



**VILLAGE OF SWANSEA, ILLINOIS**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED  
APRIL 30, 2025

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Board of Trustees  
Village of Swansea  
Swansea, 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 Village of Swansea, 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, each major fund, and the aggregate remaining fund information of the Village of Swansea, 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 accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Swansea, 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.

### **Responsibilities of Management for the Financial Statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

#### **Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund financial statements and the Independent Auditor's Report on Compliance with Tax Increment Financing Act 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 combining and individual nonmajor fund financial statements and the Independent Auditor's Report on Compliance with Tax Increment Financing Act are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*C. F. Schlosser & Company, P. C.*

Certified Public Accountants  
Alton, Illinois  
December 1, 2025

## **VILLAGE OF SWANSEA, ILLINOIS** **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Village of Swansea, Illinois' (Village) annual audit presents a management's discussion and analysis of the Village's financial activity during the fiscal year ended April 30, 2025. The Management's Discussion and Analysis is designed to focus on current activities, resulting changes and currently known facts and should be read in conjunction with the basic financial statements and footnotes. Responsibility for the completeness and fairness of this information rests with the Village.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis is intended to serve as an introduction to the Village's basic financial statements. There are three components to the basic statements:

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

This report also contains Required Supplementary Information and Other Supplementary Information in addition to the basic financial statements.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, culture and recreation, streets, and public works. The business-type activities relate entirely to operating the sewer system.

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

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. Changes in net position are reported on the modified accrual basis for the governmental activities and the accrual basis for the business-type activities.

**VILLAGE OF SWANSEA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Village can be divided into three categories: governmental, proprietary and fiduciary.

**Governmental Funds.** Governmental funds are used to account for essential functions reported as governmental activities in the government-wide financial statements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financial decisions. The governmental fund's Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between the governmental fund financial statements and the government-wide financial statements.

The Village maintains 6 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance for three major funds: General Fund, Tax Increment Financing Fund, and Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "Other Governmental Funds." Individual fund data for the nonmajor governmental funds is provided in the form of combining schedules in the other supplementary information section of this report.

The Village adopts an annual budget for all governmental funds. Budget comparison schedules for the major funds have been provided to demonstrate legal compliance with the adopted budget.

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

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

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

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the Village's progress in funding its obligation to provide pension and retirement benefits to its employees. The Village also reports expenditures of its major funds in comparison to appropriated amounts.

**VILLAGE OF SWANSEA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Other Supplementary Information.** The combining fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the Required Supplementary Information.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$54,951,364 at the close of the most recent fiscal year.

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

The condensed statement of net position is as follows:

	April 30, 2025	April 30, 2024	April 30, 2025	April 30, 2024	April 30, 2025	April 30, 2024
Current and other assets	\$ 19,400,393	\$ 18,629,695	\$ 9,693,843	\$ 8,663,908	\$ 29,094,236	\$ 27,293,603
Capital assets	31,820,386	31,022,182	18,880,279	19,989,423	50,700,665	51,011,605
Total assets	51,220,779	49,651,877	28,574,122	28,653,331	79,794,901	78,305,208
Deferred outflows	1,681,653	2,383,718	203,431	237,094	1,885,084	2,620,812
Long-term liabilities						
outstanding	10,447,699	11,894,718	3,574,781	6,166,923	14,022,480	18,061,641
Other liabilities	359,048	936,950	1,481,210	187,888	1,840,258	1,124,838
Total liabilities	10,806,747	12,831,668	5,055,991	6,354,811	15,862,738	19,186,479
Deferred inflows	4,001,862	3,420,104	110,938	72,109	4,112,800	3,492,213
Net position:						
Net investment in						
capital assets	31,820,386	31,022,182	14,538,267	14,359,297	46,358,653	45,381,479
Restricted	5,671,267	5,342,336	-	-	5,671,267	5,342,336
Unrestricted	602,170	(580,695)	9,072,357	8,104,208	9,674,527	7,523,513
Total net position	\$ 38,093,823	\$ 35,783,823	\$ 23,610,624	\$ 22,463,505	\$ 61,704,447	\$ 58,247,328

Total net position increased \$3,457,119 resulting in a balance of \$61,704,447 as of April 30, 2025. Total current assets, which are comprised of cash, investments and receivables, increased \$1,800,633. Capital net asset balances decreased by \$310,940 in the current year primarily due to depreciation expense exceeding capital acquisitions.

**VILLAGE OF SWANSEA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Total liabilities decreased in the current year by \$3,323,741 for an ending total balance of \$15,862,738. The decrease is due primarily to debt retirement and fluctuations in the net pension liability.

The change in net position is further examined in the Analysis of Net Position section of the MD&A.

**ANALYSIS OF NET POSITION**

<b><u>Analysis of Net Position</u></b>	<b><u>2025</u></b>		<b><u>2024</u></b>	
	<b><u>Percent</u></b>	<b><u>Amount</u></b>	<b><u>Percent</u></b>	<b><u>Amount</u></b>
Net investment in capital assets	75.1%	\$ 46,358,653	77.9%	\$ 45,381,479
Restricted	9.2%	5,671,267	9.2%	5,342,336
Unrestricted	15.7%	9,674,527	12.9%	7,523,513
Total net position	<u>100.0%</u>	<u>\$ 61,704,447</u>	<u>100.0%</u>	<u>\$ 58,247,328</u>

The Village had an overall increase in net position of \$3,457,119 for the government-wide financial statements for the year ended April 30, 2025 primarily due to increases in investments.

The revenue and expenditure comparisons that comprise the current year increase follow.

**GOVERNMENTAL ACTIVITIES**

**REVENUE COMPARISON BY TYPE**

<b><u>Governmental activities</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
Property tax	\$ 3,316,572	\$ 3,362,139
Utility tax	910,001	859,946
Excise tax	59,016	65,995
State income tax	2,565,545	2,394,124
Sales and use tax	3,342,662	3,316,588
Motor fuel tax	703,758	667,200
Replacement tax	21,492	32,412
Other taxes	450,644	413,787
Franchise fees	354,146	349,834
Operating grants and contributions	19,403	16,741
Capital grants and contributions	1,184,932	88,530
Charges for services	623,793	532,784
Investment earnings	485,879	377,984
Miscellaneous	368,262	7,094
Total revenues	<u>\$ 14,406,105</u>	<u>\$ 12,485,158</u>

**VILLAGE OF SWANSEA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**EXPENDITURES BY CATEGORY**

<u>Expenditures by category</u>	<u>2025</u>		<u>2024</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
General government	17.2%	\$ 2,080,061	12.6%	\$ 1,318,056
Public safety	54.0%	6,530,161	61.0%	6,357,840
Culture and recreation	3.8%	455,566	4.0%	421,365
Streets and public works	20.9%	2,530,188	20.1%	2,100,518
Community & economic dev	4.1%	500,231	2.2%	229,564
Interest on long-term debt	0.0%	-	0.0%	3,354
Total expenditures	<u>100.0%</u>	<u>\$ 12,096,207</u>	<u>100.0%</u>	<u>\$ 10,430,697</u>

Total revenues for the governmental activities increased \$1,920,947 for the year ended April 30, 2025. This increase was primarily due to capital grants received. Other revenue increases were realized in state income tax, sales tax, and investment earnings.

The largest category of expenditures is public safety which consists of the Village's police and fire departments. Streets and public works expenses was the second largest category of governmental activities expenses.

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

	<u>2025</u>	<u>2024</u>
General government	\$ 88,317	\$ 96,435
Public safety	490,268	451,378
Streets and public works	915,260	906,201
Culture and recreation	<u>118,117</u>	<u>96,773</u>
Total depreciation	<u>\$ 1,611,962</u>	<u>\$ 1,550,787</u>

Total capital outlay expenditures for governmental activities in the current year totaled \$2,136,434, which was \$524,472 higher than the related depreciation in the current year.

**BUSINESS-TYPE ACTIVITIES**

**REVENUE COMPARISON BY TYPE**

<u>Business-type Activities</u>	<u>2025</u>	<u>2024</u>
Sewer Charges	\$ 3,767,318	\$ 3,511,905
Capital Grants and Contributions	\$ -	\$ 85,000
Investment earnings	<u>614,379</u>	<u>535,454</u>
Total revenues	<u>\$ 4,381,697</u>	<u>\$ 4,132,359</u>

**VILLAGE OF SWANSEA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**EXPENDITURES BY CATEGORY**

<u>Operating Expenditures</u>	<u>2025</u>		<u>2024</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Personnel services	24.6%	\$ 780,509	22.0%	\$ 617,020
Contractual services	31.3%	991,661	26.0%	729,767
Supplies and materials	3.1%	98,215	6.8%	191,263
Depreciation	40.9%	1,296,489	45.2%	1,267,412
Total expenditures	<u>100.0%</u>	<u>\$ 3,166,874</u>	<u>100.0%</u>	<u>\$ 2,805,462</u>

Revenues for the business-type activities increased \$249,338 for the year ended April 30, 2025 mostly related to increased investment earnings.

Expenditures for the business-type activities increased by \$361,412. The largest categories of operating disbursements are related to personnel and contractual services.

**FUNDS FINANCIAL ANALYSIS**

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

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

At the end of 2025, the Village's governmental funds reported combined ending fund balances of \$16,916,475, an increase of \$1,496,659 in comparison with the prior year. Of the total fund balance, \$5,671,267 constitutes restricted fund balance, which is restricted primarily for restricted tax purposes. The unassigned fund balance, \$8,235,764 constitutes amounts which are available for spending at the Village's discretion.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$8,235,764, while the total fund balance was \$8,324,816. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 90.60% of the total general fund expenditures, while total fund balance represents 91.57% of that same amount. The fund balance of the General Fund increased \$1,400,803 during the current fiscal year due to capital grants received.

At the end of the current fiscal year, the restricted fund balance of the Tax Increment Financing Fund was \$2,166,558, an increase of \$173,379 in comparison with the prior year.

The committed fund balance of the Capital Projects Fund was \$2,749,522, an increase of \$546,172 in comparison with the prior year.

**VILLAGE OF SWANSEA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Proprietary funds.** The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Factors concerning the finances of this fund have already been addressed in the discussion of the Village's government-wide financial statements.

**BUDGETARY HIGHLIGHTS**

The Village's expenditures did not exceed the budgeted amounts. The appropriations were not amended in the current year. A comparison of budget and actual is as follows:

	<u>Budget</u>	<u>Actual</u>
General Fund	\$ 9,041,587	\$ 9,086,130
Tax Increment Financing Fund	1,558,875	700,257
Capital Projects Fund	1,342,851	1,272,802

**TRANSFERS**

The Village made interfund transfers to provide sufficient funds to pay for expenses incurred in funds with related purposes. All transfers were from unrestricted funds.

Additional information related to transfers is located in Note 8 of the financial statements.

**CAPITAL ASSETS**

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2025 amounted to \$50,700,665 (net of accumulated depreciation). This investment in capital assets includes land, buildings, sewer system improvements, and vehicles and equipment.

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

- Purchase of a 2024 Ford F-600 Cab and Chassis
- Purchase of a 2024 Ford F-350
- Playground equipment replacement at Schranz Memorial Park
- Road improvements at Naughton Way
- Purchase of three 2024 Ford Police Interceptors
- Purchase of a Scag Zero Turn Mower
- Purchase of a Turf Equipment Lift System
- Purchase of a Tractor with Loader and Flex Wing Mower
- Purchase of 4-Ton Transporter Hot Box

Additional information related to capital assets is located in Note 5 of the financial statements.

**VILLAGE OF SWANSEA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LONG-TERM DEBT**

At April 30, 2025, the Village reported outstanding debt of \$4,342,012 with the principal obligations extending until fiscal year 2032. The Village did not enter into any new debt obligations in the current year. Total debt principal retirements were \$1,288,114 in the current year.

Additional information related to long-term debt is located in Note 6 of the financial statements.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Swansea, Illinois for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Swansea, 1444 Boul Avenue, Swansea, IL 62226.

**VILLAGE OF SWANSEA, ILLINOIS**

STATEMENT OF NET POSITION  
APRIL 30, 2025

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 9,922,596	\$ 4,043,268	\$ 13,965,864
Investments	6,015,822	5,024,536	11,040,358
Receivables (Net of allowance for uncollectibles):	3,264,985	590,022	3,855,007
Prepaid Expenses	88,622	36,017	124,639
Capital Assets:			
Land	8,978,245	-	8,978,245
Buildings and Improvements	9,317,513	42,973	9,360,486
Sewer Plant	-	22,819,973	22,819,973
Equipment and Vehicles	9,273,134	2,114,848	11,387,982
Infrastructure	35,449,852	16,181,342	51,631,194
Less: Accumulated Depreciation	<u>(31,198,358)</u>	<u>(22,278,857)</u>	<u>(53,477,215)</u>
Net Capital Assets	<u>31,820,386</u>	<u>18,880,279</u>	<u>50,700,665</u>
Other Assets:			
Insurance Trust	<u>108,368</u>	<u>-</u>	<u>108,368</u>
Total Assets	<u>51,220,779</u>	<u>28,574,122</u>	<u>79,794,901</u>
<b><u>Deferred Outflows of Resources</u></b>			
Future Pension Expense	1,250,939	153,836	1,404,775
Future OPEB Expense	<u>430,714</u>	<u>49,595</u>	<u>480,309</u>
	<u>1,681,653</u>	<u>203,431</u>	<u>1,885,084</u>
<b><u>Liabilities</u></b>			
Accounts Payable	155,342	141,176	296,518
Accrued Wages and Compensated Absences	144,212	13,992	158,204
Accrued Interest Payable	-	2,068	2,068
Noncurrent Liabilities:			
Due Within One Year	59,494	1,323,974	1,383,468
Due in More Than One Year	<u>10,447,699</u>	<u>3,574,781</u>	<u>14,022,480</u>
Total Liabilities	<u>10,806,747</u>	<u>5,055,991</u>	<u>15,862,738</u>
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable Property Taxes	1,787,123	-	1,787,123
Future Pension Expense	1,277,986	3,075	1,281,061
Future OPEB Expense	<u>936,753</u>	<u>107,863</u>	<u>1,044,616</u>
	<u>4,001,862</u>	<u>110,938</u>	<u>4,112,800</u>
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	31,820,386	14,538,267	46,358,653
Restricted for:			
Economic Development	2,166,558	-	2,166,558
Restricted Tax Revenues	3,504,279	-	3,504,279
Forfeitures and Seizures	430	-	430
Unrestricted	<u>602,170</u>	<u>9,072,357</u>	<u>9,674,527</u>
Total Net Position	<u>\$ 38,093,823</u>	<u>\$ 23,610,624</u>	<u>\$ 61,704,447</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 2,080,061	\$ 287,512	\$ 8,928	\$ -	\$ (1,783,621)		\$ (1,783,621)
Public Safety	6,530,161	295,741	2,175	41,899	(6,190,346)		(6,190,346)
Public Works	2,530,188	3,021	-	273,732	(2,253,435)		(2,253,435)
Culture and Recreation	455,566	-	8,300	869,301	422,035		422,035
Community and Economic Development	500,231	37,519	-	-	(462,712)		(462,712)
<b>Total Governmental Activities</b>	<b>12,096,207</b>	<b>623,793</b>	<b>19,403</b>	<b>1,184,932</b>	<b>(10,268,079)</b>		<b>(10,268,079)</b>
<b>Business-type Activities:</b>							
Sewerage	3,234,578	3,767,318	-	-		\$ 532,740	532,740
<b>Total Business-type Activities</b>	<b>3,234,578</b>	<b>3,767,318</b>	<b>-</b>	<b>-</b>		<b>532,740</b>	<b>532,740</b>
<b>Total Primary Government</b>	<b>\$ 15,330,785</b>	<b>\$ 4,391,111</b>	<b>\$ 19,403</b>	<b>\$ 1,184,932</b>	<b>(10,268,079)</b>	<b>532,740</b>	<b>(9,735,339)</b>
<b>General Revenues:</b>							
Property Tax, Levied for General Purposes					3,316,572	-	3,316,572
<b>Intergovernmental Revenues:</b>							
Sales and Use Tax					3,342,764	-	3,342,764
Replacement Tax					21,492	-	21,492
State Income Tax					2,565,545	-	2,565,545
Motor Fuel Tax					703,758	-	703,758
Video Gaming Tax					407,254	-	407,254
Excise Tax					59,016	-	59,016
Utility Tax					910,001	-	910,001
Franchise Fees					354,146	-	354,146
Other Taxes					43,390	-	43,390
Unrestricted Investment Earnings					485,879	614,379	1,100,258
Miscellaneous Revenues/Reimbursements					368,262	-	368,262
<b>Total General Revenues and Transfers</b>					<b>12,578,079</b>	<b>614,379</b>	<b>13,192,458</b>
<b>Change in Net Position</b>					<b>2,310,000</b>	<b>1,147,119</b>	<b>3,457,119</b>
Net Position - Beginning					35,783,823	22,463,505	58,247,328
Net Position - Ending					<b>\$ 38,093,823</b>	<b>\$ 23,610,624</b>	<b>\$ 61,704,447</b>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2025

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 3,100,077	\$ 1,909,290	\$ 2,124,968	\$ 2,788,261	\$ 9,922,596
Investments	4,413,072	263,574	528,910	810,266	6,015,822
Interfund Receivable	-	7,017	-	27,214	34,231
Receivables (Net, where applicable, of allowances for uncollectibles):					
Property Tax	990,840	796,283	-	-	1,787,123
Intergovernmental	1,102,030	-	148,824	124,939	1,375,793
Other	102,069	-	-	-	102,069
Prepaid Expenses	<u>88,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,622</u>
Total Assets	<u>\$ 9,796,710</u>	<u>\$ 2,976,164</u>	<u>\$ 2,802,702</u>	<u>\$ 3,750,680</u>	<u>\$ 19,326,256</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 120,755	\$ 13,323	\$ -	\$ 21,264	\$ 155,342
Interfund Payable	7,017	-	-	27,214	34,231
Accrued Wages and Compensated Absences	144,212	-	-	-	144,212
Total Liabilities	<u>271,984</u>	<u>13,323</u>	<u>-</u>	<u>48,478</u>	<u>333,785</u>
<u>Deferred Inflows of Resources:</u>					
Unavailable Property Taxes	990,840	796,283	-	-	1,787,123
Unavailable Intergovernmental Taxes	209,070	-	53,180	26,623	288,873
Total Deferred Inflows of Resources	<u>1,199,910</u>	<u>796,283</u>	<u>53,180</u>	<u>26,623</u>	<u>2,075,996</u>
<u>Fund Balance:</u>					
Nonspendable	88,622	-	-	-	88,622
Restricted	430	2,166,558	-	3,504,279	5,671,267
Committed	-	-	2,749,522	171,300	2,920,822
Unassigned	8,235,764	-	-	-	8,235,764
Total Fund Balance	<u>8,324,816</u>	<u>2,166,558</u>	<u>2,749,522</u>	<u>3,675,579</u>	<u>16,916,475</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 9,796,710</u>	<u>\$ 2,976,164</u>	<u>\$ 2,802,702</u>	<u>\$ 3,750,680</u>	<u>\$ 19,326,256</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

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

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 16,916,475
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	31,820,386
The balance of the pooled insurance trust is not recorded as an asset on the balance sheet of the governmental funds.	108,368
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(59,494)
The amount of postemployment health care benefits is not recorded as a liability on the balance sheet of the governmental funds.	(2,216,708)
Net pension liabilities/assets are not reported on the balance sheet of the governmental funds.	(8,764,077)
Intergovernmental revenues that are not available for current use are reported as deferred on the balance sheet of the governmental funds but not on the statement of net position.	<u>288,873</u>
Net position of governmental activities	<u>\$ 38,093,823</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2025

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property Tax	\$ 2,474,446	\$ 741,853	\$ 100,273	\$ -	\$ 3,316,572
Intergovernmental:					
Sales and Use Tax	2,532,509	-	540,233	269,920	3,342,662
Replacement Tax	21,492	-	-	-	21,492
State Income Tax	2,565,545	-	-	-	2,565,545
Motor Fuel Tax	-	-	-	703,758	703,758
Excise Tax	59,960	-	-	-	59,960
Video Gaming Tax	407,254	-	-	-	407,254
Grants	261,289	-	649,911	-	911,200
Other	43,390	-	-	-	43,390
Utility Tax	910,001	-	-	-	910,001
Licenses, Fees and Permits	322,558	-	-	-	322,558
Charges for Services	432,525	10,810	-	-	443,335
Fines	139,956	-	-	-	139,956
Investment Earnings	274,783	68,559	39,344	103,193	485,879
Gifts and Donations	19,403	-	-	-	19,403
Miscellaneous Revenues/Reimbursements	<u>412,685</u>	<u>26,709</u>	<u>-</u>	<u>958</u>	<u>440,352</u>
Total Revenues	<u>10,877,796</u>	<u>847,931</u>	<u>1,329,761</u>	<u>1,077,829</u>	<u>14,133,317</u>
Expenditures:					
Current:					
General Government	1,599,133	-	4,550	22,676	1,626,359
Public Safety	6,344,381	-	83,762	19,735	6,447,878
Public Works	665,199	-	136,115	785,208	1,586,522
Culture and Recreation	313,483	-	25,751	-	339,234
Community and Economic Development	-	410,112	-	90,119	500,231
Capital Outlay	<u>168,519</u>	<u>264,440</u>	<u>928,234</u>	<u>775,241</u>	<u>2,136,434</u>
Total Expenditures	<u>9,090,715</u>	<u>674,552</u>	<u>1,178,412</u>	<u>1,692,979</u>	<u>12,636,658</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,787,081</u>	<u>173,379</u>	<u>151,349</u>	<u>(615,150)</u>	<u>1,496,659</u>
Other Financing Sources (Uses):					
Transfers In	8,545	-	394,823	(8,545)	394,823
Transfers Out	<u>(394,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(394,823)</u>
Total Other Financing Sources	<u>(386,278)</u>	<u>-</u>	<u>394,823</u>	<u>(8,545)</u>	<u>-</u>
Net Change in Fund Balances	1,400,803	173,379	546,172	(623,695)	1,496,659
Fund Balance, Beginning of Year	<u>6,924,013</u>	<u>1,993,179</u>	<u>2,203,350</u>	<u>4,299,274</u>	<u>15,419,816</u>
Fund Balance, End of Year	<u>\$ 8,324,816</u>	<u>\$ 2,166,558</u>	<u>\$ 2,749,522</u>	<u>\$ 3,675,579</u>	<u>\$ 16,916,475</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

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

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

Net change in fund balances - total governmental funds	\$ 1,496,659
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$2,136,434, and contributed capital \$273,732 exceeded depreciation expense of \$1,611,962 in the current year.	 798,204
 The amount of compensated absences is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the difference between beginning and ending compensated absences balances that has been included in the statement of activities.	 (11,350)
 The amount of net pension liabilities/assets related to IMRF and the police and fire pensions are not recorded as an expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the proper functional expense category. This amount is the difference between beginning and ending net pension liabilities/assets balances that has been included in the statement of activities.	 347,195
 The amount of postemployment healthcare benefits is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the difference between beginning and ending compensated absences balances that has been included in the statement of activities.	 (41,008)
 Intergovernmental revenues that are not available for current use are reported as deferred on the balance sheet of the governmental funds but not on the statement of net position. This amount is the difference between beginning and ending deferred revenues that has been included in the statement of activities.	 (842)
 The balance of the Village's portion of the pooled insurance trust is not recorded as an asset in the fund financial statements. In the statement of net position, this amount is included and adjusted through the general functional expense category. This amount is the difference between beginning and ending insurance trust balance.	 <u>(278,858)</u>
Change in net position of governmental activities	<u>\$ 2,310,000</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

STATEMENT OF NET POSITION  
 PROPRIETARY FUND - SEWERAGE  
 APRIL 30, 2025

**Assets:**

Current Assets:

Cash and Cash Equivalents	\$ 4,043,268
Investments	5,024,536
Receivables (Net, where applicable, of allowances for uncollectible):	
Services	590,022
Prepaid Insurance	<u>36,017</u>
Total Current Assets	<u>9,693,843</u>

Noncurrent Assets:

Capital Assets:

Sewer Plant	22,819,973
Buildings and Improvements	42,973
Equipment and Vehicles	2,114,848
Sewer System	<u>16,181,342</u>
Total	41,159,136
Less - Accumulated Depreciation	<u>(22,278,857)</u>
Net Capital Assets	<u>18,880,279</u>
Total Noncurrent Assets	<u>18,880,279</u>
Total Assets	<u>\$ 28,574,122</u>

**Deferred Outflows of Resources**

Future Pension Expense	\$ 153,836
Future OPEB Expense	49,595
	<u>\$ 203,431</u>

**Liabilities:**

Current Liabilities:

Accounts Payable	\$ 141,176
Accrued Wages	13,992
Current Portion - Notes Payable	1,305,684
Accrued Compensated Absences	18,290
Accrued Interest Payable	<u>2,068</u>
Total Current Liabilities	<u>1,481,210</u>

Noncurrent Liabilities:

Net OPEB Liability	196,977
Net Pension Liability	341,476
Notes Payable	<u>3,036,328</u>
Total Noncurrent Liabilities	<u>3,574,781</u>
Total Liabilities	<u>\$ 5,055,991</u>

**Deferred Inflows of Resources**

Future Pension Expense	\$ 3,075
Future OPEB Expense	<u>107,863</u>
	<u>\$ 110,938</u>

**Net Position:**

Net Investment in Capital Assets	\$ 14,538,267
Unrestricted	<u>9,072,357</u>
Total Net Position	<u>\$ 23,610,624</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND - SEWERAGE FUND  
FOR THE YEAR ENDED APRIL 30, 2025

Operating Revenues:	
Charges for Services	\$ 3,724,840
Fees	34,600
Miscellaneous Revenue	<u>7,878</u>
Total Operating Revenues	<u>3,767,318</u>
Operating Expenses:	
Salaries	499,002
Employee Benefits	281,507
Contractual Services	991,661
Commodities	98,215
Depreciation	<u>1,296,489</u>
Total Operating Expenses	<u>3,166,874</u>
Operating Income	<u>600,444</u>
Nonoperating Revenues (Expenses):	
Investment Earnings	614,379
Interest and Fiscal Charges	<u>(67,704)</u>
Total Nonoperating Revenues (Expenses)	<u>546,675</u>
Change in Net Position	1,147,119
Net Position - Beginning of Year	<u>22,463,505</u>
Net Position - End of Year	<u>\$ 23,610,624</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - SEWERAGE FUND  
FOR THE YEAR ENDED APRIL 30, 2025

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 3,709,097
Payments to Suppliers	(1,314,127)
Payments to Employees	<u>(496,067)</u>
Net Cash Provided by Operating Activities	<u>1,898,903</u>
Cash Flows from Noncapital Financing Activities:	
None	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>
Cash Flows from Capital and Related Financing Activities:	
Capital Expenditures	(187,345)
Principal Payments on Notes	(1,288,114)
Interest Payments and Fiscal Charges	<u>(68,300)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,543,759)</u>
Cash Flows from Investing Activities:	
Sales (Purchases) of Investments	(223,970)
Interest Received	<u>614,379</u>
Net Cash Provided by Investing Activities	<u>390,409</u>
Net Change in Cash and Cash Equivalents	745,553
Cash and Cash Equivalents, Beginning of Year	<u>3,297,715</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,043,268</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 600,444
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	1,296,489
Change in Net Pension Liability and Related Deferrals	49,192
Change in OPEB Liability and Related Deferrals	43,347
(Increase) Decrease in Assets:	
Services Receivables	(58,221)
Prepaid Expenses	(2,191)
Increase (Decrease) in Liabilities:	
Accrued Wages and Compensated Absences	2,935
Accounts Payable	<u>(33,092)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,898,903</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
APRIL 30, 2025

Assets:	
Cash and Cash Equivalents	\$ 205,935
Investments:	
Illinois Police Officer's Pension Investment Fund	20,969,706
Illinois Firefighters Investment Fund	1,717,374
Receivables:	
Property Tax	1,703,372
Other	<u>15,768</u>
Total Assets	<u>24,612,155</u>
Liabilities:	
Benefit Withholdings	<u>3,195</u>
Total Liabilities	<u>3,195</u>
Net Position - Restricted for Pension Benefits	<u>\$ 24,608,960</u>

The notes to the financial statements are an integral part of this statement

**VILLAGE OF SWANSEA, ILLINOIS**

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

Additions:	
Employer Contributions	\$ 1,744,931
Employee Contributions	230,833
Investment Earnings:	
Investment Earnings	1,951,655
Less: Investment Expense	<u>(15,802)</u>
Net Investment Earnings	<u>1,935,853</u>
Other	<u>1,242</u>
Total Additions	<u>3,912,859</u>
Deductions:	
Benefit Payments	1,121,187
Refund of Contributions	52,376
Contractual Services	<u>34,631</u>
Total Deductions	<u>1,208,194</u>
Change in Net Position	2,704,665
Net Position - Beginning of Year	<u>21,904,295</u>
Net Position - End of Year	<u>\$ 24,608,960</u>

The notes to the financial statements are an integral part of this statement

## **VILLAGE OF SWANSEA, ILLINOIS**

### NOTES TO FINANCIAL STATEMENTS APRIL 30, 2025

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Village of Swansea, Illinois ("Village") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. 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 Village's accounting policies are described below.

(a) The financial reporting entity

The Village of Swansea has a President-Trustee form of Government. The Board consists of a Mayor and six Trustees who are elected at-large by the people of the Village. The Mayor and Board of Trustees, acting together, are the governing body. All governing body members serve four-year terms. The governing body, being the elected representative of the people, adopts all ordinances and resolutions, and determines the general goals and policies for the Village. The Village is a political subdivision of the State of Illinois. These financial statements present all the fund types of the Village. Component units are legally separate entities for which the Village is financially accountable, including a financial benefit or burden. The Village did not report any component units in the Village's financial statements.

(b) 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 Village. 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 or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

and other items not properly included among program revenues are reported instead as general revenues.

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

(c) 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 are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, franchise taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized, when applicable, as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Tax Increment Financing Fund accounts for incremental taxes and other revenues as well as all expenses related to improvements and promotional costs connected to the tax increment financing districts.

The Capital Projects Fund accounts for the dedicated revenues and the expenditures to provide capital improvements and equipment for the Village.

The Village reports the following major proprietary fund:

The Sewerage Fund accounts for all activities related to the billing, administration, distribution and collection processes of the sewer utilities. The Village operates the sewage treatment plant, sewage pumping stations and collection systems.

Additionally, the Village reports the following fund type:

The pension trust fund accounts for the activities of the Police and Firefighter Pension Funds, which accumulate resources for pension benefit payments to qualified public safety employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise fund are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(d) Assets, liabilities and net position or equity

Deposits and investments

The Village's cash and cash equivalents are cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less. All short-term cash surpluses are maintained in a cash and investment pool and interest allocated to each fund based on month-end balances and investment policies.

The Village is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America, the Illinois Funds, the Illinois Metropolitan Investment Fund and repurchase agreements of government securities. The pension trust funds are also allowed to invest limited percentages of their monies in mutual funds and equity securities.

All cash and investments are recorded in all funds at fair value. Investment income is recognized as earned. Gains or losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Receivables and payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Any allowance for uncollectible amounts has been deducted from the related receivable on the statement of net position.

Unbilled sewer utility receivables related to the business-type activities are recorded at year-end. They are determined by taking cycle billings subsequent to April 30 and prorating the applicable number of days to the current fiscal year.

The Village levied its 2024 property taxes on December 16, 2024 based upon the assessed valuation as of the previous January 1. Property taxes are due in installments in the following year, usually beginning in June, and are considered delinquent after the due dates. Property taxes for 2024 become an enforceable lien in January 2025. Because this tax levy will be used to pay expenses budgeted in fiscal year 2026, no part of this tax levy is shown as a revenue as of April 30, 2025 in the statement of activities.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects when constructed.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 50
Public domain infrastructure	15 - 40
System infrastructure	5 - 50
Equipment and vehicles	3 - 10
Improvements other than buildings	10 - 25

Compensated absences

Accumulated unpaid vacation pay amounts are accrued when incurred. The Village's vacation policy permits employees to earn 80 to 168 hours of vacation per year, based on length of service and employee classification.

Employees who are enrolled in IMRF, except police officers and firefighters, earn sick leave at the rate of 4 hours per month to a maximum of 2,080 hours. Those employees hired prior to this ordinance accumulate sick leave at 8 hours per month. There is no limit on sick leave accrual for police officers and firefighters.

At April 30, 2025, the Village estimated that the accumulated liability for unused vacation for governmental activities employees totaled \$59,494. Amounts reflected in the financial statements at April 30, 2025 for business-type activities employees related to unused vacation benefits totaled \$18,290.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types 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 debt service expenditures.

Fund balance

In the fund financial statements, the Village classifies the fund balances based upon the following criteria:

Nonspendable - includes amounts that cannot be spent because they are either 1) not in spendable form, or 2) legally or contractually required to remain intact.

Restricted - balances with constraints that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed - balances that are to be only used for specific purposes pursuant to constraints imposed by formal approval of the Village Trustees, which has the highest level of decision-making authority. Formal Board approval is required to establish and amend or remove any specific committed balances.

Assigned - balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Assigned balances are authorized by the Village Board or by the Village Administrator under the direction of the Village Board. The Village does not maintain any assigned balances as of April 30, 2025.

Unassigned - the residual classification of the General Fund balance.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

When expenditures are incurred for which the Village has both restricted and unrestricted funds available, the Village spends any restricted funds before using unrestricted sources. Likewise, the Village uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available. The following details the description and amount of all constraints recorded by the Village in the fund financial statements:

<u>Governmental Funds</u>	
Nonspendable:	
Prepaid Items	\$ 88,622
Restricted:	
TIF Economic Development	\$ 2,166,558
Forfeiture Funds	430
Business Districts	2,065,947
Motor Fuel Tax	1,438,332
	<u>\$ 5,671,267</u>
Committed:	
Capital Projects	\$ 2,749,522
ARPA Funds	171,300
	<u>\$ 2,920,822</u>

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

**NOTE 2: BUDGETARY AND LEGAL COMPLIANCE**

Village ordinance requires that a legally adopted annual budget be prepared for all funds. The Village Administrator compiles a budget of estimated revenues and expenditures for the Village and submits the budget to the Village Board prior to May 1 each year. The legal level of budgetary control is defined as the budgeted appropriation amount at the program level of expenditures within a department. Unexpended appropriations lapse at year-end. Supplemental appropriations can be made with the majority vote of the Village Board.

The Village prepares its annual budget on the cash basis of accounting, which differs from accounting principles generally accepted in the United States of America (GAAP). The budget and all transactions are presented in accordance with the Village's method (budget basis) in the required supplementary information for the major governmental funds to provide a meaningful comparison of actual results with the budget.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**General Government & Business-Like Activities**

At April 30, 2025, the carrying amount of the Village's deposits was \$25,004,822 and the bank balance was \$25,179,144. The deposits were comprised of checking accounts, money market accounts, and certificates of deposit.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Village's name. The Village had \$1,137,853 in bank balances that exceeded FDIC coverage and were uncollateralized at April 30, 2025.

As of April 30, 2025, the Village had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Cash on Hand		\$ 1,400
Deposits as reported above	N/A	<u>25,004,822</u>
Total deposits and investments		<u>\$ 25,006,222</u>
As Reported in the Statement of Net Position:		
Cash and Cash Equivalents		\$ 13,965,864
Investments		<u>11,040,358</u>
		<u>\$ 25,006,222</u>

Interest Rate Risk. The Village's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of April 30, 2025, the Village did not have any investments subject to credit risk.

To minimize credit risk, it is the Village's policy to limit investments to the safest type of security and diversify the portfolio, to the extent necessary, in order to minimize potential losses on individual securities

Concentration of Credit Risk. As of April 30, 2025, the Village did not have a concentration of credit risk related to investments.

Foreign Currency Risk. As of April 30, 2025, the Village has no foreign currency risk.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Firefighter's Pension Fund**

At April 30, 2025, the carrying amount and the bank balance of the Firefighter's Pension Fund deposits was \$8,006. The deposits were comprised of a checking account.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Firefighter's Pension Fund's deposits may not be returned to it. The Firefighter's Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Fire Pension's name.

As of April 30, 2025, the Firefighter's Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Illinois Firefighters Investment Fund	--	\$ 1,717,374
Deposits as reported above		<u>8,006</u>
Total deposits and investments		<u>\$ 1,725,380</u>

As of April 30, 2025, the Firefighter's Pension Fund has transferred a large percentage of the investment funds to the Illinois Firefighter's Pension Investment Fund (IFPIF) investment account. The IFPIF is a pooled investment account maintained by the State of Illinois. The Village's portion of the balance held in this investment pool is \$1,717,374 as of April 30, 2025.

Interest Rate Risk. The Firefighter's Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund. The policy also requires diversification of the investment portfolio via length of maturity to manage its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of April 30, 2025, the Firefighter's Pension Fund did not have any investments subject to credit risk.

Concentration of Credit Risk. As of April 30, 2025, the Firefighter's Pension Fund investments did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2025, the Firefighter's Pension Fund has no foreign currency risk.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Police Pension Fund**

At April 30, 2025, the carrying amount and bank balance of the Police Pension Fund's deposits were \$197,929. The deposits were comprised of checking and interest checking accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Police Pension Fund's name.

As of April 30, 2025, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Illinois Police Officer's Pension Investment Fund	--	\$ 20,969,706
Deposits as reported above		<u>197,929</u>
Total deposits and investments		<u>\$ 21,167,635</u>

As of April 30, 2025, the Police Pension Fund has transferred a large percentage of the investment funds to the Illinois Police Officer's Pension Investment Fund (IPOPIF) investment account. The IPOPIF is a pooled investment account maintained by the State of Illinois. The Village's portion of the balance held in this investment pool is \$20,969,706 as of April 30, 2025.

Interest Rate Risk. The Police Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity to manage its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of April 30, 2025 the Police Pension Fund did not have any investments subject to credit risk.

Concentration of Credit Risk. As of April 30, 2025, the Police Pension Fund's investments did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2025, the Police Pension Fund has no foreign currency risk.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 4: RECEIVABLES**

The Village reports the following receivables in the statement of net position as of April 30, 2025. These amounts are reported net of the applicable allowances for uncollectible accounts.

	<u>General</u>	<u>Other Major Funds</u>	<u>Sewer</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Property Tax	\$ 990,840	\$ 796,283	\$ -	\$ -	\$ 1,787,123
Intergovernmental Accounts	1,102,030	148,824	-	124,939	1,375,793
Other	-	-	695,339	-	695,339
	<u>102,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,069</u>
Gross Receivables	2,194,939	945,107	695,339	124,939	3,960,324
Less: Allowance for uncollectible	-	-	105,317	-	105,317
Net Total Receivables	<u>\$ 2,194,939</u>	<u>\$ 945,107</u>	<u>\$ 590,022</u>	<u>\$ 124,939</u>	<u>\$ 3,855,007</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the components of unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable	\$ 1,787,123	\$ --
Intergovernmental taxes	288,873	--

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 5: CAPITAL ASSETS**

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

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 8,850,567	\$ 127,678	\$ -	\$ 8,978,245
Capital assets, being depreciated:				
Buildings and improvements	8,509,619	807,894	-	9,317,513
Equipment and vehicles	8,676,568	596,566	-	9,273,134
Infrastructure	34,571,824	878,028	-	35,449,852
Total capital assets being depreciated	<u>51,758,011</u>	<u>2,282,488</u>	<u>-</u>	<u>54,040,499</u>
Less accumulated depreciation for:				
Buildings and improvements	3,780,667	183,303	-	3,963,970
Equipment and vehicles	5,607,486	594,476	-	6,201,962
Infrastructure	20,198,243	834,183	-	21,032,426
Total accumulated depreciation	<u>29,586,396</u>	<u>1,611,962</u>	<u>-</u>	<u>31,198,358</u>
Total capital assets, being depreciated, net	<u>22,171,615</u>	<u>670,526</u>	<u>-</u>	<u>22,842,141</u>
Governmental activities capital assets, net	<u>\$ 31,022,182</u>	<u>\$ 798,204</u>	<u>\$ -</u>	<u>\$ 31,820,386</u>

Capital asset activity for business-type activities for the year ended April 30, 2025 was as follows:

<u>Business-type activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Sewer plant	\$ 22,819,973	\$ -	\$ -	\$ 22,819,973
Buildings and improvements	42,973	-	-	42,973
Equipment and vehicles	2,057,917	56,931	-	2,114,848
Sewer system	16,050,928	130,414	-	16,181,342
Total capital assets being depreciated	<u>40,971,791</u>	<u>187,345</u>	<u>-</u>	<u>41,159,136</u>
Less accumulated depreciation for:				
Sewer plant	11,120,197	793,615	-	11,913,812
Buildings and improvements	31,179	1,295	-	32,474
Equipment and vehicles	1,047,594	172,511	-	1,220,105
Sewer system	8,783,398	329,068	-	9,112,466
Total accumulated depreciation	<u>20,982,368</u>	<u>1,296,489</u>	<u>-</u>	<u>22,278,857</u>
Total capital assets, being depreciated, net	<u>19,989,423</u>	<u>(1,109,144)</u>	<u>-</u>	<u>18,880,279</u>
Business-type activities capital assets, net	<u>\$ 19,989,423</u>	<u>\$ (1,109,144)</u>	<u>\$ -</u>	<u>\$ 18,880,279</u>

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Governmental activities:	
General government	\$ 88,317
Public safety	490,268
Public works, including depreciation of general infrastructure assets	915,260
Culture and recreation	<u>118,117</u>
Total depreciation expense - governmental activities	<u>\$ 1,611,962</u>
Business-type activities:	
Sewerage	<u>\$ 1,296,489</u>

**NOTE 6: LONG-TERM DEBT**

Notes Payable

The Village has entered into several notes payable. The following are descriptions of the Village's outstanding notes payable:

\$9,387,981 note payable through the Bank of Springfield, dated December 18, 2020 for the improvement of the wastewater plant, bears interest at 1.34%; monthly principal and interest payments of \$109,776 are due through June 2028. This loan was used to pay off a similar loan through the Illinois Environmental Protection Agency (IEPA), dated October 2008, with interest at 2.50%. This note is being retired by the Sewerage fund. The principal amount of the note outstanding as of April 30, 2025 is \$4,080,721.

\$665,850 note payable through the Illinois Environmental Protection Agency (IEPA), dated December 2010, for the improvement of the Western Avenue lift station, bears interest at 1.25%; semiannual principal and interest payments of \$19,950 are due through April 2032. This note is being retired by the Sewerage fund. The principal amount of the note outstanding as of April 30, 2025 is \$261,291.

Upon default of the above notes payable, the lender has the option to make all amounts due and payable at that time.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual debt requirements to retire the notes payable as of April 30, 2025 are as follows:

Fiscal Year Ended <u>April 30.</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,305,684	\$ 50,730
2027	1,323,494	32,920
2028	1,341,529	14,885
2029	256,526	2,526
2030	37,785	1,315
2031-2032	<u>76,994</u>	<u>1,206</u>
	<u>\$ 4,342,012</u>	<u>\$ 103,582</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
Other liabilities:					
OPEB liability	\$ 1,981,448	\$ -	\$ 270,779	\$ 1,710,669	\$ -
Net pension liability	9,865,126	-	1,128,096	8,737,030	-
Compensated absences	<u>48,144</u>	<u>11,350</u>	<u>-</u>	<u>59,494</u>	<u>59,494</u>
Governmental activities long-term liabilities	<u>\$ 11,958,250</u>	<u>\$ 11,350</u>	<u>\$ 1,398,875</u>	<u>\$ 10,507,193</u>	<u>\$ 59,494</u>
<u>Business-type Activities:</u>					
Bonds and notes payable:					
Notes from direct borrowings	\$ 5,630,126	\$ -	\$ 1,288,114	\$ 4,342,012	\$ 1,305,684
Other liabilities:					
OPEB liability	192,979	3,998	-	196,977	-
Net pension liability	325,427	16,049	-	341,476	-
Compensated absences	<u>18,391</u>	<u>-</u>	<u>101</u>	<u>18,290</u>	<u>18,290</u>
Business-type activities long-term liabilities	<u>\$ 9,865,421</u>	<u>\$ 20,047</u>	<u>\$ 1,288,215</u>	<u>\$ 4,898,755</u>	<u>\$ 1,323,974</u>

The liabilities related to the pension benefit obligation, the OPEB liability and the compensated absences in the governmental activities are being retired by the General Fund.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 7: LEGAL DEBT MARGIN**

The computation of legal debt margin at April 30, 2025 is as follows:

Bonded Debt Limit*	\$ 33,835,110
Bonded Indebtedness	<u>                  -</u>
Legal Debt Margin	<u>\$ 33,835,110</u>

\* The bonded indebtedness of the Village is limited by Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes to 8.625% of the assessed valuation of taxable tangible property.

**NOTE 8: INTERFUND TRANSFERS**

The Village made a transfer of \$394,823 from the General Fund to the Capital Projects Fund for constructions costs, and a \$8.545 transfer to the General Fund from closing the Debt Service Fund during the year ended April 30, 2025.

**NOTE 9: RETIREMENT AND PENSION FUND COMMITMENTS**

1. Illinois Municipal Retirement Fund

*Plan Description.* The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2024 was 9.44 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

*Covered Employees.* The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	28
Inactive, non-Retired Members	20
Active Members	<u>27</u>
Total	<u>75</u>

*Discount Rate.* GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.08%; and the resulting single discount rate is 7.25%.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Valuation Date	12/31/24
Measurement Date of the Net Pension Liability	12/31/24
Fiscal Year End	04/30/25

Development of the Single Discount Rate as of December 31, 2024	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	4.08%
Last year ending December 31 in the 2025 to 2124 projection period for which projected benefit payments are fully funded	2124
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2023 Measurement Date 7.25%

The Long-Term Municipal Bond Rate is based on the Buyer Bond Index's "20-Bond GO Index" as of December 26, 2024.

*Actuarial Assumptions.* The following are the actuarial assumptions used in the calculation of the net pension liability.

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	19 year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

*Net Pension Liability.* The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

<b>Total pension liability</b>	
Service Cost	\$ 123,230
Interest on the Total Pension Liability	613,214
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	270,545
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(567,454)</u>
Net change in total pension liability	\$ 439,535
Total pension liability - beginning	<u>8,680,230</u>
Total pension liability - ending	<u>\$ 9,119,765</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 146,923
Contributions - employee	70,033
Net investment income	755,770
Benefit payments, including refunds of employee contributions	(567,454)
Other	<u>(67,972)</u>
Net change in plan fiduciary net position	\$ 337,300
Plan fiduciary net position - beginning	<u>7,684,161</u>
Plan fiduciary net position - ending	<u>\$ 8,021,461</u>
<b>Net pension liability/(asset)</b>	<u>\$ 1,098,304</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	87.96%
<b>Covered valuation payroll</b>	\$ 1,556,387
<b>Net pension liability as a percentage of covered valuation payroll</b>	70.57%

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 10,083,113	\$ 9,119,765	\$ 8,343,015
Plan Fiduciary Net Position	<u>8,021,461</u>	<u>8,021,461</u>	<u>8,021,461</u>
Net Pension Liability/(Asset)	<u>\$ 2,061,652</u>	<u>\$ 1,098,304</u>	<u>\$ 321,554</u>

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 240,872	\$ -
Changes in assumptions	-	9,890
Contributions subsequent to valuation date	52,918	-
Net difference between projected and actual earnings on pension plan investments	<u>200,999</u>	<u>-</u>
Total	<u>\$ 494,789</u>	<u>\$ 9,890</u>

Year Ending <u>December 31,</u>	Net Deferred Outflows of <u>Resources</u>
2025	\$ 191,649
2026	327,155
2027	(44,057)
2028	(42,766)
2029	-
Thereafter	<u>-</u>
	<u>\$ 431,981</u>

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Firefighters' Pension Fund

a) Plan Description

Plan Administration. The Board consists of two members appointed by the Village, two active members of the fire department elected by the membership, and one retired member of the fire department elected by the membership.

Plan Membership as of April 30, 2025:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	1
Active Plan Members	<u>2</u>
Total	<u>3</u>

Benefits Provided.

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,159.27 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60. Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Disability Benefit:

Eligibility: Total and permanent as determined by the Board of Trustees. Seven years of service required for non-service connected disability. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 54% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50.

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is based on the monthly salary attached to the Member's rank at separation from service. The following schedule applies:

<u>Service</u>	<u>% of Salary</u>
10	15.0%
11	17.6%
12	20.4%
13	23.4%
14	26.6%
15	30.0%
16	33.6%
17	37.4%
18	41.4%
19	45.6%

Contributions.

Employee: 9.455% of Salary. Village: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability by December 31, 2040.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

b) Investments

Investment Policy:

The long-term asset allocation is determined by the Illinois Firefighter's Pension Investment Fund and is as follows as of April 30, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
U.S. Equity	25.00%	5.00%
Developed Market Equity	11.00	5.10
Emerging Market Equity	4.00	5.80
Private Equity	10.00	8.90
Public Credit	3.00	3.00
Private Credit	7.00	7.10
Core Fixed Income	13.75	2.60
Core Plus Fixed Income	13.75	3.10
Real Estate	7.50	3.90
Infrastructure	5.00	4.40
Total	<u>100.00%</u>	

The long-term expected rate of return on pension plan investments is the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) and 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 by the target asset allocation percentage and by adding expected inflation.

Concentrations:

The Plan has does not have a concentration of 5% or more of the investments.

Rate of Return:

For the year ended April 30, 2025, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

c) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2025 were as follows:

Total Pension Liability	\$ 1,983,486
Plan Fiduciary Net Position	<u>(1,886,831)</u>
Net Pension Liability	<u>\$ 96,655</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	95.13%

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2025 using the following actuarial assumptions.

Inflation	3.00%
Salary Increases	3.00%
Investment Rate of Return	5.00%
Pre-Retirement Mortality Rate: PRI-2012 Employee Tables for Males and Females with expected mortality improvement using Scale MP 2021	
Post-Retirement Mortality Rate: PRI-2012 Annuitant Tables for Males/Females with expected mortality improvement using Scale MP 2021	

Discount Rate:

The discount rate used to measure the total pension liability was 5.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future projected benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	1% Decrease	Current Discount Rate	1% Increase
	<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
Net Pension Liability	\$ 421,262	\$ 96,655	\$ (182,299)

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 84,292	\$ 306
Changes in assumptions	31,654	17,576
Net difference between projected and actual earnings on pension plan investments	-	34,596
Total	<u>\$ 115,946</u>	<u>\$ 52,478</u>

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ending <u>April 30,</u>	Net Deferred Outflows of <u>Resources</u>
2026	\$ 60,967
2027	(1,491)
2028	(11,838)
2029	2,275
2030	13,555
Thereafter	-
	<u>\$ 63,468</u>

3. Police Pension Fund

a) Plan Description

Plan Administration. The Board consists of two members appointed by the Village, two active members of the police department elected by the membership, and one retired member of the police department elected by the membership.

Plan Membership as of April 30, 2025:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	25
Active Plan Members	<u>22</u>
Total	<u>47</u>

Benefits Provided.

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

**Disability Benefit:**

Eligibility: Total and permanent as determined by the Board of Trustees. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

**Pre-Retirement Death Benefit:**

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 50% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

**Vesting (Termination):**

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination times creditable service.

**Contributions.**

Employee: 9.91% of Salary. Village: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over a period ending in 2040.

b) Investments

**Investment Policy:**

The long-term expected rate of return on pension plan investments is the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) and 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 by the target asset allocation percentage and by adding expected inflation.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The long-term asset allocation is determined by the Illinois Police Officer's Pension Investment Fund and is as follows as of April 30, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>	Long Term Expected <u>Real Rate of Return</u>
U.S. Large	23.00%	4.15%
U.S Small	5.00	4.54
International Developed	19.00	4.64
International Developed Small	5.00	-.25
Emerging Markets	6.00	5.31
Private Equity	7.00	7.15
Bank Loans	3.00	2.48
High Yield Corp Credit	3.00	2.48
Emerging Market Debt	3.00	2.82
Private Credit	5.00	4.37
TIPS	3.00	-.12
Real Estate/Infrastructure	8.00	4.00
Cash	1.00	-.27
Short-Term Gov't/Credit	3.00	.73
U.S. Treasury	3.00	-.60
Core Plus Fixed Income	<u>3.00</u>	.73
Total	<u>100.00%</u>	

**Concentrations:**

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

**Rate of Return:**

For the year ended April 30, 2025, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 9.72%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

c) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2025 were as follows:

Total Pension Liability	\$ 30,605,676
Plan Fiduciary Net Position	<u>(22,722,129)</u>
Net Pension Liability	<u>\$ 7,883,547</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	74.24%

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2025 using the following actuarial assumptions.

Inflation	2.75%
Salary Increases	4.00%
Investment Rate of Return	5.75%
Pre-Retirement Mortality Rate: PRI-2012 Employee Tables for Males and Females with expected mortality Improvement using Scale MP 2021	
Post-Retirement Mortality Rate: PRI-2012 Annuitant Tables for Males/Females with expected mortality Improvement using Scale MP 2021	

Discount Rate:

The discount rate used to measure the total pension liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future projected benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	1% Decrease	Current Discount Rate	1% Increase
	<u>4.75%</u>	<u>5.75%</u>	<u>6.75%</u>
Net Pension Liability	\$ 12,608,214	\$ 7,883,547	\$ 3,794,301

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 225,188	\$ 253,797
Changes in assumptions	568,852	642,629
Net difference between projected and actual earnings on pension plan investments	-	322,267
Total	<u>\$ 794,040</u>	<u>\$ 1,218,693</u>

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ending <u>April 30,</u>	Net Deferred Inflows of <u>Resources</u>
2026	\$ 256,463
2027	(67,663)
2028	(158,236)
2029	(147,144)
2030	(37,357)
Thereafter	<u>(270,716)</u>
	<u>\$ (424,653)</u>

**NOTE 10: RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the Village carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverages in the past three years.

The Village is a member of the Intergovernmental Personnel Benefit Cooperative (IPBC). The IPBC is a pooled insurance cooperative established by certain units of local government in Illinois to administer personnel benefit programs to the participating members.

As a member of the cooperative, the Village has made contributions to the insurance plan, some of which are being maintained by the cooperative for future claims or for return to the Village. The funds are being held in several accounts and the balances as of April 30 for each of the past two years are as follows:

	Balances as of April 30,	
	<u>2024</u>	<u>2025</u>
Administrative Account	\$ 652	\$ 677
Benefit Account	357,579	66,132
HMO Account	4,699	(310)
Wellness Fund	1,020	968
Terminal Reserve Account	<u>23,276</u>	<u>40,901</u>
	<u>\$ 387,226</u>	<u>\$ 108,368</u>

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 11: POSTEMPLOYMENT HEALTHCARE PLAN**

*Plan Description.* The Village maintains a single-employer defined benefit healthcare plan available for retirees. The Village provides pre and post Medicare post-retirement healthcare benefits to all retirees who worked for the Village, were enrolled in one of the Village's healthcare plans at the time of employment, and receive a pension from the Village through IMRF, the Police Pension Fund or the Firefighter's Pension Fund. The various eligibility requirements vary with the type of retirement plan the employee was associated with. The Village does not issue a separate report related to post-retirement healthcare benefits.

*Funding Policy.* The contribution requirements are as determined by the contracts with Village employees and are funded as a pay-as-you-go basis.

*Annual OPEB Cost and Net OPEB Obligation.* The Village's annual other postemployment benefit (OPEB) cost is calculated based an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The OPEB liability as of April 30, 2025, is calculated at \$1,907,646. This is a decrease of \$264,782 in the current year from the prior year estimated balance of \$2,172,428.

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

*Net OPEB Liability.* The following is a summary of the Net OPEB Liability as shown as a liability in the financial statements.

<b>Total OPEB liability</b>	
Service Cost	\$ 99,714
Interest on the Total OPEB Liability	93,019
Changes of benefit terms	-
Difference between expected and actual experience of the Total OPEB Liability	(322,407)
Changes of assumptions	(66,968)
Benefit payments, including refunds of employee contributions	<u>(68,140)</u>
Net change in total OPEB liability	\$ (264,782)
Total OPEB liability - beginning	<u>2,172,428</u>
Total OPEB liability - ending	<u>\$ 1,907,646</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 68,140
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(68,140)
Other	<u>-</u>
Net change in plan fiduciary net position	\$ -
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u>\$ -</u>
<b>Net OPEB liability/(asset)</b>	<u>\$ 1,907,646</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%
<b>Covered valuation payroll</b>	\$ 4,477,696
<b>Net OPEB liability as a percentage of covered valuation payroll</b>	42.60%

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	1% Decrease 3.65%	Rate Assumption 4.65%	1% Increase 5.65%
Total OPEB Liability	\$ 2,108,357	\$ 1,907,646	\$ 1,726,042
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability/(Asset)	<u>\$ 2,108,357</u>	<u>\$ 1,907,646</u>	<u>\$ 1,726,042</u>

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future OPEB Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 244,519	\$ 419,027
Changes in assumptions	235,790	625,589
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ 480,309</u>	<u>\$ 1,044,616</u>

Year Ending <u>April 30,</u>	Net Deferred Inflows of <u>Resources</u>
2026	\$ (38,239)
2027	(38,239)
2028	(38,239)
2029	(38,239)
2030	(38,239)
Thereafter	<u>(373,112)</u>
	<u>\$ (564,307)</u>

*Funding Status and Funding Progress.* As of April 30, 2025, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability is \$1,907,646. The plan has no assets as payments are made on a pay-as-you-go basis. The covered payroll was \$4,477,696 and the ratio of the UAAL to the covered payroll was 42.60 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and

VILLAGE OF SWANSEA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to the point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2025 actuarial valuation, the entry age normal cost method was used.

The actuarial assumptions included the following:

Annual healthcare cost trend rate: 5.50% to be reduced by .25% increments to an ultimate rate of 4.00 percent.

Remaining amortization period at April 30, 2025: 19 years.

Inflation rate: 2.75%

Assumed retirement age is 58 with the completion of 20 years of service.

Pre-Retirement Mortality Rate: PRI-2012 Employee Tables for Males and Females with expected mortality improvement using Scale MP 2021

Post-Retirement Mortality Rate: PRI-2012 Annuitant Tables for Males/Females with expected mortality improvement using Scale MP 2021

**NOTE 12: SUBSEQUENT EVENTS**

The Village has evaluated events occurring after the financial statement date through December 1, 2025 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

**VILLAGE OF SWANSEA, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2025

	Budgeted Amounts		Actual (Budget Basis)	Variance -
	Original	Final		Actual vs. Budget Final
<b>Receipts:</b>				
Property Tax	\$ 2,492,248	\$ 2,492,248	\$ 2,474,446	\$ (17,802)
<b>Intergovernmental:</b>				
Sales and Use Tax	2,029,200	2,029,200	2,543,845	514,645
Replacement Tax	37,300	37,300	22,349	(14,951)
State Income Tax	2,460,006	2,460,006	2,500,350	40,344
Excise Tax	72,000	72,000	61,270	(10,730)
Grants	320,390	320,390	261,289	(59,101)
Video Gaming Tax	384,000	384,000	402,750	18,750
Other	35,000	35,000	43,390	8,390
Utility Tax	840,000	840,000	902,710	62,710
Licenses, Fees and Permits	342,050	342,050	322,558	(19,492)
Charges for Services	456,140	456,140	437,413	(18,727)
Fines	20,600	20,600	139,956	119,356
Investment Earnings	79,500	79,500	274,783	195,283
Gifts and Donations	9,500	9,500	19,403	9,903
Miscellaneous Revenues and Reimbursements	47,500	47,500	364,310	316,810
<b>Total Receipts</b>	<u>9,625,434</u>	<u>9,625,434</u>	<u>10,770,822</u>	<u>1,145,388</u>
<b>Disbursements:</b>				
<b>General Government:</b>				
Centralized Services	722,440	722,440	740,084	(17,644)
Swansea Report	21,600	21,600	21,110	490
Elected Officials	83,755	83,755	78,604	5,151
General Administration	346,206	346,206	354,667	(8,461)
Building & Zoning	421,671	421,671	353,767	67,904
<b>Total Administration</b>	<u>1,595,672</u>	<u>1,595,672</u>	<u>1,548,232</u>	<u>47,440</u>
<b>Public Safety:</b>				
Police	5,637,684	5,637,684	5,772,034	(134,350)
Fire	719,497	719,497	708,463	11,034
<b>Total Public Safety</b>	<u>6,357,181</u>	<u>6,357,181</u>	<u>6,480,497</u>	<u>(123,316)</u>
<b>Public Works:</b>				
Streets	776,350	776,350	735,651	40,699
<b>Total Public Works</b>	<u>776,350</u>	<u>776,350</u>	<u>735,651</u>	<u>40,699</u>

**VILLAGE OF SWANSEA, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u> (Budget Basis)	<u>Variance -</u> <u>Actual vs.</u> <u>Budget Final</u>
	<u>Original</u>	<u>Final</u>		
Disbursements (continued):				
Culture and Recreation:				
Parks	311,209	311,209	321,750	(10,541)
Senior Services	<u>1,175</u>	<u>1,175</u>	<u>-</u>	<u>1,175</u>
Total Culture and Recreation	<u>312,384</u>	<u>312,384</u>	<u>321,750</u>	<u>(9,366)</u>
Total Disbursements	<u>9,041,587</u>	<u>9,041,587</u>	<u>9,086,130</u>	<u>(44,543)</u>
Excess of Receipts Over				
Disbursements	<u>583,847</u>	<u>583,847</u>	<u>1,684,692</u>	<u>1,100,845</u>
Other Financing Sources:				
Transfers In (Out)	<u>(633,000)</u>	<u>(633,000)</u>	<u>(386,278)</u>	<u>246,722</u>
Total Other Financing Sources	<u>(633,000)</u>	<u>(633,000)</u>	<u>(386,278)</u>	<u>246,722</u>
Excess (Deficiency) of Receipts and Other				
Financing Sources Over Disbursements	<u>\$ (49,153)</u>	<u>\$ (49,153)</u>	<u>1,298,414</u>	<u>\$ 1,347,567</u>
Change in intergovernmental revenue on modified accrual basis			56,196	
Change in accounts payable on modified accrual basis			61,190	
Change in accrued wages on modified accrual basis			(20,647)	
Change in prepaid expenses on modified accrual basis			3,247	
Change in franchise fees receivable on modified accrual basis			(4,888)	
Change in utility tax receivable on modified accrual basis			<u>7,291</u>	
As reported on the Statement of Revenues, Expenditures				
and Changes in Fund Balance			<u>\$ 1,400,803</u>	

**VILLAGE OF SWANSEA, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - TAX INCREMENT FINANCING FUND  
 FOR THE YEAR ENDED APRIL 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>	<u>Variance - Actual vs. Budget Final</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property Tax	\$ 660,000	\$ 660,000	\$ 741,853	\$ 81,853
Charges for Services	-	-	10,810	10,810
Investment Earnings	40,000	40,000	68,559	28,559
Miscellaneous Revenues/Reimbursements	82,890	82,890	26,709	(56,181)
Total Receipts	<u>782,890</u>	<u>782,890</u>	<u>847,931</u>	<u>65,041</u>
Disbursements:				
Community Development	256,875	256,875	435,817	(178,942)
Capital Outlay	<u>1,302,000</u>	<u>1,302,000</u>	<u>264,440</u>	<u>1,037,560</u>
Total Disbursements	<u>1,558,875</u>	<u>1,558,875</u>	<u>700,257</u>	<u>858,618</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (775,985)</u>	<u>\$ (775,985)</u>	147,674	<u>\$ 923,659</u>
Change in accounts payable on modified accrual basis			<u>25,705</u>	
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 173,379</u>	

**VILLAGE OF SWANSEA, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED APRIL 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>	<u>Variance - Actual vs. Budget Final</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Tax	\$ 100,000	\$ 100,000	\$ 100,273	\$ 273
Intergovernmental Revenues	335,000	335,000	525,806	190,806
Grant Receipts	659,910	659,910	649,911	(9,999)
Investment Earnings	<u>25,000</u>	<u>25,000</u>	<u>39,344</u>	<u>14,344</u>
Total Receipts	<u>1,119,910</u>	<u>1,119,910</u>	<u>1,315,334</u>	<u>195,424</u>
<b>Disbursements:</b>				
Capital Outlay:				
General Government	-	-	4,550	(4,550)
Public Safety	-	-	83,762	(83,762)
Public Works	-	-	149,732	(149,732)
Culture and Recreation	-	-	25,751	(25,751)
Capital Projects	<u>1,342,851</u>	<u>1,342,851</u>	<u>1,009,007</u>	<u>333,844</u>
Total Disbursements	<u>1,342,851</u>	<u>1,342,851</u>	<u>1,272,802</u>	<u>70,049</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (222,941)</u>	<u>\$ (222,941)</u>	<u>42,532</u>	<u>\$ 265,473</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	<u>633,000</u>	<u>633,000</u>	<u>394,823</u>	<u>(238,177)</u>
Total Other Financing Sources (Uses)	<u>633,000</u>	<u>633,000</u>	<u>394,823</u>	<u>(238,177)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ 410,059</u>	<u>\$ 410,059</u>	<u>437,355</u>	<u>\$ 27,296</u>
Change in sales tax receivable on modified accrual basis			14,427	
Change in accounts payable on modified accrual basis			<u>94,390</u>	
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 546,172</u>	

**VILLAGE OF SWANSEA, ILLINOIS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
APRIL 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability:</b>										
Service Cost	\$ 123,230	\$ 121,629	\$ 110,926	\$ 102,908	\$ 109,964	\$ 116,946	\$ 103,086	\$ 127,088	\$ 134,672	\$ 130,502
Interest	613,214	596,181	580,415	552,982	529,992	494,523	468,564	474,337	447,715	429,324
Difference between expected and actual	270,545	73,433	28,013	190,451	125,174	252,143	122,598	(196,655)	21,261	(100,884)
Assumption changes	-	(18,952)	-	-	(25,395)	-	191,990	(187,513)	(31,344)	14,992
Benefit payments, including refunds	<u>(567,454)</u>	<u>(508,869)</u>	<u>(505,608)</u>	<u>(438,333)</u>	<u>(399,866)</u>	<u>(341,925)</u>	<u>(297,430)</u>	<u>(267,043)</u>	<u>(224,063)</u>	<u>(204,147)</u>
Net change in total pension liability	439,535	263,422	213,746	408,008	339,869	521,687	588,808	(49,786)	348,241	269,787
Total pension liability - beginning	<u>8,680,230</u>	<u>8,416,808</u>	<u>8,203,062</u>	<u>7,795,054</u>	<u>7,455,185</u>	<u>6,933,498</u>	<u>6,344,690</u>	<u>6,394,476</u>	<u>6,046,235</u>	<u>5,776,448</u>
Total pension liability - ending	<u>\$9,119,765</u>	<u>\$8,680,230</u>	<u>\$8,416,808</u>	<u>\$8,203,062</u>	<u>\$7,795,054</u>	<u>\$7,455,185</u>	<u>\$6,933,498</u>	<u>\$6,344,690</u>	<u>\$6,394,476</u>	<u>\$6,046,235</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	146,923	148,257	165,205	163,913	137,326	127,900	162,583	146,464	165,275	152,341
Contributions - employee	70,033	69,136	60,532	57,943	53,227	53,341	53,458	52,939	56,344	65,155
Net investment income	755,770	788,289	(1,107,010)	1,230,075	930,902	1,041,857	(299,808)	888,481	331,445	24,818
Benefit payments, including refunds	(567,454)	(508,869)	(505,608)	(438,333)	(399,866)	(341,925)	(297,430)	(267,043)	(224,063)	(204,147)
Other	<u>(67,972)</u>	<u>196,106</u>	<u>(83,709)</u>	<u>47,013</u>	<u>45,667</u>	<u>56,006</u>	<u>157,918</u>	<u>(80,146)</u>	<u>22,531</u>	<u>(167,186)</u>
Net change in plan fiduciary net position	337,300	692,919	(1,470,590)	1,060,611	767,256	937,179	(223,279)	740,695	351,532	(129,019)
Plan fiduciary net position - beginning	<u>7,684,161</u>	<u>6,991,242</u>	<u>8,461,832</u>	<u>7,401,221</u>	<u>6,633,965</u>	<u>5,696,786</u>	<u>5,920,065</u>	<u>5,179,370</u>	<u>4,827,838</u>	<u>4,956,857</u>
Plan fiduciary net position - ending	<u>\$8,021,461</u>	<u>\$7,684,161</u>	<u>\$6,991,242</u>	<u>\$8,461,832</u>	<u>\$7,401,221</u>	<u>\$6,633,965</u>	<u>\$5,696,786</u>	<u>\$5,920,065</u>	<u>\$5,179,370</u>	<u>\$4,827,838</u>
Net Pension Liability	<u>\$1,098,304</u>	<u>\$ 996,069</u>	<u>\$1,425,566</u>	<u>\$ (258,770)</u>	<u>\$ 393,833</u>	<u>\$ 821,220</u>	<u>\$1,236,712</u>	<u>\$ 424,625</u>	<u>\$1,215,106</u>	<u>\$1,218,397</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.96%</u>	<u>88.52%</u>	<u>83.06%</u>	<u>103.15%</u>	<u>94.95%</u>	<u>88.98%</u>	<u>82.16%</u>	<u>93.31%</u>	<u>81.00%</u>	<u>79.85%</u>
Covered valuation payroll	<u>\$1,556,387</u>	<u>\$1,536,352</u>	<u>\$1,345,165</u>	<u>\$1,287,614</u>	<u>\$1,182,825</u>	<u>\$1,185,362</u>	<u>\$1,187,954</u>	<u>\$1,176,414</u>	<u>\$1,252,080</u>	<u>\$1,180,937</u>
Net pension liability as a percentage of covered valuation payroll	<u>70.57%</u>	<u>64.83%</u>	<u>105.98%</u>	<u>-20.10%</u>	<u>33.30%</u>	<u>69.28%</u>	<u>104.10%</u>	<u>36.09%</u>	<u>97.05%</u>	<u>103.17%</u>

VILLAGE OF SWANSEA, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND  
APRIL 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability:										
Service Cost	\$ 855,302	\$ 759,268	\$ 888,962	\$ 808,294	\$ 769,804	\$ 727,947	\$ 685,366	\$ 630,223	\$ 595,956	\$ 616,724
Interest	1,648,351	1,577,825	1,500,183	1,432,598	1,348,423	1,340,232	1,209,970	1,147,167	1,079,592	1,017,610
Changes in assumptions	-	-	-	-	-	(1,113,810)	1,403,310	-	1,106,659	-
Actuarial Losses/(Gains)	4,649	-	21,412	-	425,385	-	(382,367)	-	(934,650)	-
Benefit payments, including refunds	(1,086,792)	(1,186,725)	(931,555)	(1,201,690)	(977,594)	(657,377)	(613,300)	(757,054)	(587,595)	(525,188)
Net change in total pension liability	1,421,510	1,150,368	1,479,002	1,039,202	1,566,018	296,992	2,302,979	1,020,336	1,259,962	1,109,146
Total pension liability - beginning	29,184,166	28,033,798	26,554,796	25,515,594	23,949,576	23,652,584	21,349,605	20,329,269	19,069,307	17,960,161
Total pension liability - ending	<u>\$ 30,605,676</u>	<u>\$ 29,184,166</u>	<u>\$ 28,033,798</u>	<u>\$ 26,554,796</u>	<u>\$ 25,515,594</u>	<u>\$ 23,949,576</u>	<u>\$ 23,652,584</u>	<u>\$ 21,349,605</u>	<u>\$ 20,329,269</u>	<u>\$ 19,069,307</u>
Plan Fiduciary Net Position										
Contributions - employer	1,579,374	1,502,110	1,448,348	1,352,477	1,353,686	1,294,833	1,171,143	1,108,824	1,070,890	816,678
Contributions - employee	217,719	210,967	195,436	186,221	179,795	183,280	177,293	180,718	163,098	158,915
Net investment income	1,779,323	1,538,319	214,841	(553,777)	2,220,924	239,065	708,770	225,602	369,054	76,620
Benefit payments, including refunds	(1,086,792)	(1,186,725)	(931,555)	(859,877)	(899,799)	(657,377)	(613,300)	(757,056)	(581,181)	(508,188)
Administrative	(26,322)	(30,448)	(31,975)	(28,689)	(29,501)	(21,153)	(20,767)	(6,138)	(5,608)	(10,126)
Net change in plan fiduciary net position	2,463,302	2,034,223	895,095	96,355	2,825,105	1,038,648	1,423,139	751,950	1,016,253	533,899
Plan fiduciary net position - beginning	20,258,827	18,224,604	17,329,509	17,233,154	14,408,049	13,369,401	11,946,262	11,194,312	10,178,059	9,644,160
Plan fiduciary net position - ending	<u>\$ 22,722,129</u>	<u>\$ 20,258,827</u>	<u>\$ 18,224,604</u>	<u>\$ 17,329,509</u>	<u>\$ 17,233,154</u>	<u>\$ 14,408,049</u>	<u>\$ 13,369,401</u>	<u>\$ 11,946,262</u>	<u>\$ 11,194,312</u>	<u>\$ 10,178,059</u>
Net Pension Liability	<u>\$ 7,883,547</u>	<u>\$ 8,925,339</u>	<u>\$ 9,809,194</u>	<u>\$ 9,225,287</u>	<u>\$ 8,282,440</u>	<u>\$ 9,541,527</u>	<u>\$ 10,283,183</u>	<u>\$ 9,403,343</u>	<u>\$ 9,134,957</u>	<u>\$ 8,891,248</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74.24%</u>	<u>69.42%</u>	<u>65.01%</u>	<u>65.26%</u>	<u>67.54%</u>	<u>60.16%</u>	<u>56.52%</u>	<u>55.96%</u>	<u>55.07%</u>	<u>53.37%</u>
Covered Payroll	<u>\$ 2,392,974</u>	<u>\$ 2,047,974</u>	<u>\$ 1,969,206</u>	<u>\$ 2,104,261</u>	<u>\$ 2,023,328</u>	<u>\$ 1,946,264</u>	<u>\$ 1,791,023</u>	<u>\$ 1,809,887</u>	<u>\$ 1,657,344</u>	<u>\$ 1,645,607</u>
Net pension liability as a percentage of covered payroll	<u>329.45%</u>	<u>435.81%</u>	<u>498.13%</u>	<u>438.41%</u>	<u>409.35%</u>	<u>490.25%</u>	<u>574.15%</u>	<u>519.55%</u>	<u>551.18%</u>	<u>540.30%</u>

**VILLAGE OF SWANSEA, ILLINOIS**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTER'S PENSION FUND  
APRIL 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total Pension Liability:</b>										
Service Cost	\$ 62,259	\$ 35,999	\$ 34,285	\$ 28,908	\$ 27,531	\$ 26,872	\$ 25,592	\$ 104,099	\$ 101,659	\$ 45,662
Interest	93,386	86,952	83,264	81,086	78,021	73,479	70,646	43,935	40,523	44,558
Actuarial Losses/(Gains)	-	73,936	-	(1,584)	-	67,236	-	(154,501)	-	(2,902)
Changes in assumptions	-	-	-	(20,116)	-	(34,090)	-	(393,305)	-	709,996
Benefit payments, including refunds	(86,771)	(46,246)	(44,575)	(43,178)	(43,810)	(40,602)	(35,863)	-	-	-
Net change in total pension liability	68,874	150,641	72,974	45,116	61,742	92,895	60,375	(399,772)	142,182	797,314
Total pension liability - beginning	<u>1,914,612</u>	<u>1,763,971</u>	<u>1,690,997</u>	<u>1,645,881</u>	<u>1,584,139</u>	<u>1,491,244</u>	<u>1,430,869</u>	<u>1,830,641</u>	<u>1,688,459</u>	<u>891,145</u>
Total pension liability - ending	<u>\$ 1,983,486</u>	<u>\$ 1,914,612</u>	<u>\$ 1,763,971</u>	<u>\$ 1,690,997</u>	<u>\$ 1,645,881</u>	<u>\$ 1,584,139</u>	<u>\$ 1,491,244</u>	<u>\$ 1,430,869</u>	<u>\$ 1,830,641</u>	<u>\$ 1,688,459</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	165,557	127,250	85,626	83,201	83,142	81,393	81,538	212,653	216,612	73,886
Contributions - employee	13,114	11,823	7,832	7,369	7,008	6,830	8,128	13,777	12,620	11,461
Net investment income	156,530	141,698	14,392	(99,946)	64,329	61,841	43,623	(4,448)	9,187	1,444
Benefit payments, including refunds	(86,771)	(46,246)	(44,575)	(43,178)	(41,921)	(40,602)	(35,863)	-	-	-
Administrative	(7,067)	(4,814)	(5,875)	(2,307)	(1,888)	(2,715)	(3,521)	(200)	(154)	(99)
Net change in plan fiduciary net position	241,363	229,711	57,400	(54,861)	110,670	106,747	93,905	221,782	238,265	86,692
Plan fiduciary net position - beginning	<u>1,645,468</u>	<u>1,415,757</u>	<u>1,358,357</u>	<u>1,413,218</u>	<u>1,302,548</u>	<u>1,195,801</u>	<u>1,101,896</u>	<u>880,114</u>	<u>641,849</u>	<u>555,157</u>
Plan fiduciary net position - ending	<u>\$ 1,886,831</u>	<u>\$ 1,645,468</u>	<u>\$ 1,415,757</u>	<u>\$ 1,358,357</u>	<u>\$ 1,413,218</u>	<u>\$ 1,302,548</u>	<u>\$ 1,195,801</u>	<u>\$ 1,101,896</u>	<u>\$ 880,114</u>	<u>\$ 641,849</u>
Net Pension Liability	<u>\$ 96,655</u>	<u>\$ 269,144</u>	<u>\$ 348,214</u>	<u>\$ 332,640</u>	<u>\$ 232,663</u>	<u>\$ 281,591</u>	<u>\$ 295,443</u>	<u>\$ 328,973</u>	<u>\$ 950,527</u>	<u>\$ 1,046,610</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.13%</u>	<u>85.94%</u>	<u>80.26%</u>	<u>80.33%</u>	<u>85.86%</u>	<u>82.22%</u>	<u>80.19%</u>	<u>77.01%</u>	<u>48.08%</u>	<u>38.01%</u>
Covered payroll	<u>\$ 130,624</u>	<u>\$ 126,819</u>	<u>\$ 80,280</u>	<u>\$ 77,942</u>	<u>\$ 74,122</u>	<u>\$ 72,241</u>	<u>\$ 62,376</u>	<u>\$ 56,601</u>	<u>\$ 128,310</u>	<u>\$ 118,549</u>
Net pension liability as a percentage of covered payroll	<u>73.99%</u>	<u>212.23%</u>	<u>433.75%</u>	<u>426.78%</u>	<u>313.89%</u>	<u>389.79%</u>	<u>473.65%</u>	<u>581.21%</u>	<u>740.81%</u>	<u>882.85%</u>

VILLAGE OF SWANSEA, ILLINOIS

SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
APRIL 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 146,923	\$ 148,258	\$ 157,115	\$ 163,913	\$ 137,326	\$ 127,901	\$ 155,028	\$ 146,464	\$ 165,275	\$ 152,341
Contributions in relation to actuarial determined contribution	<u>146,923</u>	<u>148,257</u>	<u>165,205</u>	<u>163,913</u>	<u>137,326</u>	<u>127,900</u>	<u>162,583</u>	<u>146,464</u>	<u>165,275</u>	<u>152,341</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (8,090)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (7,555)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Valuation Payroll	<u>1,556,387</u>	<u>1,536,352</u>	<u>1,345,165</u>	<u>1,287,614</u>	<u>1,182,825</u>	<u>1,185,362</u>	<u>1,187,954</u>	<u>1,176,414</u>	<u>1,252,080</u>	<u>1,180,937</u>
Contributions as a percentage of covered valuation payroll	<u>9.44%</u>	<u>9.65%</u>	<u>12.28%</u>	<u>12.73%</u>	<u>11.61%</u>	<u>10.79%</u>	<u>13.69%</u>	<u>12.45%</u>	<u>13.20%</u>	<u>12.90%</u>

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Actuarial valuation date for above is December 31, 2024.

The actuarial valuations presented are prepared using the following parameters:

- Actuarial Cost Method: Aggregate Entry Age Normal
- Amortization Method: Level Percentage of Payroll, Closed
- Remaining Amortization Period: 19 years
- Asset Valuation Method: 5-Year smoothed market: 20% corridor
- Actuarial Assumptions:
  - Investment Rate of Return 7.25%
  - Wage Growth 2.75%
  - Price Inflation 2.25%

**VILLAGE OF SWANSEA, ILLINOIS**

SCHEDULE OF CONTRIBUTIONS  
POLICE PENSION FUND  
APRIL 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarial Determined Contribution	\$ 1,215,550	\$ 1,229,310	\$ 1,422,426	\$ 1,148,361	\$ 1,329,220	\$ 1,231,104	\$ 1,087,514	\$ 1,028,382	\$ 1,194,476	\$ 1,129,528
Contributions in relation to actuarial determined contribution	<u>1,528,398</u>	<u>1,502,206</u>	<u>1,448,220</u>	<u>1,352,443</u>	<u>1,353,686</u>	<u>1,294,833</u>	<u>1,170,910</u>	<u>1,108,825</u>	<u>1,102,468</u>	<u>815,900</u>
Contribution deficiency (excess)	<u>\$ (312,848)</u>	<u>\$ (272,896)</u>	<u>\$ (25,794)</u>	<u>\$ (204,082)</u>	<u>\$ (24,466)</u>	<u>\$ (63,729)</u>	<u>\$ (83,396)</u>	<u>\$ (80,443)</u>	<u>\$ 92,008</u>	<u>\$ 313,628</u>
 Covered Payroll	 <u>2,392,974</u>	 <u>2,047,974</u>	 <u>1,969,206</u>	 <u>2,104,261</u>	 <u>1,946,264</u>	 <u>1,791,023</u>	 <u>1,791,023</u>	 <u>1,809,887</u>	 <u>1,657,344</u>	 <u>1,645,607</u>
 Contributions as a percentage of covered payroll	 <u>63.87%</u>	 <u>73.35%</u>	 <u>73.54%</u>	 <u>64.27%</u>	 <u>69.55%</u>	 <u>72.30%</u>	 <u>65.38%</u>	 <u>61.26%</u>	 <u>66.52%</u>	 <u>49.58%</u>

9 Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2024.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	18 years
Asset Valuation Method:	Gains and losses recognized over a five year period
 Actuarial Assumptions:	
Interest Rate	5.75%
Salary Appreciation	4.00%
Inflation	2.75%

VILLAGE OF SWANSEA, ILLINOIS

SCHEDULE OF CONTRIBUTIONS  
FIREFIGHTER'S PENSION FUND  
APRIL 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarial Determined Contribution	\$ 82,682	\$ 89,400	\$ 74,485	\$ 57,755	\$ 59,317	\$ 52,814	\$ 80,115	\$ 213,325	\$ 208,325	\$ 71,002
Contributions in relation to actuarial determined contribution	<u>126,716</u>	<u>130,905</u>	<u>83,490</u>	<u>83,077</u>	<u>83,142</u>	<u>81,393</u>	<u>81,380</u>	<u>212,653</u>	<u>219,543</u>	<u>72,844</u>
Contribution deficiency (excess)	<u>\$ (44,034)</u>	<u>\$ (41,505)</u>	<u>\$ (9,005)</u>	<u>\$ (25,322)</u>	<u>\$ (23,825)</u>	<u>\$ (28,579)</u>	<u>\$ (1,265)</u>	<u>\$ 672</u>	<u>\$ (11,218)</u>	<u>\$ (1,842)</u>
Covered Payroll	<u>\$ 130,624</u>	<u>\$ 126,819</u>	<u>\$ 80,280</u>	<u>\$ 77,942</u>	<u>\$ 74,122</u>	<u>\$ 72,241</u>	<u>\$ 62,376</u>	<u>\$ 56,601</u>	<u>\$ 128,310</u>	<u>\$ 118,549</u>
Contributions as a percentage of covered payroll	<u>97.01%</u>	<u>103.22%</u>	<u>104.00%</u>	<u>106.59%</u>	<u>112.17%</u>	<u>112.67%</u>	<u>130.47%</u>	<u>375.71%</u>	<u>171.10%</u>	<u>61.45%</u>

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Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2024.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	18 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate	5.00%
Salary Appreciation	3.00%
Inflation	3.00%

**VILLAGE OF SWANSEA, ILLINOIS**

SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND  
APRIL 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return net of investment expense	9.72%	11.17%	1.24%	-3.21%	15.41%	15.09%	1.99%	10.22%	-0.99%	-0.50%

VILLAGE OF SWANSEA, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

FIREFIGHTER'S PENSION FUND

APRIL 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return net of investment expense	10.50%	11.40%	1.06%	-7.07%	4.94%	5.62%	5.80%	4.96%	-7.44%	1.37%

**VILLAGE OF SWANSEA, ILLINOIS**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
RETIREE MEDICAL PROGRAM  
APRIL 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability:									
Service Cost	\$ 99,714	\$ 101,442	\$ 115,247	\$ 145,737	\$ 79,815	\$ 75,570	\$ 73,655	\$ 48,679	\$ 44,253
Interest	93,019	86,038	75,654	47,197	54,458	48,740	48,082	65,924	67,936
Differences between expected and actual	(322,407)	-	(152,048)	-	412,295	-	228,963	55,809	-
Changes in assumptions	(66,968)	(41,687)	(76,338)	(636,441)	397,577	(83,047)	-	-	-
Benefit payments, including refunds	(68,140)	(83,181)	(78,473)	(86,372)	(81,579)	(45,567)	(41,867)	(34,816)	(35,893)
Net change in total OPEB liability	(264,782)	62,612	(115,958)	(529,879)	862,566	(4,304)	308,833	135,596	76,296
Total OPEB liability - beginning	<u>2,172,428</u>	<u>2,109,816</u>	<u>2,225,774</u>	<u>2,755,653</u>	<u>1,893,087</u>	<u>1,897,391</u>	<u>1,588,558</u>	<u>1,452,962</u>	<u>1,376,666</u>
Total OPEB liability - ending	<u>\$ 1,907,646</u>	<u>\$ 2,172,428</u>	<u>\$ 2,109,816</u>	<u>\$ 2,225,774</u>	<u>\$ 2,755,653</u>	<u>\$ 1,893,087</u>	<u>\$ 1,897,391</u>	<u>\$ 1,588,558</u>	<u>\$ 1,452,962</u>
Plan Fiduciary Net Position									
Contributions - employer	68,140	83,181	78,473	86,372	81,579	45,567	41,867	34,816	35,893
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(68,140)	(83,181)	(78,473)	(86,372)	(81,579)	(45,567)	(41,867)	(34,816)	(35,893)
Administrative	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>								
Net OPEB Liability	<u>\$ 1,907,646</u>	<u>\$ 2,172,428</u>	<u>\$ 2,109,816</u>	<u>\$ 2,225,774</u>	<u>\$ 2,755,653</u>	<u>\$ 1,893,087</u>	<u>\$ 1,897,391</u>	<u>\$ 1,588,558</u>	<u>\$ 1,452,962</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>								
Covered payroll	<u>\$ 4,477,696</u>	<u>\$ 3,986,537</u>	<u>\$ 3,833,209</u>	<u>\$ 3,685,778</u>	<u>\$ 3,544,017</u>	<u>\$ 3,494,775</u>	<u>\$ 2,840,583</u>	<u>\$ 2,840,583</u>	<u>\$ 3,156,174</u>
Net OPEB liability as a percentage of covered payroll	<u>42.60%</u>	<u>54.49%</u>	<u>55.04%</u>	<u>60.39%</u>	<u>77.76%</u>	<u>54.17%</u>	<u>66.80%</u>	<u>55.92%</u>	<u>46.04%</u>

VILLAGE OF SWANSEA, ILLINOIS

SCHEDULE OF EMPLOYER PAID CONTRIBUTIONS  
RETIREE MEDICAL PROGRAM  
APRIL 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarial Determined Contribution	\$ 264,558	\$ 258,894	\$ 271,289	\$ 310,065	\$ 206,355	\$ 198,435	\$ 134,269	\$ 133,808	\$ 123,988	\$ 123,813
Contributions in relation to actuarial determined contribution	<u>68,140</u>	<u>83,181</u>	<u>78,473</u>	<u>86,372</u>	<u>81,579</u>	<u>45,567</u>	<u>41,867</u>	<u>34,816</u>	<u>35,893</u>	<u>39,822</u>
Contribution deficiency (excess)	<u>\$ 196,418</u>	<u>\$ 175,713</u>	<u>\$ 192,816</u>	<u>\$ 223,693</u>	<u>\$ 124,776</u>	<u>\$ 152,868</u>	<u>\$ 92,402</u>	<u>\$ 98,992</u>	<u>\$ 88,095</u>	<u>\$ 83,991</u>
Covered Payroll	<u>4,477,696</u>	<u>3,986,537</u>	<u>3,833,209</u>	<u>3,685,778</u>	<u>3,544,017</u>	<u>3,494,774</u>	<u>2,840,583</u>	<u>2,840,583</u>	<u>3,156,174</u>	<u>3,058,690</u>
Contributions as a percentage of covered payroll	<u>1.52%</u>	<u>2.09%</u>	<u>2.05%</u>	<u>2.34%</u>	<u>2.30%</u>	<u>1.30%</u>	<u>1.47%</u>	<u>1.23%</u>	<u>1.14%</u>	<u>1.30%</u>

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Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2024.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percentage of Payroll
Assumed Retirement Age	Age 58 and completion of 20 years of service
Actuarial Assumptions:	
Discount Rate	4.65%
Healthcare Inflation	5.50% grading down .25% per year until 4.00%
Salary Appreciation	4.00%
Inflation	2.75%

**VILLAGE OF SWANSEA, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2025

	<u>Special Revenue Funds</u>				<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Special Business District Fund</u>	<u>ARPA Fund</u>	<u>MFT Fund</u>	<u>Total</u>		
<u>Assets</u>						
Cash and Cash Equivalents	\$ 1,182,147	\$ 198,514	\$ 1,407,600	\$ 2,788,261	\$ -	\$ 2,788,261
Investments	810,266	-	-	810,266	-	810,266
Interfund Receivable	27,214	-	-	27,214	-	27,214
Receivables:						
Intergovernmental	72,943	-	51,996	124,939	-	124,939
<b>Total Assets</b>	<b>\$ 2,092,570</b>	<b>\$ 198,514</b>	<b>\$ 1,459,596</b>	<b>\$ 3,750,680</b>	<b>\$ -</b>	<b>\$ 3,750,680</b>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 21,264	\$ 21,264	\$ -	\$ 21,264
Interfund Payable	-	27,214	-	27,214	-	27,214
<b>Total Liabilities</b>	<b>-</b>	<b>27,214</b>	<b>21,264</b>	<b>48,478</b>	<b>-</b>	<b>48,478</b>
Deferred Inflows of Resources:						
Unavailable Intergovernmental Taxes	26,623	-	-	26,623	-	26,623
<b>Total Deferred Inflows of Resources</b>	<b>26,623</b>	<b>-</b>	<b>-</b>	<b>26,623</b>	<b>-</b>	<b>26,623</b>
Fund Balance:						
Restricted	2,065,947	-	1,438,332	3,504,279	-	3,504,279
Committed	-	171,300	-	171,300	-	171,300
<b>Total Fund Balance</b>	<b>2,065,947</b>	<b>171,300</b>	<b>1,438,332</b>	<b>3,675,579</b>	<b>-</b>	<b>3,675,579</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 2,092,570</b>	<b>\$ 198,514</b>	<b>\$ 1,459,596</b>	<b>\$ 3,750,680</b>	<b>\$ -</b>	<b>\$ 3,750,680</b>

**VILLAGE OF SWANSEA, ILLINOIS**

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

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Special Business District Fund	ARPA Fund	MFT Fund	Total		
<b>Revenues:</b>						
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	269,920	-	-	269,920	-	269,920
Motor Fuel Tax	-	-	703,758	703,758	-	703,758
Investment Earnings	50,231	44,807	8,145	103,183	10	103,193
Miscellaneous	-	-	958	958	-	958
<b>Total Revenues</b>	<u>320,151</u>	<u>44,807</u>	<u>712,861</u>	<u>1,077,819</u>	<u>10</u>	<u>1,077,829</u>
<b>Expenditures:</b>						
General Government	-	22,676	-	22,676	-	22,676
Public Safety	-	19,735	-	19,735	-	19,735
Public Works	-	6,402	778,806	785,208	-	785,208
Community/Economic Development	90,119	-	-	90,119	-	90,119
Capital Outlay	-	775,241	-	775,241	-	775,241
<b>Total Expenditures</b>	<u>90,119</u>	<u>824,054</u>	<u>778,806</u>	<u>1,692,979</u>	<u>-</u>	<u>1,692,979</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>230,032</u>	<u>(779,247)</u>	<u>(65,945)</u>	<u>(615,160)</u>	<u>10</u>	<u>(615,150)</u>
<b>Other Financing Sources (Uses):</b>						
Transfers In (Out)	-	-	-	-	(8,545)	(8,545)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,545)</u>	<u>(8,545)</u>
Net Change in Fund Balances	230,032	(779,247)	(65,945)	(615,160)	(8,535)	(623,695)
Fund Balance, Beginning of Year	<u>1,835,915</u>	<u>950,547</u>	<u>1,504,277</u>	<u>4,290,739</u>	<u>8,535</u>	<u>4,299,274</u>
Fund Balance, End of Year	<u>\$ 2,065,947</u>	<u>\$ 171,300</u>	<u>\$ 1,438,332</u>	<u>\$ 3,675,579</u>	<u>\$ -</u>	<u>\$ 3,675,579</u>

**VILLAGE OF SWANSEA, ILLINOIS**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
APRIL 30, 2025

	<u>Pension Trust Funds</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
Assets:			
Cash and Cash Equivalents	\$ 197,929	\$ 8,006	\$ 205,935
Investments:			
Illinois Police Officer's Pension Investment Fund	20,969,706	-	20,969,706
Illinois Firefighters Investment Fund	-	1,717,374	1,717,374
Receivables:			
Property Taxes	1,540,035	163,337	1,703,372
Other	<u>14,459</u>	<u>1,309</u>	<u>15,768</u>
Total Assets	<u>22,722,129</u>	<u>1,890,026</u>	<u>24,612,155</u>
Liabilities:			
Benefit Withholdings	<u>-</u>	<u>3,195</u>	<u>3,195</u>
Total Liabilities	<u>-</u>	<u>3,195</u>	<u>3,195</u>
Net Position -			
Restricted for Pension Benefits	<u>\$ 22,722,129</u>	<u>\$ 1,886,831</u>	<u>\$ 24,608,960</u>



C. J. SCHLOSSER  
& COMPANY, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

David M. Bartosiak  
Cindy A. Tefteller  
Kevin J. Tepen

Trisha M. Shrewsberry  
Kendra M. Sievers  
Christopher D. Sobrino

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH TAX INCREMENT FINANCING ACT**

Honorable President and Board of Trustees  
Village of Swansea  
Swansea, Illinois

We have audited, in accordance with accounting principles generally accepted in the United States of America, the accompanying financial statements of the Village of Swansea, Illinois ("Village"), which comprise the statement of net position as of April 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Village of Swansea, Illinois failed to comply with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". In addition, nothing came to our attention that caused us to believe that, for the items not tested, the Village of Swansea, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village's noncompliance with the above referenced statute, insofar as they related to accounting matters

This report is intended solely for the information and use of the Village and the Illinois Comptroller's Office and is not intended to be and should not be used by anyone other than those specified parties.

*C. J. Schlosser & Company, L.L.C.*

Certified Public Accountants  
Alton, Illinois  
December 1, 2025