

**City of Carmi, Illinois**  
**White County, Illinois**  
**Annual Financial Report and**  
**Independent Auditors' Report**  
**December 31, 2024**

**City of Carmi, Illinois**  
**White County, Illinois**  
**Table of Contents**

	<b><u>Page No.</u></b>
<b>Financial Section</b>	
Independent Auditors' Report	1-4
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5-6
<b>Basic Financial Statements</b>	
Statement of Net Position	7-8
Statement of Activities	9-10
Balance Sheet - Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Net Position - Enterprise Fund - Light and Water Fund	14
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Fund - Light and Water Fund	15
Statement of Cash Flows - Enterprise Fund - Light and Water Fund	16
Statement of Fiduciary Net Position - Pension Trust Fund	17
Statement of Changes in Fiduciary Net Position - Pension Trust Fund	18
Index for Notes to the Financial Statements	19
Notes to the Financial Statements	20-51

**City of Carmi, Illinois**  
**White County, Illinois**  
**Table of Contents**

	<b>Page No.</b>
<b>Required Supplementary Information</b>	
Schedule of Changes in Net Pension Liability – Regular Plan	52-53
Schedule of Changes in the City's Net Pension Liability and Related Ratios- Police Pension Fund	54-55
Schedule of Contributions – Regular Plan	56
Schedule of City Contributions - Police Pension Fund	57
Schedule of Investment Returns - Police Pension Fund	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Motor Fuel Tax Fund	60
Notes to the Required Supplementary Information	61
<b>Supplementary Information</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	63
Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail	
General Fund	64-68
Motor Fuel Tax Fund	69
Library Fund	70
Carmi Economic Development Fund	71
TIF Fund	72
TIF #2 Fund	73
Statement of Revenues over Expenses	
Enterprise Fund	74
<b>Schedule of Findings and Responses</b>	75-76

## Financial Section



# BOTSCH AND ASSOCIATES, CPA'S, LLC

—AND—

H. KEITH BOTSCH, CPA  
ARLYNNE STROMAN, CPA

113 E. Main Street  
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May 12, 2025

## Independent Auditors' Report

To the Mayor and  
Members of the City Council  
City of Carmi, IL 62821

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carmi, Illinois, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Carmi, Illinois' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carmi, Illinois, as of December 31, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Carmi, 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 City of Carmi, Illinois' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Schedules of Changes in Net Pension Liability, Schedules of Contributions, Schedule of Investment Returns, and the budgetary comparison information on pages 52-60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carmi, Illinois' basic financial statements. The accompanying combining and individual fund financial statements 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2025, on our consideration of the City of Carmi, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Carmi, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Carmi, Illinois' internal control over financial reporting and compliance.

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# BOTSCH AND ASSOCIATES, CPA'S, LLC

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May 12, 2025

## **Independent Auditors' 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***

To the Mayor and  
Members of the City Council  
City of Carmi, IL 62821

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carmi, Illinois, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Carmi, Illinois' basic financial statements and have issued our report thereon dated May 12, 2025.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Carmi, Illinois' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Carmi, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Carmi, Illinois' 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 was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Carmi, Illinois' 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*.

## **City of Carmi, Illinois' Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Carmi, Illinois' response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City of Carmi, Illinois' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of This Report**

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

*Botsch and Associates, CPA's, LLC*

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## **Basic Financial Statements**

**City of Carmi, Illinois**  
**White County, Illinois**  
**Statement of Net Position**  
**December 31, 2024**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 2,283,083	\$ 464,266	\$ 2,747,349
Receivables:			
Accounts	-	808,201	808,201
Taxes	23,728	-	23,728
Notes	91,706	-	91,706
Fines	930	-	930
Intergovernmental	546,681	-	546,681
Interest	3,119	-	3,119
Prepaid items	22,156	31,109	53,265
Inventory	-	1,597	1,597
Internal balances	16,712	(16,712)	-
Total current assets	<u>2,988,115</u>	<u>1,288,461</u>	<u>4,276,576</u>
Noncurrent assets:			
Restricted cash and cash equivalents	351,190	679,323	1,030,513
Net pension asset	66,540	145,719	212,259
Land and other capital assets not being depreciated	1,614,081	5,000	1,619,081
Capital assets, net of accumulated depreciation	<u>5,215,347</u>	<u>15,594,798</u>	<u>20,810,145</u>
Total noncurrent assets	<u>7,247,158</u>	<u>16,424,840</u>	<u>23,671,998</u>
Total assets	<u>10,235,273</u>	<u>17,713,301</u>	<u>27,948,574</u>
Deferred outflows of resources			
Deferred outflows related to pensions	<u>653,536</u>	<u>1,431,201</u>	<u>2,084,737</u>
Total assets and deferred outflows of resources	<u>\$ 10,888,809</u>	<u>\$ 19,144,502</u>	<u>\$ 30,033,311</u>

The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Statement of Net Position**  
**December 31, 2024**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 117,419	\$ 369,734	\$ 487,153
Accrued expenses	67,013	63,252	130,265
Deposits payable	-	90,912	90,912
Compensated absences payable	275,704	135,239	410,943
Unearned revenue	120,666	-	120,666
Long-term debt due within one year	106,516	617,189	723,705
Total current liabilities	687,318	1,276,326	1,963,644
Noncurrent liabilities:			
Long-term debt due in more than one year	263,724	3,371,615	3,635,339
Total noncurrent liabilities	263,724	3,371,615	3,635,339
Total liabilities	951,042	4,647,941	5,598,983
Deferred inflows of resources			
Deferred inflows related to pensions	521,432	1,141,903	1,663,335
Total liabilities and deferred inflows of resources	\$ 1,472,474	\$ 5,789,844	\$ 7,262,318
<b>NET POSITION</b>			
Net investment in capital assets	\$ 6,459,188	\$ 11,610,994	\$ 18,070,182
Restricted for:			
Economic development	846,480	-	846,480
Public safety	230,524	-	230,524
Streets and roads	523,346	-	523,346
Pensions	66,540	145,719	212,259
Debt service	-	679,323	679,323
Unrestricted	1,290,257	918,622	2,208,879
Total net position	\$ 9,416,335	\$ 13,354,658	\$ 22,770,993

The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Statement of Activities**  
**December 31, 2024**

		<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>
			<u>Contributions</u>	<u>Contributions</u>
<u>Functions/Programs</u>				
Governmental Activities:				
General government	\$ 1,937,992	\$ 17,595	\$ 32,564	\$ 88,382
Public works	199,321	-	22,743	13,530
Public safety	1,438,121	183,309	-	-
Streets and roads	1,088,419	-	-	-
Culture and recreation	855,328	365	19,724	-
Sanitation	6,300	-	-	-
Economic development	372,326	-	-	-
Interest	7,497	-	-	-
Total governmental activities	<u>5,905,304</u>	<u>201,269</u>	<u>75,031</u>	<u>101,912</u>
Business-type activities				
Light and water	<u>10,326,961</u>	<u>11,023,742</u>	<u>-</u>	<u>1,163,210</u>
Total primary government	<u>\$16,232,265</u>	<u>\$11,225,011</u>	<u>\$ 75,031</u>	<u>\$ 1,265,122</u>

General Revenues:

Property taxes  
Sales and use tax  
Income tax  
Utilities tax  
Gaming tax  
Motor fuel tax  
Other intergovernmental revenue  
Miscellaneous  
Interest  
Total general revenues  
Debt forgiven  
Transfers  
Change in net position  
Net position - beginning  
Net position - ending

The accompanying notes are an integral part of this statement.

**Net (Expense) Revenue and  
Changes in Net Position  
Primary Government**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,799,451)	\$ -	\$ (1,799,451)
(163,048)	-	(163,048)
(1,254,812)	-	(1,254,812)
(1,088,419)	-	(1,088,419)
(835,239)	-	(835,239)
(6,300)	-	(6,300)
(372,326)	-	(372,326)
(7,497)	-	(7,497)
<u>(5,527,092)</u>	<u>-</u>	<u>(5,527,092)</u>
 -	 1,859,991	 1,859,991
 <u>(5,527,092)</u>	 <u>1,859,991</u>	 <u>(3,667,101)</u>
 747,352	 -	 747,352
2,468,724	-	2,468,724
837,485	-	837,485
367,773	-	367,773
136,619	-	136,619
216,250	-	216,250
52,723	-	52,723
667,046	69,323	736,369
51,243	32,416	83,659
<u>5,545,215</u>	<u>101,739</u>	<u>5,646,954</u>
-	647,430	647,430
<u>300,056</u>	<u>(300,056)</u>	<u>-</u>
318,179	2,309,104	2,627,283
9,098,156	11,045,554	20,143,710
<u>\$ 9,416,335</u>	<u>\$ 13,354,658</u>	<u>\$ 22,770,993</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2024**

	General	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 557,681	\$ 516,990	\$ 1,208,412	\$ 2,283,083
Receivables:				
Taxes	10,168	-	13,560	23,728
Notes, net of allowance of \$0	-	-	91,706	91,706
Fines	930	-	-	930
Intergovernmental	528,412	18,269	-	546,681
Interest	2,200	257	662	3,119
Prepaid items	22,156	-	-	22,156
Due from other funds	16,712	-	-	16,712
Restricted cash	351,190	-	-	351,190
Total assets	<u>\$ 1,489,449</u>	<u>\$ 535,516</u>	<u>\$ 1,314,340</u>	<u>\$ 3,339,305</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 105,249	\$ 12,170	\$ -	\$ 117,419
Compensated absences payable	275,704	-	-	275,704
Accrued expenses	67,013	-	-	67,013
Unearned revenue	120,666	-	-	120,666
Total liabilities	<u>568,632</u>	<u>12,170</u>	<u>-</u>	<u>580,802</u>
Fund balances				
Nonspendable:				
Prepaid	22,156	-	-	22,156
Restricted for:				
Economic development	-	-	846,480	846,480
Public safety	230,524	-	-	230,524
Streets and roads	-	523,346	-	523,346
Committed to culture and recreation	-	-	329,775	329,775
Assigned to:				
Public works	10,639	-	-	10,639
Economic development	-	-	138,085	138,085
Unassigned	657,498	-	-	657,498
Total fund balances	<u>920,817</u>	<u>523,346</u>	<u>1,314,340</u>	<u>2,758,503</u>
Total liabilities and fund balances	<u>\$ 1,489,449</u>	<u>\$ 535,516</u>	<u>\$ 1,314,340</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,829,428
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds	(370,240)
Net pension assets and pension related deferred outflows and inflows of resources are not available to pay current-period expenditures and therefore are deferred in the funds.	198,644
Net position of governmental activities	<u>\$ 9,416,335</u>

The accompanying notes are an integral part of this statement.



**City of Carmi, Illinois**  
**White County, Illinois**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended December 31, 2024**

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Revenues:				
Taxes	\$ 177,815	\$ -	\$ 569,537	\$ 747,352
Intergovernmental	4,020,543	216,250	19,724	4,256,517
Licenses and permits	17,595	-	-	17,595
Charges for services	17,685	-	-	17,685
Fines and forfeits	165,624	-	365	165,989
Miscellaneous	660,218	10,605	47,466	718,289
Total revenues	<u>5,059,480</u>	<u>226,855</u>	<u>637,092</u>	<u>5,923,427</u>
Expenditures:				
Current:				
General government	1,841,037	-	-	1,841,037
Public safety	1,438,121	-	-	1,438,121
Streets and roads	676,880	411,539	-	1,088,419
Culture and recreation	667,375	-	119,915	787,290
Sanitation	6,300	-	-	6,300
Economic development	-	-	361,354	361,354
Public works	199,321	-	-	199,321
Debt service	52,126	-	87,633	139,759
Capital outlay	90,238	-	159,687	249,925
Total expenditures	<u>4,971,398</u>	<u>411,539</u>	<u>728,589</u>	<u>6,111,526</u>
Excess (deficiency) of revenues over expenditures	<u>88,082</u>	<u>(184,684)</u>	<u>(91,497)</u>	<u>(188,099)</u>
Other financing sources (uses):				
Operating transfers in	393,142	-	158,537	551,679
Operating transfers out	<u>(148,876)</u>	<u>-</u>	<u>(102,747)</u>	<u>(251,623)</u>
Total other financing sources (uses)	<u>244,266</u>	<u>-</u>	<u>55,790</u>	<u>300,056</u>
Net change in fund balances	332,348	(184,684)	(35,707)	111,957
Fund balances - beginning	588,469	708,030	1,350,047	2,646,546
Fund balances - ending	<u>\$ 920,817</u>	<u>\$ 523,346</u>	<u>\$ 1,314,340</u>	<u>\$ 2,758,503</u>

The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, 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 December 31, 2024**

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

Net Change in fund balances - total governmental funds	\$ 111,957
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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 depreciation (\$331,425), exceeded capital outlay \$249,925 in the current period.	(81,500)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in governmental funds. This amount represents the change in net pension asset \$66,540, pension-related deferred outflows of resources (\$243,897), pension-related deferred inflows of resources \$130,385, and net pension liability \$202,432 in the current period.	155,460
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The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the financial resources of governmental funds, neither transaction, however, has any effect on net position. This amount is the amount by which repayments \$132,262 exceeded proceeds (\$0) in the current period.	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">132,262</div>
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Change in net position of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 318,179</div>
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The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Enterprise Fund - Light and Water Fund**  
**Statement of Net Position**  
**December 31, 2024**

**ASSETS**

**Current assets:**

Cash in bank	\$ 464,266
Accounts receivable, net of allowance of \$4,583	808,201
Inventory	1,597
Prepaid expenses	31,109
Total current assets	<u>1,305,173</u>

**Noncurrent assets:**

Restricted cash for bond issue	679,323
Net pension asset	145,719
Capital assets, net of accumulated depreciation	15,599,798
Total noncurrent assets	<u>16,424,840</u>
Total assets	<u>17,730,013</u>

**Deferred outflows of resources**

Deferred outflows related to pensions	<u>1,431,201</u>
---------------------------------------	------------------

Total assets and deferred outflows of resources	<u><u>\$ 19,161,214</u></u>
---	-----------------------------

**LIABILITIES**

**Current liabilities:**

Accounts payable	\$ 369,734
Deposits payable	90,912
Accrued expense	63,252
Due to other funds	16,712
Compensated absences payable	135,239
Notes payable due within one year	150,384
Bonds payable due within one year	466,805
Total current liabilities	<u>1,293,038</u>

**Noncurrent liabilities**

Notes payable due beyond one year	520,787
Bonds payable due beyond one year	2,850,828
Total noncurrent liabilities	<u>3,371,615</u>
Total liabilities	<u>4,664,653</u>

**Deferred inflows of resources**

Deferred inflows related to pensions	<u>1,141,903</u>
Total deferred inflows of resources	<u>1,141,903</u>

Total liabilities and deferred inflows of resources	<u><u>\$ 5,806,556</u></u>
---	----------------------------

**NET POSITION**

Net investment in capital assets	\$ 11,610,994
Restricted for pensions	145,719
Restricted for debt service	679,323
Unrestricted	918,622
Total net position	<u><u>\$ 13,354,658</u></u>

The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Enterprise Fund**  
**Light and Water Fund**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended December 31, 2024**

Operating revenues:	
Charges for services:	
Light department	\$ 8,659,715
Water sales	1,763,446
Sewer charges	600,581
Miscellaneous	69,323
	<hr/>
Total operating revenue	11,093,065
Operating expenses, excluding depreciation	<hr/> 9,407,236
Operating income before depreciation	1,685,829
Depreciation	<hr/> (774,012)
Operating income	911,817
Nonoperating revenues (expenses):	
Interest income	32,416
Grant revenue	1,163,210
Interest expense	(145,713)
	<hr/>
Total nonoperating revenue (expense)	1,049,913
Income (loss before transfers & special items)	1,961,730
Debt forgiven	647,430
Transfers in (out)	(300,056)
	<hr/>
Change in net position	2,309,104
Total net position - beginning	11,045,554
Total net position - ending	<hr/> <u>\$ 13,354,658</u>

The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Enterprise Fund - Light and Water Fund**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**

Cash flows from operating activities:	
Receipts from customers	\$ 11,060,504
Payments to suppliers	(6,905,707)
Payments to employees	(2,836,113)
Net cash provided (used) by operating activities	<u>1,318,684</u>
Cash flows from investing activities:	
Interest earned	<u>32,416</u>
Net cash provided (used) by investing activities	<u>32,416</u>
Cash flows from capital and related financing activities:	
Purchase of fixed assets	(2,005,512)
Grant revenue	1,163,210
Debt proceeds	460,832
Principal paid on debt	(596,407)
Interest paid on debt	(145,713)
Net cash provided (used) by capital and related financing activities	<u>(1,123,590)</u>
Cash flows from noncapital financing activities:	
Interfund loan payments	(21,602)
Transfers	(300,056)
Net cash provided (used) by noncapital financing activities	<u>(321,658)</u>
Net increase (decrease) in cash and cash equivalents	(94,148)
Cash and cash equivalents at beginning of year	1,237,737
Cash and cash equivalents at end of year	<u><u>\$ 1,143,589</u></u>
Cash and cash equivalents per statement of net position:	
Unrestricted	\$ 464,266
Restricted	679,323
Cash and cash equivalents at end of year	<u><u>\$ 1,143,589</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 911,817
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	774,012
Changes in assets and liabilities:	
(Increase) decrease in deferred outflows of resources	448,849
Increase (decrease) in deferred inflows of resources	(223,599)
(Increase) decrease in net pension asset	(145,719)
Increase (decrease) in net pension liability	(424,078)
(Increase) decrease in accounts receivable	(29,374)
(Increase) decrease in prepaid expense	(17,438)
Increase (decrease) in accounts payable	(8,387)
Increase (decrease) in accrued expenses	35,788
Increase (decrease) in deposits payable	(3,187)
Net cash provided (used) by operating activities	<u><u>\$ 1,318,684</u></u>

The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Pension Trust Fund**  
**Statement of Fiduciary Net Position**  
**December 31, 2024**

	<u>Police Pension</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,986,365
Accrued interest	1,872
Receivable	
Employer contributions	499,091
Payroll taxes	100
Investments	
Domestic equities	<u>1,217,374</u>
 Total assets	 <u><u>\$ 4,704,802</u></u>
<b>LIABILITIES</b>	
Current liabilities	<u>\$ -</u>
 Total liabilities	 <u><u>\$ -</u></u>
 NET POSITION RESTRICTED FOR PENSIONS	 <u><u>\$ 4,704,802</u></u>

The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Pension Trust Fund**  
**Statement of Changes in Fiduciary Net Position**  
**December 31, 2024**

	<b>Police Pension</b>
Additions:	
Employer contributions	\$ 478,173
Employee contributions	68,859
Total contributions	<u>547,032</u>
Investment income:	
Unrealized gain (loss) on investments	64,837
Realized gain (loss) on investments	35,627
Interest and dividends	126,823
Total investment income	<u>227,287</u>
Total additions	<u>774,319</u>
Deductions:	
Benefits	468,503
Administrative expense	<u>10,904</u>
Total deductions	<u>479,407</u>
Net increase in net position	294,912
Net position restricted for pensions	
Beginning of year	<u>4,409,890</u>
End of year	<u><u>\$ 4,704,802</u></u>

The accompanying notes are an integral part of this statement.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Index for the Notes to the Financial Statements**  
**December 31, 2024**

1.	Summary of Significant Accounting Policies	
1.	Reporting Entity	20
2.	Government-Wide and Fund Financial Statements	20-21
3.	Fund Accounting	21-22
4.	Measurement Focus, Basis of Accounting, and Financial Statement Presentation	22-24
5.	Budgets	24
6.	Cash Equivalents	24
7.	Investments	25
8.	Receivables	25
9.	Prepaid Items	25
10.	Capital Assets	25-26
11.	Compensated Absences	26-27
12.	Long-Term Obligations	27
13.	Fund Equity	27-28
14.	Interfund Transactions	28
15.	Use of Estimates	28
2.	Deposits	29-30
3.	Receivables - Taxes	30
4.	Capital Assets	31-32
5.	Long-Term Debt	33-38
6.	Bad Debt	38
7.	Risk Management	38
8.	Restricted Fund Balance	39
9.	Interfund Balances and Transfers	39
10.	Contingent Liabilities	40
11.	Litigation	40
12.	Employee Retirement Systems	40-50
13.	Legal Debt Margin	51
14.	Strong Communities Grant	51
15.	Restricted Cash	51



**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the City of Carmi, Illinois, as reflected in the accompanying financial statements for the year ended December 31, 2024, conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies.

1. Reporting Entity

The City, for financial purposes, includes all the funds relevant to the operations of the City of Carmi, Illinois, (the primary government). The City is also required to include in its financial statements those separately administered organizations (component units) with which the City has significant operational or financial relationships. The criteria for including organizations as component units within the City's reporting entity include whether the organization is legally separate and whether the City holds the corporate powers, whether the City appoints a majority of the organization's board and is able to impose its will, and the ability of the organization to impose a financial benefit or burden on the City. Based on the foregoing criteria, the City of Carmi, Illinois has no component units.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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 and other items not properly included among program revenues are reported, instead, as general revenues.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

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 are reported as separate columns in the fund financial statements. Non-major funds are reported in the supplementary information.

3. Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three broad categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "Fund Types".

The City has the following fund types:

*Governmental Funds* are used to account for the City's general governmental activities. There are four of this type and they each use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

*The General Fund* is the City's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

*Special Revenue Funds* account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

*Debt Service Funds* account for all financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital Projects Funds* account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

The City has no debt service or capital projects funds.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

*Proprietary Funds* are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties by the enterprise fund.

An *Enterprise Fund* is used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

*Fiduciary Funds* account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

*Pension Trust Funds* are accounted for in essentially the same manner as the proprietary fund, using the same measurement focus and the accrual basis of accounting. The pension trust fund accounts for the assets of the City's Police Employee Retirement Plan.

4. 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 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 City considers property taxes as available if they are collected within 60 days of the end of the fiscal period.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

A one-year availability period is used for revenue recognition for all other governmental fund revenues. 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 when payment is due.

Property taxes, sales taxes, income taxes, motor fuel taxes, licenses, interest revenue, and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized 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 City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund. Its revenues are derived from the property tax levy, taxes from the Illinois Department of Revenue, interest earned on investments, charges for services, and other sources.

The *Motor Fuel Tax Fund* accounts for the revenues received from the Illinois Department of Transportation for the maintenance of roads.

The City reports the following major and only enterprise fund:

The *Light, Water, and Sewer Fund* accounts for the provision of water, sewer, and electric service to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collections. Monies are provided from user charges and miscellaneous sources.

Additionally, the City reports the following fund type:

*Police Pension Fund* - to account for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the City through an annual property tax levy, licenses, and replacement tax.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as programs revenues include charges to customers or applicants for goods, services, or privileges provided and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund 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.

5. Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, enterprise, and pension trust funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

6. Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with maturities of three months or less at the date of purchase are considered cash equivalents.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

7. Investments

Investments with a maturity of one year or less are stated at cost plus or minus amortized discount or premium (which approximates market). Investments with a maturity greater than one year are stated at fair value.

8. Receivables

GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions* recognizes receivables associated with nonexchange transactions as follows:

- Derived tax receivables (such as: sales, income, and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed non-exchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen
- Government mandates or voluntary non-exchange transaction receivables (such as: mandates or grants) are recognized when all legal requirements have been met.

9. Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit future periods at the end of the fiscal year and are reported using the consumption method.

10. 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. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than \$15,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

10. Capital Assets (Cont'd)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Buildings	20-40
Land improvements	20
Airport runways	30
Roads	50
Vehicles, furniture, and equipment	5-10
Water, sewer, and electric systems	40-50
Airport fuel facility	20

11. Compensated Absences

Regular full-time employees employed on a twelve-month basis who have been employed by the City as indicated below, shall be entitled to a vacation with pay as follows:

<u>Years of Continuous Service</u>	<u>Amount of Vacation Time Off (8-hour Workdays) Per Year</u>
After completion of 1 year	10 days
After completion of 5 years	11 days
After completion of 6 years	12 days
After completion of 7 years	13 days
After completion of 8 years	14 days
After completion of 9 years	15 days
After completion of 10 years	16 days
After completion of 13 years	17 days
After completion of 15 years	18 days
After completion of 17 years	19 days
After completion of 19 years	20 days

No more than 5 vacation days may be carried from one year to the next. Upon leaving employment, employees will be paid for vacation earned but unused prior to their last day of work, up to and including 20 days.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

11. Compensated Absences (Cont'd)

Employees shall be entitled to ten (10) working days of sick leave with pay per year. Sick leave may be accumulated from year to year up to, but not exceeding 60 days. Sick leave shall be earned by a full-time employee for any month in which the employee is compensated for more than eighty (80) hours of work. Sick leave cannot be taken before it is actually earned. Employees shall be compensated in cash for any accumulated unused sick leave, not to exceed 30 days, at their current rate of pay upon retirement, death, or termination for other than cause.

Compensatory time off may be given in lieu of overtime.

12. 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 or business-type activities statement of net position.

13. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment.



**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

13. Fund Equity (Cont'd)

This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance.* This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council and Mayor have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

14. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed.

15. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 2 - Deposits**

The City's investment policy is to establish cash management and investment guidelines for the City officials responsible for the stewardship of public funds. The City has established specific objectives to meet these guidelines.

The City deposits and invests all its monies in investments allowed by Illinois State Statutes. The Statutes authorize the City to make deposits in commercial banks and savings and loan institutions, and make investments in obligations of the US Treasury and US agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in other investments as allowed by Illinois State Statutes.

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

Concentrations: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial Credit Risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2024, \$5,050,458 of the City's bank balance of \$8,267,770 (book balance of \$7,981,601) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,307,035
Uninsured and collateral held by pledging bank's trust department not in the City's name	<u>3,743,423</u>
Total	<u><u>\$ 5,050,458</u></u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 2 - Deposits (Cont'd)**

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have custodial credit risk policies for investments.

Investments of the Police Pension Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, refer to their annual report. A copy of that report can be obtained from IPOPIF at [www.ipopif.org](http://www.ipopif.org).

IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women, and persons with disabilities.

**Note 3 - Receivables - Taxes**

Property taxes for 2023 attach as an enforceable lien on January 1, 2023. Taxes are levied by December for collection in the subsequent calendar year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments, on or about October 15 and November 15. The county collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 4 - Capital Assets**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balances	Increases	Disposals	Ending Balances
<b>1. <u>Governmental Activities:</u></b>				
Capital assets, not being depreciated				
Land	\$ 1,614,081	\$ -	\$ -	\$ 1,614,081
Total capital assets, not being depreciated	1,614,081	-	-	1,614,081
Capital assets, being depreciated				
Buildings	3,800,142	159,687	-	3,959,829
Land improvements	258,572	19,324	-	277,896
Airport runways	171,518	-	-	171,518
Roads	1,077,346	-	-	1,077,346
Vehicles and equipment	1,785,580	70,914	-	1,856,494
Furniture and equipment	1,254,216	-	-	1,254,216
Airport fuel facility	538,429	-	-	538,429
Water and sewer lines	2,290,795	-	-	2,290,795
Total capital assets being depreciated	11,176,598	249,925	-	11,426,523
Less accumulated depreciation for:				
Buildings	2,713,659	58,174	-	2,771,833
Land improvements	36,022	11,331	-	47,353
Airport runways	42,161	5,718	-	47,879
Roads	120,730	21,547	-	142,277
Vehicles and equipment	1,531,364	90,313	-	1,621,677
Furniture and equipment	862,024	63,563	-	925,587
Airport fuel facility	240,909	26,921	-	267,830
Water and sewer lines	332,882	53,858	-	386,740
Total accumulated depreciation	5,879,751	331,425	-	6,211,176
Total capital assets being depreciated, net	5,296,847	(81,500)	-	5,215,347
Governmental activities capital assets, net	\$ 6,910,928	\$ (81,500)	\$ -	\$ 6,829,428

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 4 - Capital Assets (Cont'd)**

	Beginning Balances	Increases	Disposals	Ending Balances
2. <u>Business-type activities:</u>				
Capital assets, not being depreciated				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Capital assets, being depreciated				
Electric Department	11,727,340	354,338	-	12,081,678
Water Department	7,366,311	1,651,174	-	9,017,485
Sewer Department	13,506,403	-	-	13,506,403
Total capital assets being depreciated	32,600,054	2,005,512	-	34,605,566
Less accumulated depreciation for:				
Electric Department	7,277,508	259,566	-	7,537,074
Water Department	2,760,045	231,243	-	2,991,288
Sewer Department	8,199,203	283,203	-	8,482,406
Total accumulated depreciation	18,236,756	774,012	-	19,010,768
Total capital assets being depreciated, net	14,363,298	1,231,500	-	15,594,798
Business-type activities capital assets, net	<u>\$ 14,368,298</u>	<u>\$ 1,231,500</u>	<u>\$ -</u>	<u>\$ 15,599,798</u>

3. Depreciation Expense

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 252,415
Culture and recreation	68,038
Economic development	10,972
Total depreciation expense - governmental activities	<u>\$ 331,425</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 5 - Long-Term Debt**

Business-Type Activities

The following is a summary of business-type long-term debt transactions of the City for the year ended December 31, 2024:

	<b>Debt Payable 12/31/2023</b>	<b>Debt Issued</b>	<b>Debt Payments</b>	<b>Debt Payable 12/31/2024</b>	<b>Due Within One Year</b>
EPA Loan #1	\$ 429,022	\$ -	\$ 115,055	\$ 313,967	\$ 116,950
EPA Loan #2	573,349	228,044	650,174	151,219	4,565
Electric Bond 2022A	2,490,000	-	290,000	2,200,000	300,000
Water & Sewer Bond 2022B	1,105,000	-	140,000	965,000	145,000
Bond Premium	174,438	-	21,805	152,633	21,805
First-Mid Bank Loan	-	232,788	26,803	205,985	28,869
<b>Total</b>	<b>\$4,771,809</b>	<b>\$ 460,832</b>	<b>\$1,243,837</b>	<b>\$3,988,804</b>	<b>\$ 617,189</b>

The City entered into a loan agreement with the Illinois Environmental Protection Agency in the amount of \$1,500,000 to fund the installation of a high service pump station at the water treatment plant. \$750,000 of the loan was forgiven during the fiscal year ending December 31, 2017. Semi-annual payments of \$60,811 are due. The loan is financed at 1.64% and matures on June 21, 2028.

Debt service requirements to maturity are as follows:

<b>FYE December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 116,950	\$ 4,671	\$ 121,621
2026	118,875	2,746	121,621
2027	78,142	788	78,930
<b>Totals</b>	<b>\$ 313,967</b>	<b>\$ 8,205</b>	<b>\$ 322,172</b>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 5 - Long-Term Debt (Cont'd)**

In 2023, the City entered into a loan agreement with the Illinois Environmental Protection Agency to fund the replacement of water mains and add two pressure reducing stations. The total amount disbursed was \$801,393 with \$647,430 being forgiven in 2024. Semi-annual payments of \$2,981 are due until maturity on December 30, 2053. The interest rate is .93%.

Debt service requirements to maturity are as follows:

<b>FYE</b>			
<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 4,565	\$ 1,396	\$ 5,961
2026	4,608	1,353	5,961
2027	4,651	1,310	5,961
2028	4,695	1,266	5,961
2029	4,738	1,223	5,961
2030-2034	24,361	5,445	29,806
2035-2039	25,518	4,288	29,806
2040-2044	26,730	3,076	29,806
2045-2049	27,999	1,807	29,806
2050-2053	23,354	492	23,846
Totals	<u>\$ 151,219</u>	<u>\$ 21,656</u>	<u>\$ 172,875</u>

**Electric System Alternate Revenue Bonds – Series 2022A**

Total of issue	\$3,025,000	Interest Rate	4.00%
Date of issue	May 16, 2022	Interest Due	January 1, and July 1

On May 16, 2022, bonds in the amount of \$3,025,000 were issued to refund \$1,435,000 of Series 2011A Bonds and finance improvements to the electric system. The bonds mature on January 1, 2032.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 5 - Long-Term Debt (Cont'd)**

Debt service requirements to maturity are as follows:

<b>FYE December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 300,000	\$ 88,000	\$ 388,000
2026	315,000	76,000	391,000
2027	325,000	63,400	388,400
2028	340,000	50,400	390,400
2029	355,000	36,800	391,800
2030-2031	565,000	30,600	595,600
Totals	<u>\$ 2,200,000</u>	<u>\$ 345,200</u>	<u>\$ 2,545,200</u>

**Water & Sewer System Alternate Revenue Bonds – Series 2022B**

Total of issue	\$1,360,000	Interest Rate	4.00%
Date of issue	May 16, 2022	Interest Due	January 1, and July 1

On May 16, 2022, bonds in the amount of \$1,360,000 were issued to refund \$1,380,000 of Series 2011B Bonds. The purpose of the refunding of the Refunded Bond was to realize debt service savings for the City. The bonds mature on January 1, 2031.

Debt service requirements to maturity are as follows:

<b>FYE December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 145,000	\$ 38,600	\$ 183,600
2026	150,000	32,800	182,800
2027	160,000	26,800	186,800
2028	165,000	20,400	185,400
2029	170,000	13,800	183,800
2030	175,000	7,000	182,000
Totals	<u>\$ 965,000</u>	<u>\$ 139,400</u>	<u>\$ 1,104,400</u>



**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 5 – Long-Term Debt (Cont'd)**

The Series 2022A and 2022B bond ordinances require certain accounts to be maintained as follows:

Operations and Maintenance Account – There shall be retained an amount sufficient to pay operation and maintenance expenses for the current month.

Bond and Interest Account – There shall be deposited each month a fractional amount of the interest and principal becoming due on the next succeeding payment until there is sufficient money in the account to pay such principal or interest or both.

The City is in compliance with these requirements at December 31, 2024.

On December 15, 2023, the City obtained a loan from First-Mid Bank & Trust for \$232,788 to purchase a bucket truck. The loan carries an interest rate of 6.87% and is payable in 84 monthly installments of \$3,510. The loan matures on December 15, 2030. Debt service requirements to maturity are as follows:

<b>FYE</b>			
<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 28,869	\$ 13,253	\$ 42,122
2026	30,916	11,206	42,122
2027	33,108	9,014	42,122
2028	35,455	6,667	42,122
2029	37,970	4,153	42,123
2030	39,667	1,461	41,128
Totals	<u>\$ 205,985</u>	<u>\$ 45,754</u>	<u>\$ 251,739</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 5    Long-Term Debt (Cont'd)**

Governmental Funds:

The following is a summary of governmental long-term debt transactions of the City for the year ended December 31, 2024:

	<b>Debt Payable 12/31/2023</b>	<b>Debt Issued</b>	<b>Debt Payments</b>	<b>Debt Payable 12/31/2024</b>	<b>Due Within One Year</b>
Fire Truck Loan	\$ 195,000	\$ -	\$ 16,250	\$ 178,750	\$ 16,250
Street Sweeper Loan	166,644	-	32,287	134,357	33,133
RLF Loan	140,858	-	83,725	57,133	57,133
Total	<u>\$ 502,502</u>	<u>\$ -</u>	<u>\$132,262</u>	<u>\$ 370,240</u>	<u>\$ 106,516</u>

The City's loan with First Bank to purchase the active RLF loans from the DCEO program was renewed at First National Bank on August 17, 2022. The loan is to be repaid in 36 monthly payments of \$7,303. The interest rate is 3.9%, and the loan matures on August 17, 2025.

Debt service requirements to maturity are as follows:

<b>FYE December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<u>2025</u>	<u>\$ 57,133</u>	<u>\$ 834</u>	<u>\$ 57,967</u>

On November 4, 2021, the City obtained a loan from The First National Bank for \$231,750 to purchase a street sweeper. The loan carries an interest rate of 2.3% and is payable in 84 installments of \$2,990. The loan matures on November 4, 2028. Debt service requirements to maturity are as follows:

<b>FYE December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 33,133	\$ 2,742	\$ 35,875
2026	33,904	1,972	35,876
2027	34,691	1,184	35,875
2028	32,629	378	33,007
Totals	<u>\$ 134,357</u>	<u>\$ 6,276</u>	<u>\$ 140,633</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 5    Long-Term Debt (Cont'd)**

The City of Carmi financed a heavy-duty rescue Pierce Freightliner fire truck through the Fire Truck Revolving Loan Program in the amount of \$325,000. The note is at 0% interest over 20 years. Debt service requirements to maturity are as follows:

FYE December 31,	Principal	Interest	Total
2025	\$ 16,250	\$ -	\$ 16,250
2026	16,250	-	16,250
2027	16,250	-	16,250
2028	16,250	-	16,250
2029	16,250	-	16,250
2030-2034	81,250	-	81,250
2035	16,250	-	16,250
Totals	\$ 178,750	\$ -	\$ 178,750

**Note 6 -    Bad Debt**

The Economic Development fund contains notes receivable from various developmental stage businesses in the City. Outstanding notes are payable monthly including 3% interest. Due to the development stage nature of the businesses financed, the collection of the notes cannot be determined. At December 31, 2024, the allowance for bad debt was \$0.

**Note 7 -    Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the City obtained commercial liability insurance coverage through Selective Insurance and worker's compensation insurance through the IL Public Risk Fund.

There were no significant reductions in insurance coverage from the prior year. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years. The City estimates the range of contingent losses to be borne by the City to not be possible to estimate.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 8 - Restricted Fund Balance**

The City's restricted fund balance is restricted by enabling legislation as follows:

The Motor Fuel Tax Fund is restricted by the Illinois Department of Transportation for highways and streets. The TIF and TIF #2 Funds are restricted by their tax levies and other state legislation.

**Note 9 - Interfund Balances and Transfers**

Interfund transfers for the year ended December 31, 2024, consisted of the following:

Transfer From:	General	Nonmajor Governmental	Enterprise	Total
Transfer To:				
Nonmajor Governmental	\$ 58,057	\$ 100,220	\$ 260	\$ 158,537
Enterprise	90,819	-	-	90,819
General	-	2,527	390,615	393,142
Totals	<u>\$148,876</u>	<u>\$ 102,747</u>	<u>\$390,875</u>	<u>\$ 642,498</u>

The above transfers were made for general operations and to write off old interfund balances not repaid.

Interfund balances for the year ended December 31, 2024 consisted of the following:

Due From:	<u>Enterprise</u>
Due To:	
General	\$ 16,712

The Enterprise Fund owes the General Fund for utility taxes.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 10 - Contingent Liabilities**

Grants

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

**Note 11 - Litigation**

The City of Carmi was named as a defendant in Charles Given, et.al. vs White County, et.al. 2014-CH-22 White County Illinois Circuit Court. The lawsuit involved the White County Landfill. The lawsuit was settled with the City paying damages of \$34,545 in April 2024.

**Note 12 - Employee Retirement Systems**

1. Illinois Municipal Retirement Fund – Regular Plan

*Plan Description.* The employer'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 employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

*Employees Covered by Benefit Terms.* As of December 31, 2023, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	46
Inactive Plan Members entitled to but not yet receiving benefits	10
Active Plan Members	59
Total	<u>115</u>

*Contributions.* As set by statute, the employer's Regular Plan Members are required to contribute 4.5% 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's annual contribution rate for calendar year 2023 was 3.81%. For the fiscal year ended December 31, 2024, the employer contributed \$116,508 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Liability.* The employer's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
- 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.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

- 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.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	34.5%	5.00%
International Equity	18.0%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05-8.65%
Cash Equivalents	1.0%	3.80%
Total	100.0%	

*Single Discount Rate.* A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2023. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:



**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

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. The 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 the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

*Changes in the Net Pension Liability.*

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (A) - (B)</b>
<b>Balances at December 31, 2022</b>	\$ 13,575,333	\$ 12,948,823	\$ 626,510
<b>Changes for the year:</b>			
Service Cost	264,223	-	264,223
Interest on the Total Pension Liability	959,488	-	959,488
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(145,426)	-	(145,426)
Changes of Assumptions	(27,211)	-	(27,211)
Contributions - Employer	-	112,846	(112,846)
Contributions - Employees	-	133,285	(133,285)
Net Investment Income	-	1,447,006	(1,447,006)
Benefit Payments, including Refunds of Employee Contributions	(946,251)	(946,251)	-
Other (Net Transfer)	-	196,706	(196,706)
Net Changes	104,823	943,592	(838,769)
<b>Balances at December 31, 2023</b>	<u>\$ 13,680,156</u>	<u>\$ 13,892,415</u>	<u>\$ (212,259)</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<b>1% Lower (6.25%)</b>	<b>Current Discount (7.25%)</b>	<b>1% Higher (8.25%)</b>
Total Pension Liability	\$15,273,000	\$ 13,680,156	\$12,463,505
Plan Fiduciary Net Position	13,892,415	13,892,415	13,892,415
Net Pension Liability/(Asset)	<u>\$ 1,380,585</u>	<u>\$ (212,259)</u>	<u>\$ (1,428,910)</u>

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* For the year ended December 31, 2024, the employer recognized pension income of \$383,505. At December 31, 2024, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b><i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i></b>		
Differences between expected and actual experience	\$ 61,076	\$ 391,521
Changes of assumptions	-	76,175
Net difference between projected and actual earnings on pension plan investments	<u>1,907,153</u>	<u>1,195,639</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 1,968,229</u>	<u>\$ 1,663,335</u>
<b><i>Pension Contributions made subsequent to the Measurement Date</i></b>	<u>\$ 116,508</u>	<u>\$ -</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u>\$2,084,737</u>	<u>\$ 1,663,335</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12   Employee Retirement Systems (Cont'd)**

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2024	\$ 20,985
2025	102,898
2026	454,705
2027	(118,604)
2028	(23,337)
Thereafter	(15,245)
Total	<u>\$ 421,402</u>

2. Police Pension Fund:

A. Plan Description

*Plan administration.* Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois State Statutes (Chapter 108 1/2 Article 3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Police Pension Plan for the year ended December 31, 2024 was \$755,601 out of a total payroll of \$4,729,518.

Management of the Police Pension Plan is appointed by the City Council and consists of six members.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

*Plan membership.* At December 31, 2023 the Police Pension Plan membership consisted of:

Retirees, Beneficiaries, and Disabled Employees	
Currently Receiving Benefits and Terminated	
Employees Entitled to Benefits but not yet Receiving Them	11
Current Employees	
Vested	12
Non-vested	-
Total	<u>23</u>

*Benefits provided.* The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years credited service may retire at or after age 60 and receive a reduced benefit.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are tier 2 cost-of-living adjustments at 1.25%.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

**B. Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

**Method Used to Value Investments**

Fixed-income securities are reported at amortized cost with discounts or premiums amortized using the effective interest rate method, subject to adjustment for market declines judged to be other than temporary (lower of cost or market). Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date. Equity securities are reported at cost subject to adjustment for market declines judged to be other than temporary (lower of cost or market).

**C. Investments**

*Investment policy.* It is the policy of the City to pursue an investment strategy that reduces risk through diversification of the portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer. The following was the asset allocation as of December 31, 2023:

<u>Asset Class</u>	<u>Allocation</u>
Domestic equity	29%
Time deposits	55%
Cash	16%
Total	<u>100%</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

*Rate of return.* For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.80 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D. Net Pension Liability of the City**

The components of the net pension liability of the City at December 31, 2023, were as follows:

Total pension liability	\$ 9,627,568
Plan fiduciary net position	<u>(4,409,889)</u>
City's net pension liability	<u>\$ 5,217,679</u>
Plan fiduciary net position as a percentage of the total pension liability	45.80%

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.00 percent
Investment rate of return	6.80 percent

Healthy mortality rates were based on the PubS-2010 Healthy Retiree, adjusted by 1.15 for males and unadjusted for females. Disability mortality rates were based on the PubS-2010 Disabled, adjusted by 1.08 for males and unadjusted for females.

The actuarial assumptions used in the December 31, 2023 valuation were based on experience for all Article 3 funds for the State of Illinois in aggregate.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**Note 12 - Employee Retirement Systems (Cont'd)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate range of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	3.80%
Domestic equity	5.00%

*Discount rate.* The discount rate used to measure the total pension liability was 6.80 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 the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 6.80%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
City's net pension liability	\$ 5,984,985	\$ 5,217,679	\$ 4,450,373

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Concluded)**

**Note 13 - Legal Debt Margin**

Assessed valuation - 2023	<u>\$ 65,190,838</u>
Legal debt limit - 8.625% of assessed valuation	\$ 5,622,710
Amount of debt applicable to debt limit	<u>576,225</u>
Legal debt limit	<u>\$ 5,046,485</u>

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

**Note 14 - Strong Communities Grant – PID #52481**

The City was awarded a \$120,000 grant from the Illinois Housing Development Authority to acquire, demolish, or rehabilitate vacant and abandoned residential properties. Grant funds were disbursed and reimbursement received as follows: Fiscal year 2024 \$2,298.

**Note 15 - Restricted Cash**

The City reports restricted cash in the amount of \$1,030,513. Of this amount, \$679,323 is restricted in the Enterprise fund for the repayment of bonds and \$351,190 is restricted in the General fund for police and fire equipment.



## Required Supplementary Information

**City of Carmi, Illinois**  
**White County, Illinois**  
**Illinois Municipal Retirement Fund**  
**Schedule of Changes in Net Pension Liability**  
**and Related Ratios – Regular Plan**  
**December 31, 2024**

	2023	2022	2021	2020	2019
<b>Total pension liability</b>					
Service cost	\$ 264,223	\$ 248,937	\$ 239,013	\$ 245,871	\$ 247,442
Interest	959,488	934,705	944,959	952,319	928,427
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(145,426)	80,421	(421,870)	(197,790)	49,217
Changes of assumptions	(27,211)	-	-	(169,399)	-
Benefit payments and refunds	(946,251)	(913,496)	(903,501)	(954,663)	(834,867)
<b>Net change in total pension liability</b>	<b>104,823</b>	<b>350,567</b>	<b>(141,399)</b>	<b>(123,662)</b>	<b>390,219</b>
<b>Total pension liability - beginning</b>	<b>13,575,333</b>	<b>13,224,766</b>	<b>13,366,165</b>	<b>13,489,827</b>	<b>13,099,608</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 13,680,156</b>	<b>\$ 13,575,333</b>	<b>\$ 13,224,766</b>	<b>\$ 13,366,165</b>	<b>\$ 13,489,827</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 112,846	\$ 172,394	\$ 225,091	\$ 231,262	\$ 194,069
Contributions - member	133,285	128,227	117,780	117,062	114,899
Net investment income	1,447,006	(2,066,142)	2,449,580	1,897,561	2,197,211
Benefit payments and refunds	(946,251)	(913,496)	(903,501)	(954,663)	(834,867)
Other (Net Transfer)	196,706	(45,341)	(532,450)	(147,700)	(7,745)
<b>Net change in plan fiduciary net position</b>	<b>943,592</b>	<b>(2,724,358)</b>	<b>1,356,500</b>	<b>1,143,522</b>	<b>1,663,567</b>
<b>Plan fiduciary net position - beginning</b>	<b>12,948,823</b>	<b>15,673,181</b>	<b>14,316,681</b>	<b>13,173,159</b>	<b>11,509,592</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 13,892,415</b>	<b>\$ 12,948,823</b>	<b>\$ 15,673,181</b>	<b>\$ 14,316,681</b>	<b>\$ 13,173,159</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ (212,259)</b>	<b>\$ 626,510</b>	<b>\$ (2,448,415)</b>	<b>\$ (950,516)</b>	<b>\$ 316,668</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>101.55%</b>	<b>95.38%</b>	<b>118.51%</b>	<b>107.11%</b>	<b>97.65%</b>
<b>Covered-employee payroll</b>	<b>\$ 2,961,856</b>	<b>\$ 2,849,481</b>	<b>\$ 2,617,331</b>	<b>\$ 2,601,376</b>	<b>\$ 2,552,477</b>
<b>City's net pension liability as a percentage of covered-employee payroll</b>	<b>-7.17%</b>	<b>21.99%</b>	<b>-93.55%</b>	<b>-36.54%</b>	<b>12.41%</b>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Illinois Municipal Retirement Fund**  
**Schedule of Changes in Net Pension Liability**  
**and Related Ratios – Regular Plan**  
**December 31, 2024**  
**(Concluded)**

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 221,018	\$ 242,030	\$ 244,178	\$ 230,375	\$ 229,528
Interest	919,798	919,610	876,344	842,321	794,747
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(166,728)	69,064	177,511	19,643	(241,329)
Changes of assumptions	362,443	(442,180)	(14,656)	14,216	441,064
Benefit payments and refunds	(780,779)	(770,228)	(671,838)	(616,596)	(563,619)
<b>Net change in total pension liability</b>	<b>555,752</b>	<b>18,296</b>	<b>611,539</b>	<b>489,959</b>	<b>660,391</b>
<b>Total pension liability - beginning</b>	<b>12,543,856</b>	<b>12,525,560</b>	<b>11,914,021</b>	<b>11,424,062</b>	<b>10,763,671</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 13,099,608</b>	<b>\$ 12,543,856</b>	<b>\$ 12,525,560</b>	<b>\$ 11,914,021</b>	<b>\$ 11,424,062</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 233,422	\$ 225,177	\$ 227,253	\$ 229,632	\$ 227,565
Contributions - member	110,305	108,876	104,310	99,937	93,350
Net investment income	(745,787)	2,019,787	727,000	54,561	655,905
Benefit payments and refunds	(780,779)	(770,228)	(671,838)	(616,596)	(563,619)
Other (Net Transfer)	112,542	(297,247)	94,427	(10,894)	(231,365)
<b>Net change in plan fiduciary net position</b>	<b>(1,070,297)</b>	<b>1,286,365</b>	<b>481,152</b>	<b>(243,360)</b>	<b>181,836</b>
<b>Plan fiduciary net position - beginning</b>	<b>12,579,889</b>	<b>11,293,524</b>	<b>10,812,372</b>	<b>11,055,732</b>	<b>10,873,896</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 11,509,592</b>	<b>\$ 12,579,889</b>	<b>\$ 11,293,524</b>	<b>\$ 10,812,372</b>	<b>\$ 11,055,732</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 1,590,016</b>	<b>\$ (36,033)</b>	<b>\$ 1,232,036</b>	<b>\$ 1,101,649</b>	<b>\$ 368,330</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>87.86%</b>	<b>100.29%</b>	<b>90.16%</b>	<b>90.75%</b>	<b>96.78%</b>
<b>Covered-employee payroll</b>	<b>\$ 2,431,482</b>	<b>\$ 2,411,381</b>	<b>\$ 2,307,133</b>	<b>\$ 2,220,817</b>	<b>\$ 2,074,430</b>
<b>City's net pension liability as a percentage of covered-employee payroll</b>	<b>65.39%</b>	<b>-1.49%</b>	<b>53.40%</b>	<b>49.61%</b>	<b>17.76%</b>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Police Pension Fund**  
**Schedule of Changes in the City's Net Pension Liability**  
**and Related Ratios**  
**December 31, 2024**

	2023	2022	2021	2020	2019
<b>Total pension liability</b>					
Service cost	\$ 569,729	\$ 563,338	\$ 553,887	\$ 659,118	\$ 372,831
Interest	89,380	28,626	25,121	43,961	46,994
Unrealized gain (loss) on investments	125,843	(210,457)	87,344	95,283	75,513
Realized gain/loss and other	1,168	(12,592)	33,287	17,211	21,400
Differences between expected and actual experience	474,578	(1,102,307)	43,408	(260,562)	176,678
Changes of assumptions	-	-	-	-	-
Benefit payments and refunds	(432,451)	(398,123)	(360,535)	(351,506)	(370,964)
<b>Net change in total pension liability</b>	<b>828,247</b>	<b>(1,131,515)</b>	<b>382,512</b>	<b>203,505</b>	<b>322,452</b>
<b>Total pension liability - beginning</b>	<b>8,799,321</b>	<b>9,930,836</b>	<b>9,548,324</b>	<b>9,344,819</b>	<b>9,022,367</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 9,627,568</b>	<b>\$ 8,799,321</b>	<b>\$ 9,930,836</b>	<b>\$ 9,548,324</b>	<b>\$ 9,344,819</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 503,975	\$ 502,032	\$ 496,017	\$ 600,131	\$ 317,891
Contributions - member	65,754	61,306	57,870	58,987	54,940
Net investment income	216,391	(194,423)	145,752	156,455	143,907
Benefit payments and refunds	(432,451)	(398,123)	(360,535)	(351,506)	(370,964)
Administrative expense	(9,891)	(9,902)	(9,890)	(9,077)	(9,065)
<b>Net change in plan fiduciary net position</b>	<b>343,778</b>	<b>(39,110)</b>	<b>329,214</b>	<b>454,990</b>	<b>136,709</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,066,112</b>	<b>4,105,222</b>	<b>3,776,008</b>	<b>3,321,018</b>	<b>3,184,309</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 4,409,890</b>	<b>\$ 4,066,112</b>	<b>\$ 4,105,222</b>	<b>\$ 3,776,008</b>	<b>\$ 3,321,018</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 5,217,678</b>	<b>\$ 4,733,209</b>	<b>\$ 5,825,614</b>	<b>\$ 5,772,316</b>	<b>\$ 6,023,801</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>45.80%</b>	<b>46.21%</b>	<b>41.34%</b>	<b>39.55%</b>	<b>35.54%</b>
<b>Covered-employee payroll</b>	<b>\$ 663,643</b>	<b>\$ 659,402</b>	<b>\$ 619,974</b>	<b>\$ 573,994</b>	<b>\$ 562,934</b>
<b>City's net pension liability as a percentage of covered-employee payroll</b>	<b>786.22%</b>	<b>717.80%</b>	<b>939.65%</b>	<b>1005.64%</b>	<b>1070.07%</b>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Police Pension Fund**  
**Schedule of Changes in the City's Net Pension Liability**  
**and Related Ratios**  
**December 31, 2024**  
**(Concluded)**

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 411,244	\$ 348,409	\$ 335,110	\$ 322,943	\$ 266,568
Interest	29,565	19,587	18,711	18,251	20,154
Unrealized gain (loss) on investments	(53,507)	13,103	(1,652)	(8,867)	(1,923)
Realized gain/loss and other	16,869	32,541	7,233	(10,971)	-
Differences between expected and actual experience	660,015	702,544	(134,945)	93,040	1,105,430
Changes of assumptions	-	-	-	-	-
Benefit payments and refunds	(368,344)	(356,818)	(357,248)	(388,334)	(323,002)
<b>Net change in total pension liability</b>	<b>695,842</b>	<b>759,366</b>	<b>(132,791)</b>	<b>26,062</b>	<b>1,067,227</b>
<b>Total pension liability - beginning</b>	<b>8,326,525</b>	<b>7,567,159</b>	<b>7,699,950</b>	<b>7,673,888</b>	<b>6,606,661</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 9,022,367</b>	<b>\$ 8,326,525</b>	<b>\$ 7,567,159</b>	<b>\$ 7,699,950</b>	<b>\$ 7,673,888</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 358,479	\$ 298,742	\$ 287,823	\$ 277,855	\$ 229,936
Contributions - member	52,765	49,667	47,287	45,088	36,632
Net investment income	(7,073)	65,231	24,292	(1,587)	18,231
Benefit payments and refunds	(368,344)	(356,818)	(357,248)	(388,334)	(323,002)
Administrative expense	(10,139)	(7,013)	(4,039)	(9,417)	(6,447)
<b>Net change in plan fiduciary net position</b>	<b>25,688</b>	<b>49,809</b>	<b>(1,885)</b>	<b>(76,395)</b>	<b>(44,650)</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,158,621</b>	<b>3,108,812</b>	<b>3,110,697</b>	<b>3,187,092</b>	<b>3,231,742</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 3,184,309</b>	<b>\$ 3,158,621</b>	<b>\$ 3,108,812</b>	<b>\$ 3,110,697</b>	<b>\$ 3,187,092</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 5,838,058</b>	<b>\$ 5,167,904</b>	<b>\$ 4,458,347</b>	<b>\$ 4,589,253</b>	<b>\$ 4,486,796</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>35.29%</b>	<b>37.93%</b>	<b>41.08%</b>	<b>40.40%</b>	<b>41.53%</b>
<b>Covered-employee payroll</b>	<b>\$ 545,969</b>	<b>\$ 483,547</b>	<b>\$ 471,603</b>	<b>\$ 454,979</b>	<b>\$ 443,890</b>
<b>City's net pension liability as a percentage of covered-employee payroll</b>	<b>1069.30%</b>	<b>1068.75%</b>	<b>945.36%</b>	<b>1008.67%</b>	<b>1010.79%</b>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Illinois Municipal Retirement Fund**  
**Schedule of Contributions – Regular Plan**  
**December 31, 2024**

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 227,565	\$ 227,565	\$ -	\$2,074,430	10.97%
2015	229,632	229,632	-	2,220,817	10.34%
2016	227,253	227,253	-	2,307,133	9.85%
2017	224,982	225,177	(195)	2,411,381	9.34%
2018	233,422	233,422	-	2,431,482	9.60%
2019	193,988	194,069	(81)	2,552,477	7.60%
2020	231,262	231,262	-	2,601,376	8.89%
2021	225,090	225,091	(1)	2,617,331	8.60%
2022	172,394	172,394	-	2,849,481	6.05%
2023	112,847	112,846	1	2,961,856	3.81%

Notes to Schedule:

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate\***

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2023 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	20-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	2.75% to 13.75%, including inflation
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 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality:	For non-disabled retirees, the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**Other Information:**

Notes: There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2021, actuarial valuation

**City of Carmi, Illinois**  
**White County, Illinois**  
**Police Pension Fund**  
**Schedule of City Contributions**  
**December 31, 2024**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 467,958	\$ 492,200	\$ 488,289	\$ 481,801	\$ 475,756	\$ 432,545	\$ 362,835	\$ 290,991	\$ 285,320	\$ 272,134
Contributions in relation to the actuarially determined contribution	569,729	563,338	553,145	659,117	372,830	411,244	348,409	285,320	272,134	222,661
Contribution deficiency (excess)	<u><u>\$(101,771)</u></u>	<u><u>\$ (71,138)</u></u>	<u><u>\$ (64,856)</u></u>	<u><u>\$(177,316)</u></u>	<u><u>\$102,926</u></u>	<u><u>\$ 21,301</u></u>	<u><u>\$ 14,426</u></u>	<u><u>\$ 5,671</u></u>	<u><u>\$ 13,186</u></u>	<u><u>\$ 49,473</u></u>
Covered-employee payroll	\$ 663,643	\$ 659,402	\$ 619,974	\$ 573,994	\$ 562,934	\$ 545,969	\$ 483,547	\$ 454,979	\$ 454,979	\$ 443,890
Contributions as a percentage of covered-employee payroll	85.85%	85.43%	89.22%	114.83%	66.23%	75.32%	72.05%	62.71%	59.81%	50.16%

**Notes to the schedule**

Valuation date: Actuarially determined contribution rates are calculated as of December 31; two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost
Amortization method	Level percentage of payroll
Remaining amortization period	17 years
Asset valuation method	Market
Inflation	2.50%
Salary increases	3.00%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Retirement age	See Note 12 in Notes to the Financial Statements
Mortality	Mortality rates were based on the PubS-2010 tables

**City of Carmi, Illinois**  
**White County, Illinois**  
**Police Pension Fund**  
**Schedule of Investment Returns**  
**December 31, 2024**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	6.80%	6.80%	5.50%	5.50%	5.50%	5.50%	5.75%	6.00%	6.00%	6.00%



**City of Carmi, Illinois****White County, Illinois****General Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2024**

	<b>Original and Final Budget</b>	<b>Actual</b>
Revenues		
Taxes	\$ 160,000	\$ 177,815
Intergovernmental	4,199,500	4,020,543
Licenses and permits	18,500	17,595
Charges for services	14,000	17,685
Fines and forfeits	149,500	165,624
Miscellaneous	414,300	660,218
Total revenues	4,955,800	5,059,480
Expenditures		
General government	2,027,700	1,841,037
Public safety	1,531,050	1,525,285
Streets and roads	907,100	712,756
Culture and recreation	680,900	686,699
Sanitation	16,000	6,300
Economic development	43,000	-
Public works	275,000	199,321
Total expenditures	5,480,750	4,971,398
Excess (deficiency) of revenues over expenditures	(524,950)	88,082
Other financing sources (uses)		
Operating transfers in	455,000	393,142
Operating transfers out	(100,000)	(148,876)
Total other financing sources (uses)	355,000	244,266
Net change in fund balance	\$ (169,950)	332,348
Fund balance - beginning		588,469
Fund balance - ending		\$ 920,817

**City of Carmi, Illinois****White County, Illinois****Motor Fuel Tax Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Year Ended December 31, 2024**

	<b>Original and Final Budget</b>	<b>Actual</b>
Revenues:		
Intergovernmental	\$ 230,000	\$ 216,250
Miscellaneous	10,000	10,605
Total revenues	<u>240,000</u>	<u>226,855</u>
 Expenditures:		
Streets and roads	<u>890,183</u>	<u>411,539</u>
Total expenditures	<u>890,183</u>	<u>411,539</u>
 Excess (deficiency) of revenues over expenditures	(650,183)	(184,684)
 Other financing sources (uses):		
Operating transfers in (out)	<u>-</u>	<u>-</u>
 Net change in fund balance	<u>\$ (650,183)</u>	(184,684)
 Fund balance - beginning		<u>708,030</u>
 Fund balance - ending		<u>\$ 523,346</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Notes to the Required Supplementary Information**  
**December 31, 2024**

**Note 1. Legal Compliance and Accountability**

A. Budgetary Control

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

In accordance with Illinois Revised Statutes the City Council adopts an appropriations ordinance during the first quarter of the fiscal year. A public hearing was conducted to obtain taxpayer comment. Amendments to the appropriations ordinance may be made by two-thirds council approval. The appropriations ordinance for the current fiscal year was adopted on March 19, 2024 and was not amended. Expenditures may not legally exceed appropriated amounts.

For the year ended December 31, 2024, the City adopted a budget of revenues and expenditures in the governmental funds in accordance with the modified accrual basis of accounting. The budget and appropriations ordinance lapse at year-end.

B. Excess of Actual Expenditures/Expenses over Budget in Major Governmental Funds

No major governmental fund had expenditures exceeding budgeted amounts for the fiscal year ended December 31, 2024.

## **Supplementary Information**

**City of Carmi, Illinois**  
White County, Illinois  
Nonmajor Governmental Funds  
Combining Balance Sheet  
Special Revenue Funds  
December 31, 2024

	Library	TIF	TIF #2	Economic Development	Total
<b>Assets</b>					
Cash and investments	\$ 324,757	\$ 681,175	\$ 156,732	\$ 45,748	\$ 1,208,412
Taxes receivable	4,987	932	7,641	-	13,560
Notes receivable	-	-	-	91,706	91,706
Interest receivable	31	-	-	631	662
Total assets	<u>\$ 329,775</u>	<u>\$ 682,107</u>	<u>\$ 164,373</u>	<u>\$ 138,085</u>	<u>\$ 1,314,340</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>					
Restricted for:					
Economic development	-	682,107	164,373	-	846,480
Committed to culture and recreation	329,775	-	-	-	329,775
Assigned to economic development	-	-	-	138,085	138,085
Total fund balances	<u>329,775</u>	<u>682,107</u>	<u>164,373</u>	<u>138,085</u>	<u>1,314,340</u>
Total liabilities and fund balances	<u>\$ 329,775</u>	<u>\$ 682,107</u>	<u>\$ 164,373</u>	<u>\$ 138,085</u>	<u>\$ 1,314,340</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Special Revenue Funds**  
**For the Year Ended December 31, 2024**

	Library	TIF	TIF #2	Economic Development	Total
Revenues:					
Taxes	\$ 82,815	\$ 301,344	\$ 185,378	\$ -	\$ 569,537
Fines and forfeits	365	-	-	-	365
Intergovernmental	19,724	-	-	-	19,724
Miscellaneous	41,132	620	32	5,682	47,466
Total revenues	144,036	301,964	185,410	5,682	637,092
Expenditures:					
Current:					
Economic development	-	289,323	72,031	-	361,354
Culture and recreation	119,915	-	-	-	119,915
Capital outlay and small equipment	38,300	-	121,387	-	159,687
Debt Service	-	-	-	87,633	87,633
Total expenditures	158,215	289,323	193,418	87,633	728,589
Excess (deficiency) of revenues over expenditures	(14,179)	12,641	(8,008)	(81,951)	(91,497)
Other financing sources (uses):					
Operating transfers in	58,317	-	100,220	-	158,537
Operating transfers out	-	(102,747)	-	-	(102,747)
Total other financing sources (uses)	58,317	(102,747)	100,220	-	55,790
Net change in fund balances	44,138	(90,106)	92,212	(81,951)	(35,707)
Fund balances - beginning	285,637	772,213	72,161	220,036	1,350,047
Fund balances - ending	\$ 329,775	\$ 682,107	\$ 164,373	\$ 138,085	\$ 1,314,340

**City of Carmi, Illinois**  
**White County, Illinois**  
**General Fund**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail**  
**For the Year Ended December 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues:		
Taxes:		
Property taxes	\$ 160,000	\$ 177,815
Licenses and permits:		
Liquor licenses	18,500	17,595
Intergovernmental:		
Illinois replacement tax	83,500	42,523
Sales and use tax	2,400,000	2,468,724
Gaming tax	128,000	136,619
Utilities tax	415,000	367,773
Illinois income tax	792,000	837,485
Foreign fire tax	13,000	-
Franchise tax	8,000	10,200
Grants	360,000	157,219
Total intergovernmental	4,199,500	4,020,543
Charges for services:		
Fire calls	14,000	17,685
Fines and forfeits:		
Circuit court fines	45,500	33,838
Police department tow fees	4,000	-
Reimbursement from CWCHS for SRO	100,000	131,786
Total fines and forfeits	149,500	165,624
Miscellaneous		
Interest	10,000	18,911
Swimming pool fees	12,000	9,016
Airport - grain sales	17,800	19,176
Airport - other	162,500	6,148
Airport - fuel	-	117,772
Camping fees	82,000	111,126
Donations	-	195,414
Other	130,000	182,655
Total miscellaneous	414,300	660,218
Total revenues	\$ 4,955,800	\$ 5,059,480

# City of Carmi, Illinois

## White County, Illinois

### General Fund

#### Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail For the Year Ended December 31, 2024

(Continued)

Expenditures:	Original and Final Budget	Actual
General government:		
Salaries	\$ 250,000	\$ 223,170
Contractual services	68,000	44,267
Office expense	30,000	27,509
Group insurance	1,135,000	960,385
Insurance and bonds	200,000	237,707
Utilities	500	3,893
Uniforms	2,000	-
Payroll taxes	30,000	24,399
Legal and accounting	50,000	58,107
Printing and publishing	8,000	7,743
Mayoral expense	5,200	4,800
Dues	1,000	400
Donations	20,000	5,041
Telephone	29,000	26,563
Grant expense	120,000	-
Capital outlay and small equipment	10,000	8,492
Repairs and maintenance	50,000	28,743
Supplies	2,500	12,512
Miscellaneous	16,500	167,306
Total general government	2,027,700	1,841,037
Public safety:		
Police department		
Salaries	836,000	899,515
Payroll taxes	25,000	22,523
Contractual services	7,000	4,995
Animal control	27,000	4,557
Office expense	2,400	589
Utilities	26,000	19,667
Gas and oil	60,000	35,916
Material and supplies	40,000	51,686
Uniforms	10,000	18,399
Conventions and training	8,000	10,497
Dues and subscriptions	1,200	6,017
Publishing and printing	200	-
Jail expense	200,000	196,709
Capital outlay and small equipment	50,000	39,140
Repairs and maintenance	10,000	5,447
K-9 expense	2,000	927
Miscellaneous	10,000	3,211
Total police department	1,314,800	1,319,795



**City of Carmi, Illinois**  
**White County, Illinois**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail**  
**For the Year Ended December 31, 2024**  
**(Continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>
Fire department		
Salaries	\$ 125,000	\$ 104,089
Payroll taxes	12,100	8,529
Office supplies	500	-
Utilities - telephone	3,400	425
Gas and oil	11,000	5,253
Supplies	15,000	29,010
Uniforms	2,500	-
Training	500	1,200
Capital outlay and small equipment	25,000	35,052
Debt Service	16,250	16,250
Miscellaneous	5,000	5,682
Total fire department	<u>216,250</u>	<u>205,490</u>
 Total public safety	 <u>1,531,050</u>	 <u>1,525,285</u>
 Streets and roads:		
Streets and sidewalks		
Salaries	315,000	272,070
Payroll taxes	40,000	31,822
Contractual services	25,000	43,607
Utilities	11,000	4,555
Gas and oil	20,000	23,145
Repairs and maintenance	140,000	28,274
Materials and supplies	60,000	113,659
Mosquito control	14,200	14,236
Capital outlay and small equipment	50,000	-
Debt service	-	35,876
Miscellaneous	1,000	4,279
Total streets and sidewalks	<u>676,200</u>	<u>571,523</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail**  
**For the Year Ended December 31, 2024**  
**(Continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>
City garage		
Salaries	\$ 55,000	\$ 50,282
Payroll Taxes	8,000	6,014
Utilities	1,500	1,365
Telephone	1,000	904
Gas and oil	3,900	1,296
Maintenance - vehicle	3,000	-
Maintenance - equipment	5,000	-
Supplies	22,000	12,998
Total city garage	<u>99,400</u>	<u>72,859</u>
Welding shop		
Salaries	52,100	50,437
Payroll Taxes	7,800	5,991
Utilities	3,000	2,155
Gas and oil	2,600	1,423
Maintenance - vehicle	1,000	2,053
Maintenance - equipment	5,000	-
Operating supplies	60,000	6,315
Total welding shop	<u>131,500</u>	<u>68,374</u>
Total streets and roads	<u>907,100</u>	<u>712,756</u>
Culture and recreation:		
Salaries	337,500	324,081
Payroll taxes	51,600	43,558
Contractual services	50,000	53,313
Utilities - electric	5,000	3,672
Telephone	1,800	1,780
Gas and oil	21,000	16,957
Repairs and maintenance	40,000	38,224
Material and supplies	130,000	163,094
Swimming pool operations	16,000	14,500
Capital outlay and small equipment	23,000	19,324
Miscellaneous	5,000	8,196
Total culture and recreation	<u>680,900</u>	<u>686,699</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail**  
**For the Year Ended December 31, 2024**  
**(Concluded)**

	<u>Original and Final Budget</u>	<u>Actual</u>
Sanitation:		
Trash disposal	\$ 12,000	\$ -
Compost site	4,000	6,300
Total sanitation	<u>16,000</u>	<u>6,300</u>
Economic development:		
Salaries	34,500	-
Payroll taxes	8,000	-
Miscellaneous	500	-
Total economic development	<u>43,000</u>	<u>-</u>
Public works:		
Utilities	15,000	11,286
Fuel	100,000	104,297
Miscellaneous	160,000	83,738
Total public works	<u>275,000</u>	<u>199,321</u>
Total expenditures	<u>5,480,750</u>	<u>4,971,398</u>
Excess (deficiency) of revenues over expenditures	<u>(524,950)</u>	<u>88,082</u>
Other financing sources (uses):		
Operating transfers in	455,000	393,142
Operating transfers out	(100,000)	(148,876)
Total other financing sources (uses)	<u>355,000</u>	<u>244,266</u>
Net change in fund balance	<u>\$ (169,950)</u>	332,348
Fund balance - beginning		<u>588,469</u>
Fund balance - ending		<u>\$ 920,817</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Motor Fuel Tax Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail**  
**For the Year Ended December 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues:		
Intergovernmental:		
State of Illinois motor fuel tax	\$ 230,000	\$ 216,250
Miscellaneous:		
Interest	10,000	10,605
Total revenues	<u>240,000</u>	<u>226,855</u>
Expenditures:		
Streets and roads:		
Materials and supplies	890,183	411,539
Total expenditures	<u>890,183</u>	<u>411,539</u>
Excess (deficiency) of revenues over expenditures	(650,183)	(184,684)
Other financing sources (uses):		
Operating transfers in (out)	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (650,183)</u>	(184,684)
Fund balance - beginning		<u>708,030</u>
Fund balance - ending		<u>\$ 523,346</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Library Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail**  
**For the Year Ended December 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues:		
Taxes:		
Property taxes	\$ 78,000	\$ 82,815
Intergovernmental:		
Grants	7,000	19,724
Fines and forfeits:		
Fines	250	365
Miscellaneous:		
Interest revenue	2,500	15,393
Copy machine	2,000	2,282
Books	1,200	1,979
Application money	2,400	2,870
Miscellaneous	10,000	18,608
Total miscellaneous	18,100	41,132
Total revenues	103,350	144,036
Expenditures:		
Culture and recreation:		
Salaries and taxes	72,000	68,908
Utilities	16,000	12,027
Repairs and maintenance	15,000	13,553
Materials and supplies	4,000	1,024
Papers, magazines, and books	14,850	12,847
Miscellaneous	500	11,556
Capital outlay	1,000	38,300
Total expenditures	123,350	158,215
Excess (deficiency) of revenues over expenditures	(20,000)	(14,179)
Other financing sources (uses):		
Operating transfers in (out)	20,000	58,317
Net change in fund balance	\$ -	44,138
Fund balance - beginning		285,637
Fund balance - ending		\$ 329,775

**City of Carmi, Illinois**  
**White County, Illinois**  
**Carmi Economic Development Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail**  
**For the Year Ended December 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues:		
Miscellaneous:		
Interest	\$ 8,000	\$ 5,682
Total revenues	<u>8,000</u>	<u>5,682</u>
Expenditures:		
Economic development:		
Miscellaneous	500	-
Debt service		
Principal	83,616	83,725
Interest expense	4,017	3,908
Total expenditures	<u>88,133</u>	<u>87,633</u>
Excess (deficiency) of revenues over expenditures	<u>(80,133)</u>	<u>(81,951)</u>
Other financing sources (uses):		
Operating transfers in (out)	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (80,133)</u>	(81,951)
Fund balance - beginning		220,036
Fund balance - ending		<u>\$ 138,085</u>

**City of Carmi, Illinois****White County, Illinois****TIF Fund****Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail****For the Year Ended December 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues:		
Taxes:		
Property taxes	<u>\$ 220,185</u>	<u>\$ 301,344</u>
Miscellaneous:		
Interest	<u>500</u>	<u>620</u>
Total revenues	<u>220,685</u>	<u>301,964</u>
Expenditures:		
Economic development:		
TIF expense	<u>936,537</u>	<u>289,323</u>
Total expenditures	<u>936,537</u>	<u>289,323</u>
Excess (deficiency) of revenues over expenditures	(715,852)	12,641
Other financing sources (uses):		
Operating transfers in (out)	<u>-</u>	<u>(102,747)</u>
Net change in fund balance	<u><u>\$ (715,852)</u></u>	<u>(90,106)</u>
Fund balance - beginning		<u>772,213</u>
Fund balance - ending		<u><u>\$ 682,107</u></u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**TIF #2 Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Detail**  
**For the Year Ended December 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues:		
Taxes:		
Property taxes	\$ 98,892	\$ 185,378
Miscellaneous:		
Interest	75	32
Total revenues	<u>98,967</u>	<u>185,410</u>
Expenditures:		
Economic development		
TIF expense	164,802	72,031
Capital outlay	-	121,387
Total expenditures	<u>164,802</u>	<u>193,418</u>
Excess (deficiency) of revenues over expenditures	(65,835)	(8,008)
Other financing sources (uses):		
Operating transfers in (out)	<u>-</u>	<u>100,220</u>
Net change in fund balance	<u><u>\$ (65,835)</u></u>	92,212
Fund balance - beginning		<u>72,161</u>
Fund balance - ending		<u><u>\$ 164,373</u></u>



**City of Carmi, Illinois**  
**White County, Illinois**  
**Enterprise Fund**  
**Statement of Revenues over Expenses**  
**For the Year Ended December 31, 2024**

	<b>Light Department</b>	<b>Water Department</b>	<b>Sewer Department</b>	<b>Total</b>
Operating revenues:				
Charges for services	\$ 8,659,715	\$ 1,763,446	\$ 600,581	\$ 11,023,742
Miscellaneous	63,981	5,342	-	69,323
Total operating revenues	<u>8,723,696</u>	<u>1,768,788</u>	<u>600,581</u>	<u>11,093,065</u>
Operating expenses:				
Personal services	1,178,893	990,292	358,169	2,527,354
Purchase of electricity	3,999,983	-	-	3,999,983
Materials and supplies	988,250	303,029	122,132	1,413,411
Repairs and maintenance	286,438	76,692	60,867	423,997
Utilities	36,858	87,210	10,246	134,314
Utilities tax	296,885	76,803	28,306	401,994
Contractual services	277,347	55,447	7,075	339,869
Depreciation	231,243	259,566	283,203	774,012
Other expenses	26,095	45,753	94,466	166,314
Total operating expenses	<u>7,321,992</u>	<u>1,894,792</u>	<u>964,464</u>	<u>10,181,248</u>
Operating income (loss)	<u>1,401,704</u>	<u>(126,004)</u>	<u>(363,883)</u>	<u>911,817</u>
Nonoperating revenues (expenses):				
Interest revenue	6,006	26,410	-	32,416
Grant revenue	-	1,163,210	-	1,163,210
Interest expense	(100,320)	(45,393)	-	(145,713)
Total non-operating revenues (expenses)	<u>(94,314)</u>	<u>1,144,227</u>	<u>-</u>	<u>1,049,913</u>
Income (loss) before transfers & special items	<u>1,307,390</u>	<u>1,018,223</u>	<u>(363,883)</u>	<u>1,961,730</u>
Debt forgiven	-	647,430	-	647,430
Transfers in (out)	<u>(300,056)</u>	<u>-</u>	<u>-</u>	<u>(300,056)</u>
Change in net position	<u>\$ 1,007,334</u>	<u>\$ 1,665,653</u>	<u>\$ (363,883)</u>	<u>\$ 2,309,104</u>

**City of Carmi, Illinois**  
**White County, Illinois**  
**Schedule of Findings and Responses**  
**December 31, 2024**

**Significant Deficiencies**

**2024-001**

Procedures are not currently in place to determine that utility payments received are being posted properly to utility billings.

Effect

There is the risk that although utilities in total appear to be reasonable, each utility fund independently is not being recorded properly.

Cause

Current procedures do not reconcile utility fund billings to utility fund payments, resulting in payments and adjustments being recorded to incorrect funds. This results in the possibility of individual utility funds financial operations being misstated.

Recommendation

Procedures need established whereby monthly reconciliations are prepared for all utility payments and adjustments to monthly billings.

Response

Management is currently working on procedures to ensure payments are properly posted to billings.

**2024-002**

Policies should be established to ensure that effort is made to collect all outstanding bills.

Effect

The absence of this policy could result in revenue loss.

Cause

There is no policy concerning collection of outstanding bills.

Recommendation

We recommend a policy be established outlining procedures to be followed to collect outstanding bills.

Response

Management will create a policy to follow in the future.

**City of Carmi, Illinois**  
**White County, Illinois**  
**Schedule of Findings and Responses**  
**December 31, 2024**  
**(Concluded)**

**2024-003**

A policy should be established concerning the fuel adjustment charge.

Effect

The absence of this policy could result in revenue loss.

Cause

Although the calculation for the fuel adjustment charge is performed, the current policy is not specific stating that customer bills will be adjusted.

Recommendation

We recommend a policy be established stating when the fuel adjustment charge will be changed on customer bills.

Response

Management will create a policy to follow in the future.