Item 7.

(SUBMIT FORM TO THE TOWN CLERK NO LATER THAN ONE WEEK BEFORE THE SCHEDULED MEETING)

**ALL REQUESTS ARE SUBJECT TO THE APPROVAL OF THE MAYOR**

☐ RESOLUTION ☒ ORDINANCE ☐ INFORMATION ☐ OTHER

**DATE PREPARED:** 9-3-2025

**FOR MEETING ON:** 9-8-2025

**DESCRIPTION/TITLE:**

Amend/update 1-8-4 Mowing Private Property Fee

**REQUIRED ACTION:**

Update 1-8-4 mowing private property: Fees are currently \$125.00 for each hour or fraction thereof of actual mowing time. This current fee doesn't cover labor, mobilization, or actual wear and tear of machinery used.

**STAFF/COMMITTEE RECOMMENDATION:**

Increase the fee to more accurately cover the expense of mowing private property to \$200.00 per hour with a minimum of one hour. The old rate hasn't been updated in 21 years.

**STATEMENT OF CONCERN/SUMMARY:**

**AGENDA PLACEMENT:**

☐ BOARD REVIEW OF PENDING BUSINESS ☒ NEW BUSINESS ☐ CONCERNS ☐ STAFF REPORTS  
☐ COMMITTEE OF THE WHOLE ☐ PRESIDENT'S REPORT ☐ CONSENT AGENDA ☐ UNFINISHED BUSINESS  
☐ PUBLIC HEARING

Prepared by: Joel Summerhill

Approved by:

Date 9-3-2025

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**TOWN OF CORTLAND  
COUNTY OF DEKALB  
STATE OF ILLINOIS**

**ORDINANCE NO. 2025-XX**

**AN ORDINANCE ALLOWING DOMESTICATED HENS AND BACKYARD  
COOPS/ENCLOSURES SUBJECT TO CERTAIN REGULATIONS**

**ADOPTED BY THE MAYOR AND BOARD OF TRUSTEES OF THE TOWN  
OF CORTLAND, DE KALB COUNTY, ILLINOIS ON THE  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2025.**

## ORDINANCE NO. 2025-XX

### TOWN OF CORTLAND, ILLINOIS

#### AN ORDINANCE ALLOWING DOMESTICATED HENS AND BACKYARD COOPS/ENCLOSURES SUBJECT TO CERTAIN REGULATIONS

**WHEREAS**, the Town of Cortland (the “Town”) is a non home-rule municipality created in accordance with the Constitution of the State of Illinois of 1970 and the laws of the State; and

**WHEREAS**, pursuant to Sections 11-5-3, 11-5-6, and 11-20-9 of the Illinois Municipal Code (65 ILCS 5/11-5-3, 5/11-5-6, and 5/11-20-9), the Town of Cortland has the power to regulate the keeping of animals including domesticated hens within the Town; and

**WHEREAS**, the Mayor and Town Board deem it appropriate to modify the provisions of Title 5, “Police Regulations” of the Cortland Municipal Code in order to allow and regulate the keeping of domesticated hens within backyard coops/enclosures in furtherance of the health, safety, and welfare of the citizens of the Town of Cortland;

**THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE BOARD OF TRUSTEES OF THE TOWN OF CORTLAND, DE KALB COUNTY, ILLINOIS, THAT:**

**SECTION ONE:** That Title 4, “Public Health and Safety” shall be amended by modifying the current subsection M of Section 4-2-1 to provide as follows (strikeout below to be deleted):

#### **4-2-1: Nuisances Enumerated**

- M. *Keeping Animals or Fowl.* To keep or suffer any swine, goats, ~~chickens~~, ducks, and geese in any enclosure or pen within the town unless within an agricultural zoning district, or to keep house or pasture within the town any swine, sheep, goats, ~~chickens~~, ducks or geese so as to be offensive to those residing in the vicinity.

#### **SECTION TWO:**

That Title 5, “Police Regulations” shall be amended by adding a new Article B as follows:

#### **CHAPTER 1, ARTICLE B– DOMESTICATED HENS**

##### **5-1B-1: Definitions**

- Coop: An enclosed structure with a roof for housing hens.

- Domesticated Hen: A female chicken (*Gallus gallus domesticus*) kept on residential property as permitted.
- Rooster: A male chicken (*Gallus gallus domesticus*); prohibited within town limits.
- Slaughtering: Killing of hens for any purpose (except for humane reasons); prohibited.

#### **5-1B-2: Keeping of Domesticated Hens**

- A. Hens may only be kept in accordance with the provisions of this Article.
- B. The keeping of hens must avoid nuisances and unhealthy conditions.
- C. No keeping of hens shall unreasonably interfere with the use of neighboring properties.

#### **5-1B-3: Restrictions**

- A. Only lots zoned and used for single-family purposes that are 11,000 square feet or larger may have hens.
- B. No more than six (6) hens per lot shall be permitted.
- C. Roosters are prohibited.
- D. Coops must be in rear yards and at least thirty (30) feet distant from neighboring dwellings and not less than ten (10) feet from property lines.
- E. Slaughtering is prohibited.

#### **5-1B-4: Coop and Fence Requirements**

- A. A chicken coop up to one hundred and forty-four (144) square feet and an outside run of at least thirty-two (32) square feet is required.
- B. No electric connection made via extension cords shall be allowed.
- C. Hens must be confined within the coop at all times.
- D. A privacy or solid fence must enclose the yard.

#### **5-1B-5: Sanitation**

- A. Coops must be rodent-free, clean, and sanitary.
- B. Feed must be stored in sealed containers.
- C. Waste must not cause detectable odors on adjacent lots.
- D. Noise from hens must not disturb neighboring residents.

#### **5-1B-6: Permit Required**

- A. A permit application must be submitted to the Town of Cortland, which shall include:
  1. Owner's permission (if tenant).
  2. A yearly \$50 non-refundable permit fee (permitted properties are subject to inspection during reasonable hours [8 AM to 8 PM] by the Town).

- B. In the event that excessive complaints are made regarding a permit holder and revocation or suspension is recommended by the Town of Cortland Police Department, the Mayor may summarily revoke or suspend such permit in his or her sole discretion.

#### **5-1B-7: Enforcement and Compliance**

Complaints will be investigated by the Town of Cortland Police Department. Violations may result in citations and fines through the administrative adjudication process or any other process permitted by law.

**SECTION THREE:** Effective Date. This Ordinance shall be in full force and effect after its passage and publication as provided by law.

**PASSED and APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2025

**AYES:**

**NAYS:**

**ABSENT:**

**APPROVED:** \_\_\_\_\_, Date \_\_\_\_/ \_\_\_\_ / 2025  
Mayor, Town of Cortland

**ATTEST:** \_\_\_\_\_, Date: \_\_\_\_/ \_\_\_\_ / 2025  
Town Clerk, Town of Cortland