

VILLAGE OF CRESTON, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2025

VILLAGE OF CRESTON, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Village President and Board of Trustees
Village of Creston
Creston, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Creston, Illinois, as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Creston, Illinois, as of April 30, 2025, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Creston, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Supplementary Information

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

Newkirk & Associates, Inc.

Plano, Illinois

November 19, 2025

BASIC FINANCIAL STATEMENTS

VILLAGE OF CRESTON, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2025

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and investments	\$ 6,370,198	\$ 565,448	\$ 6,935,646
Interfund balances	(12,083)	12,083	-
Capital assets (net of accumulated depreciation)	167,051	1,000,574	1,167,625
Total assets	\$ 6,525,166	\$ 1,578,105	\$ 8,103,271
LIABILITIES			
Payroll liabilities	\$ 1,788	\$ 593	\$ 2,381
Other payables	58,750	7,925	66,675
Total liabilities	60,538	8,518	69,056
NET POSITION			
Net investment in capital assets	167,051	1,000,574	1,167,625
Restricted for			
Capital improvements	-	-	-
Highways and streets	54,121	-	54,121
Unrestricted	6,243,456	569,013	6,812,469
Total net position	6,464,628	1,569,587	8,034,215
TOTAL LIABILITIES AND NET POSITION	\$ 6,525,166	\$ 1,578,105	\$ 8,103,271

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 For the Year Ended April 30, 2025

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 168,060	\$ 74,203	\$ -	\$ -
Highways and streets	70,076	-	-	-
Culture and recreation	3,717	-	-	-
Total governmental activities	241,853	74,203	-	-
Business-Type Activities				
Utilities	353,295	266,320	-	-
Total business-type activities	353,295	266,320	-	-
TOTAL PRIMARY GOVERNMENT	\$ 595,148	\$ 340,523	\$ -	\$ -

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS (Continued)
For the Year Ended April 30, 2025

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (93,857)	\$ -	\$ (93,857)
	(70,076)	-	(70,076)
	(3,717)	-	(3,717)
	<u>(167,650)</u>	<u>-</u>	<u>(167,650)</u>
	-	(86,975)	(86,975)
	-	(86,975)	(86,975)
	<u>(167,650)</u>	<u>(86,975)</u>	<u>(254,625)</u>
General Revenues			
Taxes			
Property taxes	28,697	-	28,697
Replacement tax	1,120	-	1,120
Sales tax	76,809	-	76,809
Local use tax	20,979	-	20,979
Cannabis tax	985	-	985
Video gaming tax	14,179	-	14,179
Telecommunications tax	10,342	-	10,342
Motor fuel tax	28,329	-	28,329
Income taxes	108,976	-	108,976
Intergovernmental	-	-	-
Investment income	170,205	-	170,205
Miscellaneous	35,624	-	35,624
Total	<u>496,245</u>	<u>-</u>	<u>496,245</u>
Transfers	(894)	894	-
CHANGE IN NET POSITION	<u>327,701</u>	<u>(86,081)</u>	<u>241,620</u>
NET POSITION, MAY 1	<u>6,136,927</u>	<u>1,655,668</u>	<u>7,792,595</u>
NET POSITION, APRIL 30	<u>\$ 6,464,628</u>	<u>\$ 1,569,587</u>	<u>\$ 8,034,215</u>

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS

April 30, 2025

	General	Motor Fuel Tax Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 6,276,977	\$ 93,221	\$ 6,370,198
Due from other funds	27,017	-	27,017
TOTAL ASSETS	\$ 6,303,994	\$ 93,221	\$ 6,397,215
LIABILITIES			
Due to other governments	\$ 58,750	\$ -	\$ 58,750
Due to other funds	-	39,100	39,100
Payroll liabilities	1,788	-	1,788
TOTAL LIABILITIES	60,538	39,100	99,638
FUND BALANCE			
FUND BALANCE			
Restricted			
Capital improvements	-	-	-
Highways and streets	-	54,121	54,121
Unrestricted			
Unassigned	6,243,456	-	6,243,456
TOTAL FUND BALANCE	6,243,456	54,121	6,297,577
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,303,994	\$ 93,221	\$ 6,397,215

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION -
MODIFIED CASH BASIS

April 30, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 6,297,577
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	<u>167,051</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,464,628</u>

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2025

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
REVENUES RECEIVED			
Property taxes	\$ 28,697	\$ -	\$ 28,697
Replacement tax	1,120	-	1,120
Sales tax	76,809	-	76,809
Local use tax	20,979	-	20,979
Telecommunications tax	10,342	-	10,342
Income tax	108,976	-	108,976
Cannabis tax	985	-	985
Video gaming tax	14,179	-	14,179
Motor fuel tax	-	28,329	28,329
Investment income	170,205	-	170,205
License and permits	10,472	-	10,472
Liquor license	3,000	-	3,000
Rental income	60,731	-	60,731
Fines and fees	-	-	-
Landfill closure revenue	-	-	-
Miscellaneous	35,624	-	35,624
	<u>542,119</u>	<u>28,329</u>	<u>570,448</u>
EXPENDITURES DISBURSED			
Current			
General government	167,368	-	167,368
Highways and streets	45,104	-	45,104
Culture and recreation	3,717	-	3,717
Capital Outlay	-	-	-
	<u>216,189</u>	<u>-</u>	<u>216,189</u>
Total expenditures disbursed	<u>216,189</u>	<u>-</u>	<u>216,189</u>
Excess of revenue over expenditures	<u>325,930</u>	<u>28,329</u>	<u>354,259</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	(894)	-	(894)
	<u>(894)</u>	<u>-</u>	<u>(894)</u>
Total other financing sources (uses)	<u>(894)</u>	<u>-</u>	<u>(894)</u>
NET CHANGE IN FUND BALANCES	<u>325,036</u>	<u>28,329</u>	<u>353,365</u>
FUND BALANCES, MAY 1	5,918,420	25,792	5,944,212
FUND BALANCES, APRIL 30	<u>\$ 6,243,456</u>	<u>\$ 54,121</u>	<u>\$ 6,297,577</u>

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	353,365
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets acquired in this fiscal year are reported as capital assets on the statement of net position and expenditures on the statement of revenues received, expenditures disbursed, and changes in fund balances		-
Depreciation on capital assets is reported as an expense in the statement of activities		<u>(25,664)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>327,701</u>

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS
 STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
 MODIFIED CASH BASIS
 ENTERPRISE FUND

April 30, 2025

	Utility Fund
CURRENT ASSETS	
Cash and investments	\$ 565,448
Due from other funds	12,083
Total current assets	577,531
LONG-TERM ASSETS	
Capital Assets, net of accumulated depreciation	1,000,574
Total long-term assets	1,000,574
Total assets	\$ 1,578,105
CURRENT LIABILITIES	
Payroll liabilities	593
Due to other funds	-
Due to developer(s)	7,925
Total current liabilities	8,518
Total liabilities	8,518
NET POSITION	
Net investment in capital assets	1,000,574
Unrestricted	569,013
Total net position	1,569,587
TOTAL LIABILITIES AND NET POSITION	\$ 1,578,105

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
ENTERPRISE FUND

For the Year Ended April 30, 2025

	Utility Fund
OPERATING REVENUES COLLECTED	
User fees	\$ 107,542
Garbage/Recycling charges	43,224
Sewer charges	39,988
Administration fee	6,182
Capital Improvement fee	26,744
Landfill Host fees	42,004
Miscellaneous income	636
	266,320
OPERATING EXPENSES	
Maintenance	54,373
Chemicals and testing supplies	15,368
Payroll expenses	39,187
Equipment	959
Office supplies	2,612
Utilities	149,875
Engineering	19,157
Tipping fee	-
Depreciation	70,682
Miscellaneous	1,082
	353,295
OPERATING INCOME (LOSS)	(86,975)
NONOPERATING REVENUES (EXPENSES)	
Investment income	-
	-
Total nonoperating revenues (expenses)	-
Income (loss) before operating transfers	(86,975)
OTHER FINANCING SOURCES (USES)	
Operating transfers in	894
Operating transfers out	-
	894
CHANGE IN NET POSITION	(86,081)
NET POSITION, MAY 1	1,655,668
NET POSITION, APRIL 30	\$ 1,569,587

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS

STATEMENT OF CASH FLOWS
UTILITY FUND

For the Year Ended April 30, 2025

	<u>Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 266,320
Payments to suppliers	(243,452)
Payments to employees	(39,187)
	<u>(16,319)</u>
Net cash from operating activities	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in (out) to other funds	894
Interfund proceeds (payments)	-
	<u>894</u>
Net cash from noncapital financing activities	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(25,793)
	<u>(25,793)</u>
Net cash from capital and related financing activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	-
	<u>-</u>
Net cash from investing activities	
NET INCREASE IN CASH AND CASH EQUIVALENTS	
	(41,218)
CASH AND CASH EQUIVALENTS, MAY 1	<u>606,666</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 565,448</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (86,975)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	70,682
Change in assets and liabilities related to operating activities	
Decrease in payables	(26)
	<u>(16,319)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (16,319)</u>

See accompanying notes to financial statements

VILLAGE OF CRESTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Creston, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as GAAP), except as described in Note 1(d). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the other significant accounting policies:

a. Reporting Entity

The Village is a municipal corporation governed by an elected president and a six-member board of trustees. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units.

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 Village is considered to be financially accountable for.

b. Fund Accounting

The Village uses funds to report on its financial position – modified cash basis and changes in its financial position – modified cash basis. 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.

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

Governmental funds are used to account for all or most of a government'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), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

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

VILLAGE OF CRESTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position – modified cash basis and the statement of activities – modified cash basis) report information on all of the nonfiduciary activities of the Village. 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 – modified cash basis 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 standard 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village and is used to account for all financial resources of the Village unless required to be accounted for in another fund.

The Motor Fuel Tax Fund is used to account for revenues derived from motor fuel taxes and expenditures for highway and street construction and maintenance.

The Village reports the following major proprietary funds:

The Utility Fund accounts for the provision of water, sewer, and garbage services to the residents and businesses of the Village financed by user fees.

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

The government-wide financial statements and the enterprise fund are reported using the current financial resources measurement focus and the modified cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. Revenues are recorded at the time of receipt by the Village. Expenses are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP. Operating revenues collected/expenditures paid include all revenues/ expenditures directly related to providing enterprise fund services. Incidental revenues/expenditures are reported as nonoperating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recorded at the time of receipt by the Village. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with GAAP.

VILLAGE OF CRESTON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Assets	Years
Equipment	7
Vehicles	5-7
Other improvements	10-15
Buildings	40
Road improvements	10
Infrastructure	40

f. Long-term Liabilities

Long-term liabilities are reported in the government-wide financial statements as liabilities. The governmental fund financial statements do not report long-term liabilities because they do not require the use of current financial resources. There were no long-term liabilities recognized for governmental activities at April 30, 2025.

g. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board, which is considered the Village's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance remains with the Board. Any residual fund balance is reported as unassigned.

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

The Village has not established fund balance reserve policies for their governmental funds.

VILLAGE OF CRESTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Fund Balance/Net Position (continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the Village's net position is restricted as a result of enabling legislation adopted by the Village.

h. Property Taxes

The Village's property tax is levied each year, on all taxable real property located in the Village, on or before the second Tuesday in December. Property taxes attach as an enforceable lien on property as of the January 1 prior to levy passage. Property taxes are payable in two installments in early June and September of the year following passage of the levy. The Village receives significant distributions of tax receipts approximately one month after these due dates. The Village also receives one-half the road and bridge taxes, which townships levy.

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5% or the percentage increase in the Consumer Price Index for all Urban Consumers. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

i. Cash and Investments

For the purpose of reporting cash and cash equivalents, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Village considers certificates of deposit with a maturity of more than three months when purchased to be investments. Investments are valued at market value.

j. Leases

The Village accounts for leases as follows:

Lease expenditures are recognized in the individual funds as capital outlay and included in capital assets net of accumulated depreciation and a corresponding liability in the government-wide statements when incurred. The Village does not have any leases.

k. Subscription-Based Information Technology Arrangements

The Village accounts for subscription-based technology arrangements by recognizing expenditures in the individual funds when paid. No right-of-use asset and corresponding liability has been recorded in the financial statements in accordance with the basis of accounting described in this note. The Village does not have any subscription-based technology arrangements.

2. INTERFUND BALANCES AND TRANSFERS

There are amounts due from the Motor Fuel Tax Fund to the General Fund for unreimbursed expenditures in the amount of \$39,100. Also, the General Fund owes the Utility Fund \$12,083 for expenditures that were paid out of the wrong account. These will be repaid within one year.

An interfund transfer of \$894 from the General Fund to the Utility Fund occurred during the year ended April 30, 2025 for new watermain project.

VILLAGE OF CRESTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. LEGAL DEBT MARGIN

The Village's aggregate indebtedness is subject to a statutory limitation of 8.625% of its equalized assessed value at December 31, 2024. At April 30, 2024, the maximum allowed indebtedness of the Village is \$1,013,397 based on an assessed valuation of \$11,715,569. At April 30, 2025, the remaining legal debt margin of the Village was \$1,013,397.

4. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the Village:

- Property tax lien date is January 1
- Property taxes are due to the County Collector in two installments, June 1 and September 1
- The annual tax levy ordinance for 2023 was passed on November 7, 2023
- Significant amounts of property taxes for 2023 were distributed to the Village during June, July, September, October, and November 2024
- The annual tax levy ordinance for 2024 was passed on December 3, 2024
- Significant amounts of property taxes for 2024 will be distributed to the Village during June, July, September, October, and November 2025

5. CASH AND INVESTMENTS

The Village may invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments insured by the Federal Deposit Insurance Corporation (FDIC), obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds, and the Illinois Funds (a money market fund created by the State legislature under the control of the State Treasurer that maintains a \$1 share value).

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. At April 30, 2025 none of the Village's deposits were uninsured or uncollateralized, and therefore, deposits are not exposed to custodial credit risk. The Village has no foreign currency risk for deposits at April 30, 2025.

Investments

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by pre-qualifying all financial institutions and other intermediaries with which the Village conducts business. At April 30, 2025, the Village has investments of \$571,460 in Illinois Funds, a Local Government Investment Pool (LGIP) with an S&P rating of AAAM.

VILLAGE OF CRESTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CASH AND INVESTMENTS (Continued)

Investments (continued)

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village places no limit on the amount the Village may invest in any one issuer. More than 5% of the Village's investments are in certificates of deposit (33%) and Illinois Funds (67%).

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village's investment policy establishes their guidelines on interest rate risk at year end. At April 30, 2025, the Village held one certificate of deposit valued at \$282,308 with an eighteen-month original maturity at 0.75% interest rate.

6. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	5,000	-	-	-	5,000
Farm Land	47,620	-	-	-	47,620
Capital assets being depreciated					
Equipment	194,333	-	-	-	194,333
Infrastructure	127,529	-	-	-	127,529
Building and improvements	71,700	-	-	-	71,700
Total capital assets being depreciated	393,562	-	-	-	393,562
Less accumulated depreciation for					
Equipment	121,192	19,288	-	-	140,480
Infrastructure	60,575	6,376	-	-	66,951
Building and improvements	71,700	-	-	-	71,700
Total accumulated depreciation	253,467	25,664	-	-	279,131
Total capital assets being depreciated, net	140,095	(25,664)	-	-	114,431
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 192,715	\$ (25,664)	\$ -	\$ -	\$ 167,051

VILLAGE OF CRESTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CAPITAL ASSETS (Continued)

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
BUSINESS-TYPE ACTIVITY					
Capital assets being depreciated					
Equipment and vehicles	297,967	8,349	-	-	306,316
Sanitary Sewer	2,249,966	17,444	-	-	2,267,410
Total capital assets being depreciated	2,547,933	25,793	-	-	2,573,726
Less accumulated depreciation for					
Equipment and vehicles	165,077	14,033	-	-	179,110
Sanitary Sewer	1,337,393	56,649	-	-	1,394,042
Total accumulated depreciation	1,502,470	70,682	-	-	1,573,152
Total capital assets being depreciated, net	1,045,463	(44,889)	-	-	1,000,574
BUSINESS-TYPE ACTIVITY					
CAPITAL ASSETS, NET	\$ 1,045,463	\$ (44,889)	\$ -	\$ -	\$ 1,000,574

Depreciation expense was charged to the functions as follows:

Governmental Activities	
Streets and highways	24,972
General government	692
TOTAL	<u>\$ 25,664</u>
Business-Type Activities	
Utilities	70,682
TOTAL	<u>\$ 70,682</u>

7. RISK MANAGEMENT

The Village is exposed to various risks of loss, including but not limited to, property and casualty, general and public officials' liability, and workers' compensation. The Village purchases commercial insurance. There are annual deductibles for the plans ranging from \$500 to \$1,000. The Village's policy is to record any related expenditures in the year in which they pay the deductible. The Village is not aware of any additional deductibles that may be owed as of April 30, 2025. The Village has not made any significant changes in coverage nor did claims exceed coverage in the current fiscal year or the two prior years.

VILLAGE OF CRESTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. RELATED PARTY TRANSACTIONS

The Village paid Jack Kerns \$2,610 during the year ending April 30, 2025. Jack Kerns is a relation of Michael Kerns, Trustee. The payments were for landscaping work.

Penelope Payton, the Treasurer for the Village of Creston was also the Supervisor of Dement Township for the period of January 1, 2024 through December 31, 2024. Dement Township paid the Village of Creston \$2,006 during the year ended April 30, 2025 for website fees. The Village of Creston paid Dement Township \$1,936 during the year ended April 30, 2025 for road salt. The purchasing of de-icing materials is governed by an intergovernmental agreement between the Township and the Village.

9. SUBSEQUENT EVENTS

Rochelle Waste Disposal has transferred 111 acres of farmland back to Village ownership effective October 1, 2025.

The Village has substantially completed a storm sewer project and paid out approximately \$254,760 related to the construction costs subsequent to the year ended April 30, 2025.

SUPPLEMENTARY INFORMATION

VILLAGE OF CRESTON, ILLINOIS

SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES RECEIVED			
Taxes			
Property taxes	\$ -	\$ 28,697	\$ 28,697
Replacement tax	-	1,120	1,120
Cannabis tax	-	985	985
Video gaming tax	-	14,179	14,179
Sales tax	-	76,809	76,809
Local use tax	-	20,979	20,979
Telecommunications tax	-	10,342	10,342
Income tax	-	108,976	108,976
License and permits	-	10,472	10,472
Investment income	-	170,205	170,205
Liquor license	-	3,000	3,000
Rental income	-	60,731	60,731
Fines and fees	-	-	-
Landfill closure revenue	-	-	-
Miscellaneous	-	35,624	35,624
Total revenues received	-	542,119	542,119
EXPENDITURES DISBURSED			
Current			
General Government			
Salaries	58,600	51,989	(6,611)
Payroll expenses	2,700	4,248	1,548
Audit	10,000	9,600	(400)
Legal fees	25,000	13,216	(11,784)
Maintenance	10,000	1,205	(8,795)
Mosquito control	15,000	10,480	(4,520)
Dues	6,500	939	(5,561)
Office supplies	4,000	2,466	(1,534)
Computer internet/software	6,000	9,003	3,003
Land planning	74,000	32,170	(41,830)
Property tax expense	8,200	10,035	1,835
Insurance	18,000	17,432	(568)
Utilities	4,500	3,977	(523)
Miscellaneous	1,650	608	(1,042)
Total general government	244,150	167,368	(76,782)
Current			
Highways and streets			
Street & sidewalk maintenance	56,000	13,916	(42,084)
Buildings & grounds maintenance	15,000	10,920	(4,080)
Storm water drainage	280,000	17,884	(262,116)
Snow removal	2,500	2,384	(116)
Total highways and streets	353,500	45,104	(308,396)

(See independent auditor's report)

VILLAGE OF CRESTON, ILLINOIS
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS -
 BUDGET AND ACTUAL (CONTINUED)
 GENERAL FUND

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
EXPENDITURES DISBURSED (continued)			
Current			
Culture and recreation			
Community Activities	3,500	3,717	217
Total culture and recreation	3,500	3,717	217
Capital Outlay	30,000	-	(30,000)
Total expenditures disbursed	631,150	216,189	(414,961)
Excess (deficiency) of revenue over expenditures	(631,150)	325,930	957,080
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	(894)	(894)
Total other financing sources (uses)	-	(894)	(894)
NET CHANGE IN FUND BALANCE	\$ (631,150)	325,036	\$ 956,186
FUND BALANCE, MAY 1		5,918,420	
FUND BALANCE, APRIL 30		\$ 6,243,456	

(See independent auditor's report)

VILLAGE OF CRESTON, ILLINOIS

SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS -
BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES RECEIVED			
Motor fuel tax	\$ -	\$ 28,329	\$ 28,329
Investment income	-	-	-
Total revenues received	-	28,329	28,329
EXPENDITURES DISBURSED			
Current			
Highways and streets	-	-	-
Total highways and streets	-	-	-
Total expenditures disbursed	-	-	-
Excess (deficiency) of revenue over expenditures	-	28,329	28,329
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	28,329	\$ 28,329
FUND BALANCE, MAY 1		<u>25,792</u>	
FUND BALANCE, APRIL 30		<u>\$ 54,121</u>	

(See independent auditor's report)

VILLAGE OF CRESTON, ILLINOIS
NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2025

1. LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted on a cash basis of accounting which is not consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted (at the fund level) for all of the funds on the cash basis with a line item budget by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level.

The Village adopted its annual budget and appropriation ordinance for the year ended April 30, 2025 at its July 2, 2024 meeting.

The line item budget is used by management for control purposes in the day-to-day operations. The Board of Trustees may make transfers between line items while retaining the total appropriation for the fund. The Board of Trustees also may increase the appropriation amount by following the same procedures as required for the original appropriation. The amounts shown on the financial statements reflect the original and final budget as adopted by the Board of Trustees.

Budget revenues are based on estimates approved by the Board of Trustees.

2. EXPENDITURES OVER APPROPRIATIONS

The Village operated within the legal confines of the Appropriation Ordinance for the year ended April 30, 2025, with no instances of over expending the budgeted amounts in the individual funds.

ENTERPRISE FUND

VILLAGE OF CRESTON, ILLINOIS
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
 IN NET POSITION - MODIFIED CASH BASIS -
 BUDGET AND ACTUAL
 UTILITY FUND

For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES RECEIVED			
Charges for services			
User fees	\$ -	\$ 107,542	\$ 107,542
Garbage/Recycling charges	-	43,224	43,224
Sewer charges	-	39,988	39,988
Administration fee	-	6,182	6,182
Capital Improvement fee	-	26,744	26,744
Landfill Host fees	-	42,004	42,004
Miscellaneous income	-	636	636
Total operating revenues received	<u>-</u>	<u>266,320</u>	<u>266,320</u>
OPERATING EXPENSES			
Maintenance	233,000	54,373	(178,627)
Chemicals and testing supplies	25,000	15,368	(9,632)
Payroll expenses	63,500	39,187	(24,313)
Uncapitalized equipment	75,000	959	(74,041)
Office supplies	3,500	2,612	(888)
Utilities	133,000	149,875	16,875
Engineering	25,000	19,157	(5,843)
Tipping fee disbursements	18,000	-	(18,000)
Depreciation	-	70,682	70,682
Miscellaneous	1,200	1,082	(118)
Total operating expenses	<u>577,200</u>	<u>353,295</u>	<u>(223,905)</u>
OPERATING INCOME (LOSS)	<u>(577,200)</u>	<u>(86,975)</u>	<u>490,225</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(577,200)</u>	<u>(86,975)</u>	<u>490,225</u>
TRANSFERS			
Transfers in	-	-	-
Transfers out	-	894	894
Total transfers	<u>-</u>	<u>894</u>	<u>894</u>
NET INCOME (LOSS)	<u>\$ (577,200)</u>	<u>(86,081)</u>	<u>\$ 491,119</u>
NET POSITION, MAY 1		<u>1,655,668</u>	
NET POSITION, APRIL 30		<u>\$ 1,569,587</u>	

(See independent auditor's report)

VILLAGE OF CRESTON, ILLINOIS
AUDITOR'S COMMUNICATION TO THE
BOARD OF TRUSTEES

For the Year Ended
April 30, 2025

VILLAGE OF CRESTON, ILLINOIS

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