

Village of Ludlow  
Ludlow, Illinois

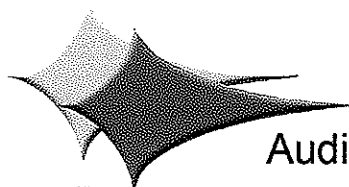
Annual Financial Report

For the Fiscal Year Ended March 31, 2025

Russell Leigh & Associates LLC  
Certified Public Accountants  
228 East Main Street  
Hoopeston, Illinois 60942

Village of Ludlow  
Annual Financial Report  
For the Fiscal Year Ended March 31, 2025  
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Audit / Tax / Consult

**Russell Leigh**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Village of Ludlow  
Ludlow, Illinois

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Ludlow, Ludlow, Illinois, as of and for the year ended March 31, 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, each major fund, and the aggregate remaining fund information, of Village of Ludlow, Ludlow, Illinois, as of March 31, 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 Village of Ludlow, Ludlow, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Ludlow, Ludlow, Illinois'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.

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228 East Main Street  
Hoopeston, IL 60942  
(217) 283-9336

Railroad Avenue  
P.O. Box 134  
Cissna Park, IL 60924  
(815) 457-2335

100 North Tenth Street  
Watseka, IL 60970  
(815) 432-2090

420 East 1st, Suite 200  
Gibson City, IL 60936  
(217) 784-4720

Email: [admin@russleigh.com](mailto:admin@russleigh.com)

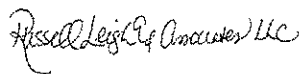
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 judgement 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 Village of Ludlow, Ludlow, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Ludlow, Ludlow, Illinois' ability to continue as a going concern for a reasonable period of time.

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



Russell Leigh & Associates LLC

Hoopeston, Illinois  
October 21, 2025



Audit / Tax / Consult

**Russell Leigh**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
Village of Ludlow  
Ludlow, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Village of Ludlow as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Village of Ludlow's basic financial statements, and have issued our report thereon dated October 21, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Village of Ludlow's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Ludlow's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Railroad Avenue  
P.O. Box 134  
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420 East 1st, Suite 200  
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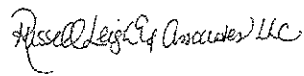
Email: [admin@russleigh.com](mailto:admin@russleigh.com)

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



Russell Leigh & Associates

Hoopeston, Illinois  
October 21, 2025

## **Basic Financial Statements**

Village of Ludlow  
Government-Wide Statement of Net Position (Modified Cash Basis)  
March 31, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 166,558	\$ 200,853	\$ 367,411
Investments	-0-	-0-	-0-
Accounts Receivable	-0-	9,230	9,230
Prepaid Expenses	-0-	-0-	-0-
Internal Balances	1,794	(1,794)	-0-
Capital Assets, Net	<u>351,272</u>	<u>3,041,459</u>	<u>3,392,731</u>
Total Assets	<u>\$ 519,624</u>	<u>\$ 3,249,748</u>	<u>\$ 3,769,372</u>
<b><u>LIABILITIES</u></b>			
Loans Payable	\$ 79,124	\$ 900,000	\$ 979,124
Accrued Expenses	1,282	-0-	1,282
Internal Balances	<u>30,464</u>	<u>(30,464)</u>	<u>-0-</u>
Total Liabilities	<u>\$ 110,870</u>	<u>\$ 869,536</u>	<u>\$ 980,406</u>
<b><u>NET POSITION</u></b>			
Invested in Capital Assets, net of related Debt	\$ 272,148	\$ 2,141,459	\$ 2,413,607
Restricted for:			
Street Improvement	31,507	-0-	31,507
Water Operations	-0-	238,753	238,753
Unrestricted	<u>105,099</u>	<u>-0-</u>	<u>105,099</u>
Total Net Position	<u>\$ 408,754</u>	<u>\$ 2,380,212</u>	<u>\$ 2,788,966</u>

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

Village of Ludlow  
Government-Wide Statement of Activities (Modified Cash Basis)  
For the Year Ended March 31, 2025

FUNCTIONS/PROGRAMS	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenditures Disbursed	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business-type Activities
Primary Government					
Government Activities					
General Government	\$ 120,693	\$ 1,065	\$ -0-	\$ -0-	\$ (119,628)
Public Safety	1,774	-0-	-0-	-0-	(1,774)
Highways and Street	22,613	-0-	-0-	-0-	(22,613)
Sanitation	-0-	-0-	-0-	-0-	-0-
Culture and Recreation	-0-	-0-	-0-	-0-	-0-
Interest	1,707	-0-	-0-	-0-	(1,707)
Total Government Activities	\$ 146,787	\$ 1,065	\$ -0-	\$ -0-	\$ (145,722)
Business-type Activities					
Water	\$ 146,878	\$ 106,642	\$ 175,400	\$ -0-	\$ 135,164
Total Business-type Activities	\$ 146,878	\$ 106,642	\$ 175,400	\$ -0-	\$ 135,164
Total Primary Government	\$ 293,665	\$ 1,707,707	\$ 175,400	\$ -0-	\$ (10,588)
GENERAL REVENUES:					
Property Taxes					\$ 13,316
Intergovernmental					98,210
Utility Taxes					22,689
Unrestricted Investment Earnings					5,658
Miscellaneous					2,283
Interest					(11,375)
Transfers					-0-
Total General Revenues and Transfers					\$ (5,717)
Change in Net Position					129,447
Net Position - Beginning					2,250,765
Net Position - Ending					\$ 2,380,212
					\$ 2,788,966

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

Village of Ludlow  
Balance Sheet (Modified Cash Basis)  
Governmental Funds  
March 31, 2025

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total Government Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 135,051	\$ 31,507	\$ 166,558
Investments	-0-	-0-	-0-
Due from Other Funds	1,794	-0-	1,794
Prepaid Expenses	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$ 136,845</u>	<u>\$ 31,507</u>	<u>\$ 168,352</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable and Accrued Expenses	\$ 1,282	\$ -0-	\$ 1,282
Due to Other Funds	<u>30,464</u>	<u>-0-</u>	<u>30,464</u>
Total Liabilities	<u>\$ 31,746</u>	<u>\$ -0-</u>	<u>\$ 31,746</u>
Fund Balances:			
Restricted:			
Street Improvements	\$ -0-	\$ 31,507	\$ 31,507
Assigned To:			
Building Construction	-0-	-0-	-0-
Unassigned	<u>105,099</u>	<u>-0-</u>	<u>105,099</u>
Total Fund Balances	<u>\$ 105,099</u>	<u>\$ 31,507</u>	<u>\$ 136,606</u>
Total Liabilities and Fund Balances	<u>\$ 136,845</u>	<u>\$ 31,507</u>	<u>\$ 168,352</u>
Reconciliation to Statement of Net Position:			
Fund Balance			\$ 136,606
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets are not current financial resources and therefore, are not reported in the governmental funds			351,272
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds			<u>(79,124)</u>
Net Assets of Governmental Activities			<u>\$ 408,754</u>

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

Village of Ludlow  
Statement of Revenues, Expenditures and  
Changes in Fund Balances (Modified Cash Basis)  
Governmental Funds  
For the Year Ended March 31, 2025

	<u>General</u> <u>Fund</u>	<u>Motor Fuel</u> <u>Tax Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES</b>			
Property Taxes	\$ 13,316	\$ -0-	\$ 13,316
Intergovernmental	84,344	13,866	98,210
Fines and Forfeitures	125	-0-	125
Charges for Services	525	-0-	525
Licenses and Permits	415	-0-	415
Utility Tax	22,689	-0-	22,689
Interest	2,702	48	2,750
Donations	882	-0-	882
Miscellaneous	1,401	-0-	1,401
Total Revenues	<u>\$ 126,399</u>	<u>\$ 13,914</u>	<u>\$ 140,313</u>
<b>EXPENDITURES</b>			
Current:			
General Government	\$ 106,882	\$ -0-	\$ 106,882
Highways and Streets	8,023	14,590	22,613
Public Safety	1,774	-0-	1,774
Sanitation	-0-	-0-	-0-
Capital Outlay	-0-	-0-	-0-
Debt Service - Principal	10,003	-0-	10,003
Debt Service - Interest	1,707	-0-	1,707
Total Expenditures	<u>\$ 128,389</u>	<u>\$ 14,590</u>	<u>\$ 142,979</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,990)</u>	<u>(676)</u>	<u>( 2,666)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	\$ -0-	\$ -0-	\$ -0-
Transfers (Out)	-0-	-0-	-0-
Total Other Financial Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balances	(1,990)	(676)	(2,666)
Fund Balances - Beginning	<u>107,089</u>	<u>32,183</u>	<u>139,272</u>
Fund Balances - Ending	<u>\$ 105,099</u>	<u>\$ 31,507</u>	<u>\$ 136,606</u>
Reconciliation to Statement of Activities:			
Net Change in Fund Balance - Total Governmental Funds			\$ ( 2,666)
Governmental funds report capital outlays as expenditures. In the Statement of Net Assets, the cost of these assets is capitalized.			
Capital Outlays			-0-
Depreciation			(13,811)
Note payable proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position.			
Repayment of note principle is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.			
Principle Repayments			<u>10,003</u>
Change in Net Assets of Governmental Activities			<u>\$ (6,474)</u>

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

Village of Ludlow  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Modified Cash Basis)  
For the Year Ended March 31, 2025

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Property Taxes	\$ 13,315	\$ 13,315	\$ 13,316	\$ 1
Intergovernmental	80,000	80,000	84,344	4,344
Charges for Services	1,200	1,200	525	(675)
Fines and Forfeitures	500	500	125	(375)
Licenses and Permits	500	500	415	(85)
Utility Tax	26,000	26,000	22,689	(3,311)
Interest	-0-	-0-	2,702	2,702
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>2,283</u>	<u>783</u>
Total Revenues	<u>\$ 123,015</u>	<u>\$ 123,015</u>	<u>\$ 126,399</u>	<u>\$ 3,384</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 91,260	\$ 91,260	\$ 106,882	\$ (15,622)
Public Safety	51,100	51,100	1,774	49,326
Highways and Streets	29,200	29,200	8,023	21,177
Sanitation	-0-	-0-	-0-	-0-
Capital Outlay	-0-	-0-	-0-	-0-
Debt Services - Principal	-0-	-0-	10,003	(10,003)
Debt Services - Interest	<u>-0-</u>	<u>-0-</u>	<u>1,707</u>	<u>(1,707)</u>
Total Expenditures	<u>\$ 171,560</u>	<u>\$ 171,560</u>	<u>\$ 128,389</u>	<u>\$ 43,171</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Transfers (Out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balances	(48,545)	(48,545)	(1,990)	46,555
Fund Balances - Beginning	<u>107,089</u>	<u>107,089</u>	<u>107,089</u>	<u>-0-</u>
Fund Balances - Ending	<u>\$ 58,544</u>	<u>\$ 58,544</u>	<u>\$ 105,099</u>	<u>\$ 46,555</u>

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

Village of Ludlow  
Motor Fuel Tax Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Modified Cash Basis)  
For the Year Ended March 31, 2025

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Interest	\$ -0-	\$ -0-	\$ 48	\$ 48
Intergovernmental	13,500	13,500	13,866	366
Miscellaneous	<u>300</u>	<u>300</u>	<u>-0-</u>	<u>(300)</u>
Total Revenues	<u>\$ 13,800</u>	<u>\$ 13,800</u>	<u>\$ 13,914</u>	<u>\$ 114</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Highways and Streets	<u>29,000</u>	<u>29,000</u>	<u>14,590</u>	<u>14,410</u>
Total Expenditures	<u>\$ 29,000</u>	<u>\$ 29,000</u>	<u>\$ 14,590</u>	<u>\$ 14,410</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Transfers (Out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balances	(15,200)	(15,200)	(676)	14,524
Fund Balances - Beginning	<u>32,183</u>	<u>32,183</u>	<u>32,183</u>	<u>-0-</u>
Fund Balances - Ending	<u>\$ 16,983</u>	<u>\$ 16,983</u>	<u>\$ 31,507</u>	<u>\$ 14,524</u>

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

Village of Ludlow  
Statement of Net Position (Modified Cash Basis)  
Major Proprietary Funds  
March 31, 2025

	<u>Water Fund</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>		
Cash and Cash Equivalent	\$ 200,853	\$ 200,853
Accounts Receivable	9,230	9,230
Capital Asset, Net	3,041,459	3,041,459
Due from Other Funds	<u>30,464</u>	<u>30,464</u>
Total Assets	<u>\$ 3,282,006</u>	<u>\$ 3,282,006</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ -0-	\$ -0-
Due to Other Funds	1,794	1,794
Loans Payable	<u>900,000</u>	<u>900,000</u>
Total Liabilities	<u>\$ 901,794</u>	<u>\$ 901,794</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 2,141,459	\$ 2,141,459
Restricted for Water Operations	<u>238,753</u>	<u>238,753</u>
Total Net Position	<u>\$ 2,380,212</u>	<u>\$ 2,380,212</u>
Total Liabilities and Net Position	<u>\$ 3,282,006</u>	<u>\$ 3,282,006</u>

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

Village of Ludlow  
Statement of Revenues, Expenses and  
Changes in Net Position (Modified Cash Basis)  
Major Proprietary Funds  
For the Year Ended March 31, 2025

	<u>Water Fund</u>	<u>Total Proprietary Funds</u>
<b>OPERATING REVENUES</b>		
Water Revenue	\$ 106,642	\$ 106,642
 Total Operating Revenue	 \$ 106,642	 \$ 106,642
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	\$ 13,259	\$ 13,259
Utilities and Telephone	9,380	9,380
Office Expense	1,464	1,464
Dues & Testing	4,456	4,456
Supplies	4,378	4,378
Repairs and Maintenance	3,290	3,290
Professional Fees	11,247	11,247
Miscellaneous	3,500	3,500
Depreciation	<u>95,904</u>	<u>95,904</u>
 Total Operating Expenses	 \$ 146,878	 \$ 146,878
 Operating Income (Loss)	 \$ (40,236)	 \$ (40,236)
<b>NON-OPERATING REVENUE (EXPENSES)</b>		
Grant Revenue	\$ 175,400	\$ 175,400
Interest Income	5,658	5,658
Interest Expense	(11,375)	(11,375)
Property Taxes	-0-	-0-
Miscellaneous Revenue	<u>-0-</u>	<u>-0-</u>
 Non-Operating Revenue (Expenses)	 \$ 169,683	 \$ 169,683
 Income before Transfers and Other Items	 \$ 129,447	 \$ 129,447
Transfers In	\$ -0-	\$ -0-
Transfers (Out)	<u>-0-</u>	<u>-0-</u>
 Change in Net Position	 129,447	 129,447
Net Position - Beginning	<u>2,250,765</u>	<u>2,250,765</u>
 Net Position - Ending	 <u>\$ 2,380,212</u>	 <u>\$ 2,380,212</u>

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

Village of Ludlow  
Statement of Cash Flows (Modified Cash Basis)  
Major Proprietary Funds  
For the Year Ended March 31, 2025

	<u>Water Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 107,078	\$ 107,078
Payments to Suppliers	(38,660)	(38,660)
Payments to Employees	(12,314)	(12,314)
Payments from Other Funds	<u>-0-</u>	<u>-0-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 56,104</u>	<u>\$ 56,104</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers In	\$ -0-	\$ -0-
Transfers Out	<u>-0-</u>	<u>-0-</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>\$ -0-</u>	<u>\$ -0-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal Advanced (Paid) on Loans	\$ -0-	\$ -0-
Capital Grant	175,400	175,400
Interest Paid on Loans	(11,375)	(11,375)
Principal Paid on Loans	<u>(20,000)</u>	<u>(20,000)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ 144,025</u>	<u>\$ 104,025</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest	\$ 5,658	\$ 5,658
Purchase of Capital Assets	<u>(241,386)</u>	<u>(241,386)</u>
Net Cash Provided by Investing Activities	<u>\$ (235,728)</u>	<u>\$ (235,728)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (35,599)</u>	<u>\$ (35,599)</u>
Cash and Cash Equivalents - Beginning of Year	<u>236,452</u>	<u>236,452</u>
Cash and Cash Equivalents - End of Year	<u>\$ 200,853</u>	<u>\$ 200,853</u>

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

Village of Ludlow  
Statement of Cash Flows (Modified Cash Basis)  
Major Proprietary Funds  
For the Year Ended March 31, 2025  
 Continued

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

	<u>Water Fund</u>	<u>Total Proprietary Fund</u>
Operating Income (Loss)	\$ (40,236)	\$ (40,236)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Miscellaneous Revenue	\$ -0-	\$ -0-
Depreciation Expense	95,904	95,904
Change in Assets and Liabilities:		
Accounts Receivable	436	436
Accounts Payable and Accrued Expenses	-0-	-0-
Due to Other Funds	<u>-0-</u>	<u>-0-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 56,104</u>	<u>\$ 56,104</u>

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

## **Notes to the Basic Financial Statements**

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General

The Village of Ludlow is a municipal corporation governed by an elected board. The Village operates under a Trustee-Village form of government and provides the following services: public safety, parks and recreation, public works, water, sewer and refuse collection.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the Village of Ludlow and any component units, of which there are none during the year. The criteria used to determine if a legally separate organization's financial statements should be included and the manner in which they should be displayed center on the nature of financial accountability. Among factors determining this financial accountability include the degree to which the governing body is controlled by the Village as manifested by the ability to appoint a majority of its voting board and approval of its budget, the degree to which it provides a financial benefit or burden to the Village or the extent to which it is fiscally dependent.

Basis of Presentation

Government-Wide Financial Statements - The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the primary governmental and its component units. 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities displays the direct expenses of a given function or segment and the associated 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 by a given function or segment and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - The Village segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the financial statement and all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following major governmental funds:

General Fund - This is the primary operating fund of the Village. It accounts for an reports all financial resources of the general government not accounted for in another fund.

Motor Fuel Tax Fund - This fund accounts for allotments to the Village of motor fuel taxes and expenditures for maintenance and improvements to streets.

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Proprietary funds are used to account for those Village activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The Village has presented the following major proprietary funds:

Water Fund - This fund is used to account for water services to residents of the Village and other commercial users.

Measurement Focus and Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Village receives value without directly giving equal value in exchange, include property tax revenues, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Revenue from grants and other contributions is recognized in the fiscal year after the taxes are levied. Revenue from grants and other contributions is recognized in the fiscal year in which all eligibility, matching and expenditure requirements imposed by the provider have been met.

The Proprietary Fund distinguishes operating revenues and expenses from non-operating 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 enterprise funds are charges to customers for water, sewer, and garbage services. Operating expenses for the enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

Governmental Fund Financial Statements - 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 Village considers revenues, except for property taxes, to be available if they are collected within 60 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year for the year they are intended to finance.

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments and compensated absences recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village considers all highly liquid assets (including restricted assets) with maturities of three months or less to be cash equivalents.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the Village as assets with an initial individual cost of more than the capitalization threshold as shown below, and an estimated useful life in excess of two years. Purchased capital assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Minimum capitalization costs are as follows:

Infrastructure	\$ 50,000
Buildings	5,000
Land Improvements	5,000
Equipment	2,500

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

The Village depreciates assets on a straight-line basis using the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Life</u>
Equipment, furniture and fixtures	5 to 20 years
Buildings, structures and improvements	20 to 50 years
Improvements other than buildings	20 to 30 years
Water and sewer system	20 to 50 years
Infrastructure assets	20 to 25 years

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 financial statements. The face amount of debt issued is reported as other financing sources in the fund financial statements for governmental activities.

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Interfund Transactions

During the normal course of operations, the Village has transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended, and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenses if they involved organizations external to the Village are treated similarly when involving other funds of the Village.

Activity between funds that is referred to as “due to/from other funds” represent transactions when one fund incurs expenses for the benefit of another and expects repayment from it. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government entity-wide financial statements as “internal balances”.

Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - amounts that are in nonspendable form (such as prepaid expenses) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors bondholders, and high levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balances - amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Board or by an official or body to which the Village Board delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Village would typically use restricted fund balances first, followed by committed resources, then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Use of Estimates

The Village prepares its financial statements in accordance with generally accepted accounting principles which require the use of estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Compensated Absences

Village employees are entitled to certain compensated absences based on their length of employment. Compensated absences are earned at the beginning of the employees's annual employment anniversary. Vacation time does not accumulated from year to year. Unused vacation is forfeited.

**NOTE 2 - CASH AND INVESTMENTS**

Certain funds maintain their uninvested cash balances in common checking accounts, with accounting records being maintained to show the portion of the common bank account balance attributed to each particular fund. The Village is allowed to invest in securities as authorized by the Illinois Revised Statutes. The following is a summary of cash and investments at March 31, 2025:

A. Deposits

As of March 31, 2025, the carrying amount of the Village's deposits was \$367,411; the bank balance was \$477,327.

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. As of March 31, 2025, \$-0- of the Village's bank balance of \$477,327 was exposed to custodial risk.

Insured	\$ 250,000
Securities Pledged to the Village	<u>227,327</u>
	<u>\$ 477,327</u>

**NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at March 31, 2025 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water	\$ 1,794
Water	General	\$ 30,464

The outstanding balance resulted from payroll withholdings of the Water Fund that were paid by the General Fund. The balance is expected to be repaid in the following fiscal year.

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 4 - INTERFUND TRANSFERS**

There were no interfund transfers for the year ended March 31, 2025.

**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the year ended March 31, 2025 was as follows:

A. Capital Assets - Governmental Activities

Capital asset balances and transactions for the year ended March 31, 2025 are summarized as follows:

	Balance <u>4/1/24</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>3/31/25</u>
Capital Assets:				
Buildings and Land	\$ 498,328	\$ -0-	\$ -0-	\$ 498,328
Equipment	<u>34,408</u>	<u>-0-</u>	<u>-0-</u>	<u>34,408</u>
Total	<u>\$ 532,736</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 532,736</u>
Accumulated Depreciation:				
Buildings and Land	\$ 139,038	\$ 12,725	\$ -0-	\$ 151,763
Equipment	<u>28,615</u>	<u>1,086</u>	<u>-0-</u>	<u>29,701</u>
Total	<u>\$ 167,653</u>	<u>\$ 13,811</u>	<u>\$ -0-</u>	<u>\$ 181,464</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 365,083</u>	<u>\$ (13,811)</u>	<u>\$ -0-</u>	<u>\$ 351,272</u>

Depreciation expense was charged as follows:

Governmental Activities:	
General Government	\$ 13,811
Public Safety	-0-
Highway and Streets	-0-
Parks and Recreation	<u>-0-</u>
Total Governmental Activities	<u>\$ 13,811</u>

Infrastructure assets are being reported on a prospective basis as allowed by GASB 34.

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 5 - CAPITAL ASSETS - continued**

**B. Capital Assets - Business-Type Activities:**

Capital asset balances and transactions for the year ended March 31, 2025 are summarized as follows:

	<u>Balance</u> <u>04/01/24</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>03/31/25</u>
Capital Assets:				
Infrastructure and				
Utility System	\$ 3,194,732	\$ 241,385	\$ -0-	\$ 3,436,117
Equipment	<u>90,983</u>	<u>-0-</u>	<u>-0-</u>	<u>90,983</u>
Total	<u>\$ 3,285,715</u>	<u>\$ 241,385</u>	<u>\$ -0-</u>	<u>\$ 3,527,100</u>
Accumulated Depreciation:				
Infrastructure and				
Utility System	\$ 306,832	\$ 94,251	\$ -0-	\$ 401,083
Equipment	<u>82,905</u>	<u>1,653</u>	<u>-0-</u>	<u>84,558</u>
Total	<u>\$ 389,737</u>	<u>\$ 95,904</u>	<u>\$ -0-</u>	<u>\$ 485,641</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 2,895,978</u>	<u>\$ 145,481</u>	<u>\$ -0-</u>	<u>\$ 3,041,459</u>

Depreciation expense was charged as follows:

Waterworks	<u>\$ 95,904</u>
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**NOTE 6 - PROPERTY TAX**

Property taxes attach as an enforceable lien on January 1. Taxes are levied on the second Tuesday of September and payable in two installments on the following June 1 and September 1. Taxes are levied for the fiscal year in progress although the taxes are not received in time to finance that year. The intention of the Village is to finance the subsequent fiscal year and the Village budgets accordingly. The Village Board adopted the Tax Levy ordinance on December 11, 2024. Collection amounts are given to the taxing body in July, September and November. Taxes recorded are from the 2023 levy.

**NOTE 7 - SEGMENT INFORMATION FOR PROPRIETARY FUNDS**

	<u>Water</u> <u>Fund</u>	<u>Total</u>
Operating Receipts	\$ 106,642	\$ 106,642
Operating Income/ Loss	\$ (40,236)	\$ (40,236)
Net Income (Loss)	\$ 129,447	\$ 129,447
Total Equity	<u>\$ 2,380,212</u>	<u>\$ 2,380,212</u>

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 8 - NOTES PAYABLE**

- A. The Village has borrowed funds from Champaign County, Illinois for the construction of a new community center. The initial principal borrowed was \$135,000, which is to be repaid in monthly payments of \$700.00. This includes interest at a rate of 2%.

A summary of changes in this note follows:

	<u>Balance</u> <u>04/01/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>3/31/25</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Note Payable	<u>\$ 89,127</u>	<u>\$ -0-</u>	<u>\$ 10,003</u>	<u>\$ 79,124</u>	<u>\$ 8,506</u>

As of March 31, 2025, the annual cash flow requirements of debt principal and interest were as follows:

<u>Fiscal Year</u> <u>Ending March 31,</u>	<u>Principal</u> <u>Maturity</u>	<u>Interest</u> <u>Requirements</u>	<u>Total</u>
2026	\$ 8,506	\$ 957	\$ 9,463
2027	6,845	1,350	8,195
2028	6,984	1,212	8,196
2029	7,125	1,071	8,196
2030 - 2034	37,839	3,137	40,976
2035 - 2036	<u>11,825</u>	<u>1,151</u>	<u>12,976</u>
	<u>\$ 79,124</u>	<u>\$ 8,878</u>	<u>\$ 88,002</u>

- B. The Village borrowed funds from the USDA to finance a water system project. The initial principal borrowed was \$200,000, with draws being made periodically when funds are needed. The draws will be made until the loan balance reaches \$940,000. The Village is required to make annual principal payments starting May 1, 2023. The Village is also required to make annual interest payments starting May 1, 2023 at an interest rate of 1.25%. Interest amounts are based on the outstanding principal at the time, which will vary year to year. For this reason, we will not disclose future interest payments as the amounts cannot be reasonably estimated.

A summary of changes in this note follows:

<u>Balance</u> <u>04/01/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>3/31/25</u>	<u>Due Within</u> <u>One Year</u>
<u>\$ 920,000</u>	<u>\$ -0-</u>	<u>\$ 20,000</u>	<u>\$ 900,000</u>	<u>\$ 20,000</u>

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 8 - NOTES PAYABLE - continued**

As of March 31, 2025, the annual cash flow requirements of debt principal and interest were as follows:

<u>Fiscal Year</u> <u>Ending March 31,</u>	<u>Principal</u> <u>Maturity</u>	<u>Interest</u> <u>Requirements</u>	<u>Total</u>
2026	\$ 20,000	\$ 11,125	\$ 31,125
2027	20,000	10,875	30,875
2028	20,000	10,625	30,625
2029 - 2033	106,000	49,263	155,263
2034 - 2038	112,000	42,425	154,425
2039 - 2043	120,000	35,125	155,125
2044 - 2048	128,000	27,425	155,425
2049 - 2053	136,000	19,200	155,200
2054 - 2058	144,000	10,450	154,450
2059 - 2061	<u>94,000</u>	<u>1,787</u>	<u>95,787</u>
	<u>\$ 900,000</u>	<u>\$ 218,300</u>	<u>\$ 1,118,300</u>

**NOTE 9 - ADDITIONAL DISCLOSURES**

Generally accepted accounting principles require disclosure, as part of the combined financial statements, of certain information concerning individual funds including:

- a. Segment information for certain individual Proprietary Funds. This requirement is met by Note 7.
- b. Interfund receivable and payable balances. This requirement is met by Note 3.

**NOTE 10 - ACCUMULATED UNPAID VACATION AND SICK PAY**

The liability of the Village for accumulated vacation has not been recorded in the General Long-Term Account Group.

No liability is recorded in governmental funds since the current portion of the liability is not considered significant, nor can it be reasonably estimated.

**NOTE 11 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The government manages these risks by securing commercial insurance. Management believes that such insurance coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Village of Ludlow  
Notes to the Financial Statements  
As of and for the Year Ended March 31, 2025

**NOTE 12 - LITIGATION**

As of March 31, 2025, the Village was not involved in any pending litigation.

**NOTE 13 - BUDGETING COMPLIANCE**

The Village operated within budgetary limits in all funds for the year ended March 31, 2025.

**NOTE 14 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 21, 2025, which is the date the financial statements were available to be issued. Nothing has occurred that would require recognition or disclosure.