

VILLAGE OF ALBERS, ILLINOIS
UNIT CODE 014/010/32
ANNUAL FINANCIAL REPORT
Year Ended April 30, 2015

VILLAGE OF ALBERS, ILLINOIS

ANNUAL FINANCIAL REPORT
APRIL 30, 2015

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FINANCIAL SECTION



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON

INDEPENDENT AUDITOR'S REPORT

To the President and the Board of Trustees
Village of Albers, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Albers, Illinois (the Village) as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Albers, Illinois as of April 30, 2015, 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.

Other Matters

Required Supplementary Information

Management has omitted the management discussion and analysis information 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.

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information on pages 23-25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Albers, Illinois' financial statements as a whole. The General Fund Statement and the Combining Fund Statement on pages 26 and 27 are presented for purposes of additional analysis and are not a required part of the financial statements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance - General Fund Statement and the Combining Statement of Revenue, Expenses, and Changes in Net Position - Proprietary Funds on pages 26-27 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund Statement and the Combining Fund Statement are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



SCHEFFEL BOYLE
Belleville, Illinois
December 23, 2015

VILLAGE OF ALBERS, ILLINOIS

Statement of Net Position
April 30, 2015

ASSETS	Governmental Activities	Business-Type Activities	Total
Current assets:			
Cash and cash equivalents	\$ 313,609	\$ 344,474	\$ 658,083
Certificates of deposit	-	102,500	102,500
Receivables			
Real Estate Taxes	94,841	-	94,841
Taxes	68,258	-	68,258
Accounts	-	25,525	25,525
Other	11,205	-	11,205
Prepaid expenses	-	-	-
Due from other funds	-	7,984	7,984
Total current assets	<u>487,913</u>	<u>480,483</u>	<u>968,396</u>
Non-current assets:			
Capital assets	466,815	548,990	1,015,805
Total non-current assets	<u>466,815</u>	<u>548,990</u>	<u>1,015,805</u>
Total assets	<u>954,728</u>	<u>1,029,473</u>	<u>1,984,201</u>
LIABILITIES			
Current liabilities:			
Accounts payable	3,556	18,317	21,873
Unremitted payroll taxes	4,267	-	4,267
Accrued wages	3,803	-	3,803
Due to other funds	7,984	-	-
Notes payable, current	11,228	6,763	17,991
Total current liabilities	<u>30,838</u>	<u>25,080</u>	<u>47,934</u>
Non-current liabilities:			
Notes payable	18,300	82,146	100,446
Total non-current liabilities	<u>18,300</u>	<u>82,146</u>	<u>100,446</u>
Total liabilities	<u>49,138</u>	<u>107,226</u>	<u>156,364</u>
DEFERRED INFLOWS OF RESOURCES			
Insurance reimbursements	13,141	-	13,141
Unavailable tax revenue	94,841	-	94,841
Total deferred inflows of resources	<u>107,982</u>	<u>-</u>	<u>95,143</u>
NET POSITION			
Restricted	-	-	-
Invested in capital assets, net of related debt	437,287	460,081	897,368
Unrestricted	360,321	462,166	822,487
Total net position	<u>\$ 797,608</u>	<u>\$ 922,247</u>	<u>\$ 1,719,855</u>

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS

Statement of Activities

Year Ended April 30, 2015

Functions/programs	Program Revenues			Net Revenues, (Expenses), and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 17,504	\$ -	\$ -	\$ (99,935)	\$ -	\$ (99,935)
Public safety	10,260	-	-	(66,551)	-	(66,551)
Social services - health	78,796	-	-	(2,045)	-	(2,045)
Streets and roads	-	-	-	(114,297)	-	(114,297)
Park and recreation	-	-	-	(5,965)	-	(5,965)
Total governmental activities	106,560	-	-	(288,793)	-	(288,793)
Business-type activities:						
Water and Sewer	310,657	-	-	-	26,322	26,322
Total business-type activities	310,657	-	-	-	26,322	26,322
Total	\$ 417,217	\$ -	\$ -	(288,793)	26,322	(262,471)
General revenues:						
Taxes						
				81,482	-	81,482
				84,674	-	84,674
				119,888	-	119,888
				36,216	-	36,216
				44,655	-	44,655
				2,549	-	2,549
				-	515	515
				27,600	(27,600)	-
				397,064	(27,085)	369,979
				108,271	(763)	107,508
				689,337	923,010	1,612,347
				\$ 797,608	\$ 922,247	\$ 1,719,855

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS

Balance Sheet
Governmental Funds
April 30, 2015

ASSETS	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Totals</u>
Cash and cash equivalents	\$ 279,423	\$ 34,186	\$ 313,609
Taxes receivable	68,258	-	68,258
Real estate taxes receivable	94,841	-	94,841
Other receivables	11,205	-	11,205
Prepaid expenses	-	-	-
Total assets	<u>\$ 453,727</u>	<u>\$ 34,186</u>	<u>\$ 487,913</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 3,556	\$ -	\$ 3,556
Unremitted payroll taxes	4,267	-	4,267
Accrued wages	3,803	-	3,803
Due to proprietary fund	7,984	-	7,984
Total liabilities	19,610	-	19,610
Deferred inflows of resources			
Property tax	94,841	-	94,841
Sales tax	6,725	-	6,725
Income tax	21,332	-	21,332
Use tax	2,199	-	2,199
Insurance reimbursements	13,141	-	13,141
Total deferred inflows of resources	138,238	-	138,238
Fund balance			
Assigned - Building Improvement	26,727	-	26,727
Unassigned:			
General fund	269,152	-	269,152
Special revenue fund	-	34,186	34,186
Total fund balance	<u>295,879</u>	<u>34,186</u>	<u>330,065</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 453,727</u>	<u>\$ 34,186</u>	<u>\$ 487,913</u>

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
April 30, 2015

Total fund balance - total governmental funds	\$ 330,065
Capital assets of \$968,024 net of accumulated depreciation of \$501,209, are not financial resources and, therefore are not reported in the funds.	466,815
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds:	
Income Tax	21,332
Sales Tax	6,725
Local Use Tax	2,199
Certain liabilities applicable to the Village's governmental activities are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at April 30, 2015, were:	
Note-payable	<u>(29,528)</u>
Net position of governmental activities	<u>\$ 797,608</u>

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended April 30, 2015

	General	Motor Fuel Tax	Totals
Revenues:			
Property taxes	\$ 81,482	\$ -	81,482
Sales tax	84,787	-	84,787
Income tax	116,542	-	116,542
Motor fuel tax	-	36,216	36,216
Other taxes	44,154	-	44,154
Licenses, permits, fees, and services	17,504	-	17,504
Traffic fines	10,260	-	10,260
Refuse collection	78,796	-	78,796
Miscellaneous	2,549	-	2,549
Total revenues	<u>436,074</u>	<u>36,216</u>	<u>472,290</u>
Expenditures:			
Current:			
General government	92,675	-	92,675
Public safety	70,639	-	70,639
Social services - health	80,841	-	80,841
Streets and roads	82,385	31,912	114,297
Park and recreation	5,965	-	5,965
Debt service			
Principal	10,978	-	10,978
Interest	799	-	799
Capital outlay			
General government	29,543	-	29,543
Public Safety	-	-	-
Total expenditures	<u>373,825</u>	<u>31,912</u>	<u>405,737</u>
Excess of revenues over expenditures	62,249	4,304	66,553
Other financing sources (uses):			
Transfers in	27,600	-	27,600
Transfers out	-	-	-
	<u>27,600</u>	<u>-</u>	<u>27,600</u>
Net change in fund balance	89,849	4,304	94,153
Fund balances, beginning of year	<u>206,030</u>	<u>29,882</u>	<u>235,912</u>
Fund balances, end of year	<u>\$ 295,879</u>	<u>\$ 34,186</u>	<u>\$ 330,065</u>

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2015

Net change in fund balances - total governmental funds	\$ 94,153
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 \$30,137 exceeded capital outlays \$29,543	(594)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds Difference between current year deferred revenue \$30,256 and the prior year deferred revenue \$26,522.	3,734
Payment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.	<u>10,978</u>
Change in net position of governmental activities	<u>\$ 108,271</u>

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS

Statement of Net Position
Proprietary Funds
April 30, 2015

ASSETS

	Business-type activities
	<u>Water and Sewer</u>
Current assets:	
Cash and cash equivalents	\$ 344,474
Certificates of deposit	102,500
Due from General Fund	7,984
Accounts receivable	25,525
Total current assets	<u>480,483</u>
Non-current assets:	
Capital assets, net	548,990
Total non-current assets	<u>548,990</u>
Total assets	<u>1,029,473</u>

LIABILITIES

Current liabilities:	
Accounts payable	18,317
Notes payable, current	6,763
Total current liabilities	<u>25,080</u>
Non-current liabilities:	
Notes payable	82,146
Total non-current liabilities	<u>82,146</u>
Total liabilities	<u>107,226</u>

NET POSITION

Invested in capital assets, net of related debt	460,081
Unrestricted	<u>462,166</u>
Total net position	<u>\$ 922,247</u>

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended April 30, 2015

	Business-type activities
	<u>Water and Sewer</u>
Operating revenues:	
Charges for services	\$ 310,657
Total operating revenues	<u>310,657</u>
Operating expenses:	
Chemicals and supplies	15,483
Depreciation expense	62,012
Maintenance service contract	63,194
Office expense	6,896
Professional services	246
Repairs	10,300
Utilities	19,621
Water purchased	<u>104,236</u>
Total operating expenses	<u>281,988</u>
Operating income	28,669
Non-operating revenues (expense):	
Interest income	515
Miscellaneous expense	-
Interest expense	<u>(2,347)</u>
Total non-operating revenues (expense)	<u>(1,832)</u>
Income before transfers	26,837
Transfers (out)	<u>(27,600)</u>
Changes in net position	(763)
Net position, beginning of year	<u>923,010</u>
Net position, end of year	<u>\$ 922,247</u>

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS

Statement of Cash Flows
Proprietary Funds
Year Ended April 30, 2015

	Business-type activities
	<u>Water and Sewer</u>
Cash flows from operating activities:	
Receipts from customers	\$ 309,143
Payments to suppliers	(215,455)
Net cash provided by operating activities	<u>93,688</u>
Cash flows from non-capital financing activities	
Interfund loan	827
Transfers Out	(27,600)
Net cash (used) by non-capital financing activities	<u>(26,773)</u>
Cash flows from capital and related activities:	
Principal paid on notes payable	(6,597)
Interest paid on notes payable	(2,347)
Purchases of capital assets	(1,230)
Net cash (used) by capital and related financing activities	<u>(10,174)</u>
Cash flows from investing activities:	
Proceeds from certificates of deposits	-
Miscellaneous expenses	-
Interest on certificates of deposit	515
Net cash provided by investing activities	<u>515</u>
Net increase in cash and cash equivalents	57,256
Balances, beginning of the year	<u>287,217</u>
Balances, end of the year	<u>\$ 344,473</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 28,669
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	62,012
Changes in assets and liabilities:	
Increase in accounts receivable	(1,514)
Increase in accounts payable	4,521
Total adjustments	<u>65,019</u>
Net cash provided by operating activities	<u>\$ 93,688</u>

See notes to financial statements.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015

1. Summary of significant accounting policies

A. General statement

The Village of Albers, Illinois (the "Village") provides the following services: general government, public safety, road maintenance, waterworks, and sewerage.

The accounting and reporting policies of the Village relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the Village's accounting policies are described below.

B. Financial reporting entity

The Village's basic financial statements include the accounts of all Village operations. The criteria for including organizations as component units within the Village reporting entity, as set forth in Section 2100 of GASB's – Codification of Governmental Accounting and Financial Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Village holds the corporate powers of the organization
- the Village appoints a voting majority of the organization's board
- the Village is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Village
- there is fiscal dependency by the organization on the Village

Based on the aforementioned criteria, the Village of Albers has no component units.

C. Basis of presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the Village. The effect of interfund activity, within the governmental and business-type activity columns, 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 program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

1. Summary of significant accounting policies (continued)

Allocation of indirect expenses

The Village does not allocate any indirect expenses.

Fund financial statements

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements.

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

The Village has presented the following major governmental funds:

General fund

General fund is the main operating fund of the Village. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General fund.

Motor fuel tax fund

Motor fuel tax fund is established as a special revenue fund to account for the Village's motor fuel tax allotments.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position.

The Village has presented the following major proprietary funds:

Waterworks and Sewerage fund

Waterworks and sewerage fund is used to account for the provision of water and sewer services to the residents of the Village. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

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

1. Summary of significant accounting policies (continued)

D. Measurement focus/basis of accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts and expenses during the reporting period.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as needed.

E. Budgetary control

The Board of Trustees is required to adopt an annual budget and appropriation ordinance for the Village. The budget is prepared utilizing the cash basis of accounting. The Village follows these procedures in establishing budgetary data reflected in the financial statements.

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

1. Summary of significant accounting policies (continued)

1. The Board of Trustees prepare a tentative budget and appropriation ordinance for the Village.
2. A public notice of the tentative budget and appropriation ordinances is given at least 30 days prior to the public hearing and final action.
3. A public hearing is held to receive taxpayer comments.
4. The budget and appropriation ordinances are legally adopted by the Board of Trustees.
5. The budget is incorporated into the accounting records of the Village.

The annual appropriations lapse at the end of the fiscal year.

The Village adopted its appropriation and budget ordinance on April 15, 2014.

F. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. They are expensed when purchased. Inventories for the Proprietary fund are considered immaterial and are therefore expensed when purchased.

G. Capital assets and depreciation

The Village's property, plant, equipment, and infrastructure assets (e.g., roads bridges, sidewalks, and similar items acquired after May 1, 2004), with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Village generally capitalizes building and improvements with a cost of \$10,000 or more, and infrastructure assets with a cost of \$25,000 or more as purchase and construction outlays occur. Furniture, fixtures and equipment are generally capitalized with a cost of \$1,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	40
Infrastructure	40
Improvements, other than buildings	10-20
Furniture, fixtures, and equipment	5-7

H. Capitalized interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. There was no interest capitalized in the year ended April 30, 2015.

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

1. Summary of significant accounting policies (continued)

I. Long-term debt, deferred debt expense, and bond discounts/premiums

In the government-wide and proprietary funds, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental funds' financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

J. Compensated absences

The Village does not provide any type of sick pay or other employee benefit amounts that would accumulate, therefore resulting in no accrual.

K. Property taxes

Property taxes attach as an enforceable lien on property as of January 1 and are levied each year in arrears. Property taxes are recorded as receivables and deferred revenue at the time the tax levy is billed. Property tax revenue is recorded when it is collected. This includes property taxes collected within 60 days of the year-end. 2013 property taxes were payable in two installments; September 12, 2014, and November 12, 2014.

L. Statements of cash flows

The Village considers all short-term investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

M. Net Positions

Net positions represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position - This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position - This is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

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

1. Summary of significant accounting policies (continued)

N. Fund equity

Beginning with fiscal year 2012, the Village implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purpose by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The Village did not have any restricted fund balance at April 30, 2015.

Committed fund balance - amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used by any other purpose unless the Village takes the same highest level action to remove or change the constraint. The Village did not have any committed fund balance as of April 30, 2015.

Assigned fund balance - amounts the Village intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. The Board of Trustees have assigned \$26,727 for building renovations and improvements to village hall.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund. Negative unassigned fund balances may be reported in all funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Board of Trustees has provided otherwise in its commitment or assigned actions.

O. Deferred inflows of resources

The Village reports deferred revenue on its governmental funds balance sheet. Deferred revenue arises when potential revenue does not meet the "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

2. Cash and certificates of deposit

As of April 30, 2015, the Village had the following certificates of deposit:

	<u>Maturity</u>	<u>Fair Value</u>
First County Bank - Certificate of Deposit	3/31/2016	\$ 2,500
First County Bank - Certificate of Deposit	1/29/2016	<u>100,000</u>
		<u>\$ 102,500</u>

Illinois law states that investments of cash funds may be made in bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the U.S. Government. The Village may also invest in interest bearing savings accounts, certificates of deposit or time deposits which are insured by federal depository insurance.

Interest rate risk - The Village does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Village requires collateralization for cash and investments in federally insured institutions in excess of FDIC coverage limits. As of April 30, 2015, the Village was in compliance with these requirements.

Custodial credit risk - Custodial credit risk is the risk that in the event of a bank failure, the Village's investments may not be returned to it. As of April 30, 2015, none of the Village's bank balance was exposed to custodial credit risk as uninsured and uncollateralized. At April 30, 2015 the reported amount on the Village's deposits was \$760,583 and the bank balance was \$681,241. The entire bank balance was covered by federal depository insurance and collateral pledged by the bank.

Concentration of credit risk - The Village places no limit on the amount they may invest in any one issuer. All of the Village's deposits are in checking and certificates of deposit with First County Bank.

3. Receivables

Receivables at April 30, 2015 consist of the following:

Real estate taxes	\$ 94,841
State income taxes	40,535
State sales tax	20,133
Other taxes	7,590
Fees and services	11,205
Water and sewer bills	<u>25,525</u>
	<u>\$ 199,829</u>

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

3. Receivables (continued)

The Village uses the specific write-off method of accounting for water and sewerage receivable write-offs. Management believes that any allowance would be immaterial. Specific write-offs for bad debts and miscellaneous adjustments are netted against water and sewerage charges.

Real estate taxes are collected one year in arrears. Although levied in 2014, real estate taxes are collected subsequent to April 30, 2015. Accordingly, real estate taxes are reported as deferred revenue because they are not available to liquidate liabilities of the current period nor or they intended to do so.

4. Capital assets

Changes in capital assets were as follows:

Governmental activities

	Balance April 30, 2014	Additions	Deletions	Balance April 30, 2015
Assets not depreciated				
Land	\$ 40,947	\$ -	\$ -	\$ 40,947
Assets depreciated				
Buildings and improvements	713,955	29,543	-	743,498
Furniture and equipment	183,578	-	-	183,578
	<u>897,533</u>	<u>29,543</u>	<u>-</u>	<u>927,076</u>
Accumulated depreciation:				
Building and improvements	364,519	13,433	-	377,952
Furniture and equipment	106,552	16,704	-	123,256
	<u>471,071</u>	<u>30,137</u>	<u>-</u>	<u>501,208</u>
Governmental activities, net	<u>\$ 467,409</u>	<u>\$ (594)</u>	<u>\$ -</u>	<u>\$ 466,815</u>

Business-type activities

Land (not depreciated)	\$ 23,000	\$ -	\$ -	\$ 23,000
Water distribution system	1,594,341	1,229	-	1,595,570
Sewerage system	908,367	-	-	908,367
	<u>2,525,708</u>	<u>1,229</u>	<u>-</u>	<u>2,526,937</u>
Accumulated depreciation:				
Water distribution system	1,095,240	41,428	-	1,136,668
Sewerage system	820,695	20,584	-	841,279
	<u>1,915,935</u>	<u>62,012</u>	<u>-</u>	<u>1,977,947</u>
Business-type activities, net	<u>\$ 609,773</u>	<u>\$ (60,783)</u>	<u>\$ -</u>	<u>\$ 548,990</u>

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

4. Capital assets (continued)

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 23,965
Public safety	6,172
	<u>\$ 30,137</u>
Business-type activities	
Water and sewerage fund	<u>\$ 62,012</u>

5. Long-term debt

Governmental activities

In November of 2012, the Village negotiated a loan of \$55,645 with First County Bank for a backhoe. It is a 5-year loan with payments due monthly, including principal and interest at 2.25%. The first payment was due in December 2012. Transactions for the year were as follows:

	Balance May 1, 2014	Issued	Retired	Balance April 30, 2015
Backhoe note payable	<u>\$ 40,506</u>	<u>\$ -</u>	<u>\$ 10,978</u>	<u>\$ 29,528</u>

The following is a schedule of the debt maturities:

Year Ended April 30,	Principal	Interest	Total
2016	11,228	549	11,777
2017	11,483	294	11,777
2018	<u>6,817</u>	<u>50</u>	<u>6,867</u>
	<u>\$ 29,528</u>	<u>\$ 893</u>	<u>\$ 30,421</u>

Interest expense of \$799 was charged against Governmental activities.

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

5. Long-term debt (continued)

Business-type activities

In October of 2005, the Village negotiated a loan of \$137,368 with the Illinois Environmental Protection Agency for repairs to the water tower. It is a 20-year loan with payments due semiannually, including principal and interest at 2.5%. The first payment was due in August 2007. Transactions for the year were as follows:

	Balance May 1, 2014	Issued	Retired	Balance April 30, 2015
Water tower note payable	\$ 95,506	\$ -	\$ 6,597	\$ 88,909

The following is a schedule of the debt maturities:

Year Ended April 30,	Principal	Interest	Total
2016	6,763	2,181	8,944
2017	6,933	2,011	8,944
2018	7,107	1,836	8,943
2019	7,286	1,657	8,943
2020	7,470	1,474	8,944
2021-2025	40,263	4,455	44,718
2026-2027	13,087	328	13,415
	<u>\$ 88,909</u>	<u>\$ 13,942</u>	<u>\$ 102,851</u>

Interest expense of \$2,347 was charged against Business-type activities.

6. Revenues

Included in the operating revenues for the Proprietary funds is the water that passed through the Village of Albers to the Village of Damiansville of \$34,356. The same amount is included in the "water purchased" expense.

7. Illinois Municipal Retirement Fund

The Village is not a participating member of the Illinois Municipal Retirement Fund.

8. Interfund transfers

Interfund transfers for the fiscal year ended April 30, 2015 consist of the following:

<u>Transfers-out</u>	<u>Transfers-in</u>	
Water and sewer fund	General Fund	<u>\$ 27,600</u>

The Water and Sewerage Fund made transfers to the General Fund as directed by the board to establish funds to be used for renovations to the village hall in fiscal year 2015.

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

9. Interfund receivables and payables

Generally, outstanding balances between funds are reported as "due to/from other funds" including outstanding charges by one fund to another for services or goods outstanding at year-end, and other miscellaneous, receivable/payables between funds.

<u>Receivable fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Waterworks and Sewerage	General	\$ 7,984

The balance represents deposits for water services deposited in the general fund.

10. Risk management

The Village is a member of the Illinois Municipal League Risk Management Association, a public entity risk pool, currently operating as a common risk management and insurance program. The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by their participation in a public entity risk pool. Whenever the pool determines that the assets of the Fund are less than the reserves which would be required to be maintained by the Fund, then the Fund shall assess each public agency member the amount necessary to correct the deficiency. Each assessment will be pro rated based upon the public agencies; annual contributions, provided that in no event shall the annual total of any assessment exceed 10% of the gross annual premium or contributions to the Fund during the most recent year. The premium for the year ended April 30, 2015 was \$19,513. In the opinion of the Village officials, no additional liability will be incurred.

VILLAGE OF ALBERS, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget to Actual - General Fund
Year Ended April 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenue:				
Property taxes	\$ 79,000	\$ 79,000	\$ 81,340	\$ 2,340
Sales tax	84,000	84,000	86,241	2,241
Income tax	125,000	125,000	115,556	(9,444)
Video gaming tax	1,556	1,556	2,928	1,372
Other taxes	29,229	29,229	39,880	10,651
License, permits, and service fees	12,500	12,500	17,406	4,906
Traffic fines	7,275	7,275	10,260	2,985
Refuse collection	65,000	65,000	77,528	12,528
Grant	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	1,975	1,975	2,549	574
Total revenue	405,535	405,535	433,688	28,153
Expenditures:				
General government				
Personnel expenses	23,000	23,000	35,699	(12,699)
Maintenance services/construction	-	-	-	-
Office supplies	7,000	7,000	10,781	(3,781)
Utilities	25,000	25,000	7,806	17,194
Repairs and maintenance	2,000	2,000	5,470	(3,470)
Auditing and professional fees	9,000	9,000	11,116	(2,116)
Insurance	19,000	19,000	20,739	(1,739)
Equipment purchases	-	-	-	-
Fuel	-	-	-	-
Miscellaneous	6,000	6,000	1,457	4,543
	<u>91,000</u>	<u>91,000</u>	<u>93,068</u>	<u>(2,068)</u>
Public Safety				
Personnel expenses	65,000	65,000	58,446	6,554
Supplies	7,000	7,000	5,883	1,117
Repairs and maintenance	5,000	5,000	3,965	1,035
Utilities	-	-	-	-
Equipment purchases	-	-	-	-
Fuel	6,000	6,000	3,504	2,496
Miscellaneous	5,000	5,000	-	5,000
	<u>88,000</u>	<u>88,000</u>	<u>71,798</u>	<u>16,202</u>
Social services - Health				
Refuse and garbage collection	\$ 65,000	\$ 65,000	\$ 73,775	\$ (8,775)

See notes to financial statements and independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ALBERS, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget to Actual - General Fund
(Continued)
Year Ended April 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Streets and roads				
Utilities	\$ 15,000	\$ 15,000	\$ 18,936	\$ (3,936)
Repairs and maintenance	32,149	32,149	13,459	18,690
Professional fees	46,000	46,000	46,000	-
Equipment purchases	3,000	3,000	-	3,000
Fuel	4,000	4,000	2,066	1,934
	<u>100,149</u>	<u>100,149</u>	<u>80,461</u>	<u>19,688</u>
Park and Recreation				
Personnel Expense	\$ -	\$ -	\$ 692	\$ (692)
Utilities	6,000	6,000	4,084	1,916
Repairs and maintenance	2,000	2,000	1,189	811
Professional fees	1,000	1,000	-	1,000
	<u>9,000</u>	<u>9,000</u>	<u>5,965</u>	<u>3,035</u>
Debt service				
Principal and interest payments	<u>100,000</u>	<u>100,000</u>	<u>11,777</u>	<u>88,223</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>29,543</u>	<u>(29,543)</u>
Total expenditures	<u>453,149</u>	<u>453,149</u>	<u>366,388</u>	<u>64,039</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (47,614)</u>	<u>\$ (47,614)</u>	67,300	<u>\$ 114,914</u>
Other financing sources (uses):				
Transfers in			27,600	
Transfers out			-	
Total other financing sources			<u>27,600</u>	
Net change in fund balance			94,900	
Reconciliation of budgetary basis to government fund statement of changes in fund balance				
Effect of unrecorded assets			(4,680)	
Effect of unrecorded liabilities			(371)	
Beginning fund balance			<u>206,030</u>	
Ending fund balance			<u>\$ 295,879</u>	

See notes to financial statements and independent auditors' report.

VILLAGE OF ALBERS, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget to Actual - Motor Fuel Tax Fund
Year Ended April 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 30,000	\$ 30,000	\$ 36,216	\$ 6,216
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	30,000	30,000	36,216	6,216
Expenditures:				
Highways and streets	<u>50,000</u>	<u>50,000</u>	<u>31,912</u>	<u>18,088</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>31,912</u>	<u>18,088</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>4,304</u>	<u>24,304</u>
Transfers:				
Transfers from general fund	-	-	-	-
Transfers to general fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	4,304	<u>\$ 24,304</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance				
Effect of unrecorded assets			-	
Effect of unrecorded liabilities			-	
Beginning fund balance			<u>29,882</u>	
Ending fund balance			<u>\$ 34,186</u>	

See notes to financial statements and independent auditors' report.

VILLAGE OF ALBERS, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2015

1. Budgetary control

The Board of Trustees is required to adopt an annual appropriation and budget ordinance for the Village. The appropriation is prepared utilizing the cash basis of accounting. The Village follows these procedures in establishing appropriation data reflected in the financial statements.

1. The Board of Trustees prepare a tentative budget and appropriation ordinance for the Village.
2. A public notice of the tentative appropriation and budget ordinances is given at least 30 days prior to the public hearing and final action.
3. A public hearing is held to receive taxpayer comments.
4. The appropriation and budget ordinances are legally adopted by the Board of Trustees.
5. The budget is incorporated into the accounting records of the Village.

The annual appropriations lapse at the end of the fiscal year.

The Village adopted its budget on April 15, 2014.

ADDITIONAL ANALYSIS

VILLAGE OF ALBERS, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 General Fund
 Year Ended April 30, 2015

Revenues:	
Property taxes	\$ 81,482
Sales	84,787
Income	116,542
Video gaming	3,146
Other taxes	41,008
Licenses, permits, fees, and services	17,504
Traffic fines	10,260
Refuse collection	78,796
Grant Revenue	-
Miscellaneous	2,549
Interest income	-
Total revenues	<u>436,074</u>
Expenditures:	
Fuel	5,278
Insurance expense	20,739
Miscellaneous	1,457
Maintenance services	46,000
Office supplies and postage	10,852
Police supplies and expenses	9,848
Professional fees	11,284
Repairs and maintenance	19,485
Refuse collection	80,841
Salaries	93,971
Utilities	32,750
Debt Service	
Principal and interest	11,777
Capital Outlay	<u>29,543</u>
Total expenditures	<u>373,825</u>
Excess of revenues over expenditures	62,249
Other financing sources (uses):	
Transfers in	27,600
Transfers out	-
Total other financing sources (uses)	<u>27,600</u>
Net change in fund balance	89,849
Fund balances, beginning of year	<u>206,030</u>
Fund balances, end of year	<u>\$ 295,879</u>

VILLAGE OF ALBERS, ILLINOIS

Combining Statements of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
Year Ended April 30, 2015

	Waterworks Accts	Sewerage Accts	Total
Operating revenues:			
Water revenue	\$ 214,834	\$ -	\$ 214,834
Sewerage charges	<u>-</u>	<u>95,823</u>	<u>95,823</u>
Total operating revenues	<u>214,834</u>	<u>95,823</u>	<u>310,657</u>
Operating expenses:			
Maintenance service	31,597	31,597	63,194
Professional fees	246	-	246
Depreciation expense	41,428	20,584	62,012
Utilities	2,411	17,210	19,621
Office expense	4,775	2,121	6,896
Water purchases	104,236	-	104,236
Repairs	5,211	5,089	10,300
Supplies and chemicals	<u>13,156</u>	<u>2,327</u>	<u>15,483</u>
Total operating expenses	<u>203,060</u>	<u>78,928</u>	<u>281,988</u>
Operating income	<u>11,774</u>	<u>16,895</u>	<u>28,669</u>
Non-operating revenues (expenses)			
Interest income	515	-	515
Miscellaneous expense	-	-	-
Interest expense	<u>(2,347)</u>	<u>-</u>	<u>(2,347)</u>
Total non-operating revenues (expenses)	<u>(1,832)</u>	<u>-</u>	<u>(1,832)</u>
Income before transfers	9,942	16,895	26,837
Transfers (out)	<u>(13,800)</u>	<u>(13,800)</u>	<u>(27,600)</u>
Changes in net position	(3,858)	3,095	(763)
Net position, beginning of year	<u>375,060</u>	<u>547,950</u>	<u>923,010</u>
Net position, end of year	<u>\$ 371,202</u>	<u>\$ 551,045</u>	<u>\$ 922,247</u>