

VILLAGE OF ALBERS, ILLINOIS

UNIT CODE 014/010/32

ANNUAL FINANCIAL REPORT

YEAR ENDED APRIL 30, 2022

VILLAGE OF ALBERS, ILLINOIS
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Albers, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Albers, 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 modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Village of Albers, Illinois, as of April 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matters

Supplementary Information

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.

Management is responsible for the supplementary information included in the annual report. The supplementary information comprises the budgetary comparison information on pages 23-26 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the supplementary information and consider whether a material inconsistency exists between the supplementary information and the basic financial statements, or the supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the supplementary information exists, we are required to describe it in our report.

The Combining Statements of Revenues, Expenses, and Changes in Net Position- Modified Cash Basis - Proprietary Funds on page 27 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Proprietary Funds Statement is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



SCHEFFEL BOYLE

Belleville, Illinois

March 28, 2023

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2022

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 592,309	\$ 181,095	\$ 773,404
Certificates of Deposit	<u>567,658</u>	<u>368,173</u>	<u>935,831</u>
Total Current Assets	<u>1,159,967</u>	<u>549,268</u>	<u>1,709,235</u>
Non-Current Assets:			
Capital Assets, Net	<u>560,518</u>	<u>333,308</u>	<u>893,826</u>
Total Non-Current Assets	<u>560,518</u>	<u>333,308</u>	<u>893,826</u>
Total Assets	<u>1,720,485</u>	<u>882,576</u>	<u>2,603,061</u>
LIABILITIES			
CURRENT LIABILITIES:			
Notes Payable, Current	<u>-</u>	<u>8,048</u>	<u>8,048</u>
Total Current Liabilities	<u>-</u>	<u>8,048</u>	<u>8,048</u>
NON-CURRENT LIABILITIES:			
Notes Payable	<u>-</u>	<u>29,795</u>	<u>29,795</u>
Total Non-Current Liabilities	<u>-</u>	<u>29,795</u>	<u>29,795</u>
Total Liabilities	<u>-</u>	<u>37,843</u>	<u>37,843</u>
NET POSITION			
Restricted	-	-	-
Invested in Capital Assets, Net of Related Debt	560,518	295,465	855,983
Unrestricted	<u>1,159,967</u>	<u>549,268</u>	<u>1,709,235</u>
Total Net Position	<u>\$ 1,720,485</u>	<u>\$ 844,733</u>	<u>\$ 2,565,218</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2022

	PROGRAM REVENUES			NET REVENUES, (EXPENSES), AND CHANGES IN NET POSITION				
	FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:								
General Government	\$ 187,672	\$ 187,672	\$ 22,050	\$ 77,148	\$ -	\$ (88,474)	\$ -	\$ (88,474)
Public Safety	122,244	122,244	785	-	-	(121,459)	-	(121,459)
Social Services - Health	110,471	110,471	107,395	-	-	(3,076)	-	(3,076)
Streets and Roads	122,599	122,599	-	-	-	(122,599)	-	(122,599)
Park and Recreation	32,016	32,016	-	-	28,720	(3,296)	-	(3,296)
Total Governmental Activities	575,002	575,002	130,230	77,148	28,720	(338,904)	-	(338,904)
BUSINESS-TYPE ACTIVITIES:								
Water and Sewer	321,897	321,897	332,864	-	-	-	10,967	10,967
Total Business-Type Activities	321,897	321,897	332,864	-	-	-	10,967	10,967
Total	\$ 896,899	\$ 896,899	\$ 463,094	\$ 77,148	\$ 28,720	(338,904)	10,967	(327,937)
GENERAL REVENUES:								
Taxes								
Property Taxes						80,964	-	80,964
State Sales Tax						136,923	-	136,923
State Income Tax						167,060	-	167,060
Motor Fuel Tax						75,132	-	75,132
Other Taxes						82,369	-	82,369
Miscellaneous						5,168	-	5,168
Interest Income						5,525	5,525	11,088
Transfers, Net						27,600	(27,600)	-
Total General Revenues						580,779	(22,075)	558,704
Change in Net Position						241,875	(11,108)	230,767
Net Position, Beginning of Year						1,478,610	855,841	2,334,451
Net Position, End of Year						\$ 1,720,485	\$ 844,733	\$ 2,565,218

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2022

ASSETS	<u>GENERAL</u>	<u>MOTOR FUEL TAX</u>	<u>TOTALS</u>
Cash and Cash Equivalents	\$ 422,779	\$ 169,530	\$ 592,309
Certificates of Deposits	<u>567,658</u>	<u>-</u>	<u>567,658</u>
Total Assets	<u>\$ 990,437</u>	<u>\$ 169,530</u>	<u>\$ 1,159,967</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Unremitted Payroll Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:			
Restricted:			
Special Revenue Fund	-	169,530	169,530
Assigned - Building Improvement	219,924	-	219,924
Unassigned:			
General Fund	<u>770,513</u>	<u>-</u>	<u>770,513</u>
Total Fund Balances	<u>990,437</u>	<u>169,530</u>	<u>1,159,967</u>
Total Liabilities and Fund Balances	<u>\$ 990,437</u>	<u>\$ 169,530</u>	<u>\$ 1,159,967</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2022

Total fund balance - total governmental funds	\$ 1,159,967
Capital assets of \$1,284,512 net of accumulated depreciation of \$723,994 are not financial resources and, therefore are not reported in the funds.	<u>560,518</u>
Net position of governmental activities	<u>\$ 1,720,485</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2022

	<u>GENERAL</u>	<u>MOTOR FUEL TAX</u>	<u>TOTALS</u>
REVENUES:			
Property Taxes	\$ 80,964	\$ -	\$ 80,964
Sales Tax	136,923	-	136,923
Income Tax	167,060	-	167,060
Motor Fuel Tax	-	75,132	75,132
Other Taxes	82,369	-	82,369
Grant Income	77,148	-	77,148
Licenses, Permits, Fees, and Services	22,050	-	22,050
Traffic Fines	785	-	785
Refuse Collection	107,395	-	107,395
Interest Income	5,563	-	5,563
Miscellaneous	33,888	-	33,888
Total Revenues	<u>714,145</u>	<u>75,132</u>	<u>789,277</u>
EXPENDITURES:			
Current:			
General Government	166,141	-	166,141
Public Safety	101,817	-	101,817
Social Services - Health	110,471	-	110,471
Streets and Roads	92,071	30,528	122,599
Park and Recreation	32,016	-	32,016
Capital Outlay			
General Government	2,884	-	2,884
Streets and Roads	-	-	-
Public Safety	4,356	-	4,356
Park and Recreation	29,851	-	29,851
Total Expenditures	<u>539,607</u>	<u>30,528</u>	<u>570,135</u>
Excess of Revenues Over (Under)			
Expenditures	<u>174,538</u>	<u>44,604</u>	<u>219,142</u>
Other Financing Sources (Uses):			
Transfers In	27,600	13,071	40,671
Transfers Out	<u>(13,071)</u>	<u>-</u>	<u>(13,071)</u>
Total Other Financing Sources (Uses)	<u>14,529</u>	<u>13,071</u>	<u>27,600</u>
Net Change in Fund Balance	189,067	57,675	246,742
Fund Balances, Beginning of Year	<u>801,370</u>	<u>111,855</u>	<u>913,225</u>
Fund Balances, End of Year	<u>\$ 990,437</u>	<u>\$ 169,530</u>	<u>\$ 1,159,967</u>

See accompanying notes to the basic 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, 2022

Net change in fund balances - total governmental funds	\$ 246,742
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 of \$41,958 exceeded capital purchases of \$37,091.	<u>(4,867)</u>
Change in net position of governmental activities	<u>\$ 241,875</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2022

		BUSINESS- TYPE ACTIVITIES WATER AND SEWER
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$	181,095
Certificates of Deposit		368,173
Total Current Assets		549,268
NON-CURRENT ASSETS:		
Capital Assets, Net		333,308
Total Non-Current Assets		333,308
Total Assets		882,576
LIABILITIES		
CURRENT LIABILITIES:		
Notes Payable, Current		8,048
Total Current Liabilities		8,048
NON-CURRENT LIABILITIES:		
Notes Payable		29,795
Total Non-Current Liabilities		29,795
Total Liabilities		37,843
NET POSITION		
Invested in Capital Assets, Net of Related Debt		295,465
Unrestricted		549,268
Total Net Position	\$	844,733

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2022

	<u>BUSINESS- TYPE ACTIVITIES WATER AND SEWER</u>
OPERATING REVENUES:	
Charges for Services	\$ 332,864
Total Operating Revenues	<u>332,864</u>
OPERATING EXPENSES:	
Maintenance Service	81,458
Professional Fees	14,927
Depreciation Expense	51,149
Utilities	24,237
Office Expense	3,552
Insurance	637
Testing and Permits	1,357
Water Purchases	91,219
Repairs & Maintenance	27,201
Supplies and Chemicals	24,946
Bank Service Charges	120
Total Operating Expenses	<u>320,803</u>
Operating Income	<u>12,061</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest Income	5,525
Interest Expense	<u>(1,094)</u>
Total Non-Operating Revenues (Expenses)	<u>4,431</u>
Income Before Transfers	16,492
Transfers (Out)	<u>(27,600)</u>
Changes in Net Position	(11,108)
Net Position, Beginning of Year	<u>855,841</u>
Net Position, End of Year	<u>\$ 844,733</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2022

	<u>BUSINESS- TYPE ACTIVITIES WATER AND SEWER</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 332,864
Payments to Suppliers	(269,654)
Net Cash Provided by Operating Activities	<u>63,210</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers Out	(27,600)
Net Cash (Used) by Non-Capital Financing Activities	<u>(27,600)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal Paid on Notes Payable	(7,850)
Interest Paid on Notes Payable	(1,094)
Purchases of Capital Assets	(80,644)
Net Cash (Used) by Capital and Related Financing Activities	<u>(89,588)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Certificates of Deposit	(2,358)
Interest on Certificates of Deposit	5,525
Net Cash Provided by Investing Activities	<u>3,167</u>
Net increase in Cash and Cash Equivalents	(50,811)
Balances, Beginning of the Year	<u>231,906</u>
Balances, End of the Year	<u>\$ 181,095</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 12,061
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	<u>51,149</u>
Total Adjustments	<u>51,149</u>
Net Cash Provided by Operating Activities	<u>\$ 63,210</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 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.

These financial statements are presented on the modified cash basis. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). 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 Reporting 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
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 modified cash 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
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 modified cash basis of accounting. The modified cash basis differs from generally accepted accounting principles because the Village has not recognized balances, and the related effects on changes in net position of the following: taxes receivable and grants receivable from federal, state, and local funding sources; accounts receivable and unbilled revenues from customers; accounts payable to vendors; accrued payroll and compensated absences to employees; and deferred inflows of resources related to real estate taxes levied for the next fiscal year.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified cash basis of accounting. Accordingly, receipts are recorded when cash is received and disbursements are recorded when checks are issued. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. Cash basis financial statements omit recognition of receivables, payables and other accrued and deferred items that do not arise from previous cash transactions.

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 other comprehensive basis of accounting used by the Village 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. Actual results could differ from these estimates.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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:

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 12, 2021.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, 2022.

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 tax revenue is recorded when it is collected. This includes property taxes collected within 60 days of the year-end. The majority of 2019 property taxes were received by the Village in August and October.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

M Net Positions

Net positions represent the difference between assets and liabilities 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."

N. Fund Balances

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.

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, 2021.

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 \$219,924 for future renovations and improvements to the Village.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

NOTE 2. CASH AND CERTIFICATES OF DEPOSIT

As of April 30, 2022, the Village had the following certificates of deposit:

	<u>MATURITY</u>	<u>FAIR VALUE</u>
FCB Banks - Certificate of Deposit - Water & Sewer Fund	4/16/2025	167,647
FCB Banks - Certificate of Deposit - Water & Sewer Fund	6/13/2026	100,000
FCB Banks - Certificate of Deposit - Water & Sewer Fund	7/21/2028	100,526
FCB Babks - Certificate of Deposit - General Fund	7/21/2028	100,526
FCB Banks - Certificate of Deposit - General Fund	4/16/2025	111,765
FCB Banks - Certificate of Deposit - General Fund	6/13/2026	100,000
FCB Banks - Certificate of Deposit - General Fund	7/21/2028	150,789
FCB Banks - Certificate of Deposit - General Fund	11/12/2024	104,578
		<u>\$ 935,831</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, 2022, 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, 2022, none of the Village's bank balance was exposed to custodial credit risk as uninsured and uncollateralized. At April 30, 2022, the reported amount on the Village's deposits was \$1,709,235 and the bank balance was \$1,747,044. \$500,000 of the bank balance was covered by federal depository insurance and the remaining \$1,247,044 was covered by 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 FCB Banks.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 3. CAPITAL ASSETS

Changes in capital assets were as follows:

Governmental Activities

	<u>BALANCE</u> <u>APRIL 30, 2021</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>APRIL 30, 2022</u>
Assets Not Depreciated				
Land	\$ 40,947	\$ -	\$ -	\$ 40,947
Assets Depreciated				
Buildings and Improvements	931,348	-	-	931,348
Furniture and Equipment	275,126	37,091	-	312,217
	<u>1,206,474</u>	<u>37,091</u>	<u>-</u>	<u>1,243,565</u>
Accumulated Depreciation				
Building and Improvements	476,629	21,531	-	498,160
Furniture and Equipment	205,407	20,427	-	225,834
	<u>682,036</u>	<u>41,958</u>	<u>-</u>	<u>723,994</u>
Governmental Activities, Net	<u>\$ 565,385</u>	<u>\$ (4,867)</u>	<u>\$ -</u>	<u>\$ 560,518</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General Government	\$ 21,531
Public Safety	20,427
	<u>\$ 41,958</u>

Business-Type Activities

	<u>BALANCE</u> <u>APRIL 30, 2021</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>APRIL 30, 2022</u>
Assets Not Depreciated				
Land	\$ 23,000	\$ -	\$ -	\$ 23,000
Assets Depreciated				
Water Distribution System	1,600,375	68,906	-	1,669,281
Sewerage System	952,842	11,738	-	964,580
	<u>2,576,217</u>	<u>80,644</u>	<u>-</u>	<u>2,656,861</u>
Accumulated Depreciation				
Water Distribution System	1,316,895	29,833	-	1,346,728
Sewerage System	955,509	21,316	-	976,825
	<u>2,272,404</u>	<u>51,149</u>	<u>-</u>	<u>2,323,553</u>
Business-Type Activities, Net	<u>\$ 303,813</u>	<u>\$ 29,495</u>	<u>\$ -</u>	<u>\$ 333,308</u>

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 3. CAPITAL ASSETS (CONTD)

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water and Sewer Fund	\$ <u>51,149</u>

NOTE 4. LONG-TERM DEBT

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, 2021	ISSUED	RETIRED	BALANCE APRIL 30, 2022
Water Tower Note Payable	\$ <u>45,693</u>	\$ <u>-</u>	\$ <u>7,850</u>	\$ <u>37,843</u>

The following is a schedule of the debt maturities:

Year Ended April 30,	PRINCIPAL	INTEREST	TOTAL
2023	8,048	896	8,944
2024	8,250	694	8,944
2025	8,458	486	8,944
2026	8,670	273	8,943
2027	4,417	55	4,472
	<u>\$ 37,843</u>	<u>\$ 2,404</u>	<u>\$ 40,247</u>

Interest expense of \$1,094 was charged against business-type activities.

NOTE 5. 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 \$30,500. The same amount is included in the "water purchased" expense.

NOTE 6. ILLINOIS MUNICIPAL RETIREMENT FUND

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

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 7. INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended April 30, 2022, consist of the following:

Transfers-out	Transfers-in	AMOUNT
Water and Sewer Fund	General Fund	\$ 27,600
General Fund	Motor Fuel Tax Fund	13,071
		\$ 40,671

The Water and Sewer Fund made transfers to the General Fund as directed by the board to reimburse funds used for improvement to the Village Hall building in previous years. The General Fund made a transfer to the Motor Fuel Tax Fund for reimbursement of a deposit that was originally deposited in the General Fund and was intended for the Motor Fuel Tax Fund.

NOTE 8. 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, 2022, was \$24,728. In the opinion of the Village officials, no additional liability will be incurred.

NOTE 9. BUDGET EXCESS

Expenditures exceeded the budget in the following major funds for the year ended April 30, 2022:

General Fund	\$	98,807
Motor Fuel Tax Fund		528

NOTE 10. CONTINGENCIES

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic. As a result, economic uncertainties have arisen, which are likely to negatively impact the revenues of the Village. Other financial impact could occur, though such potential impact is unknown at this time.

VILLAGE OF ALBERS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	(BUDGETARY BASIS)	FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUE:				
Property Taxes	\$ 131,000	\$ 131,000	\$ 80,964	\$ (50,036)
Sales Tax	104,000	104,000	136,923	32,923
Income Tax	130,000	130,000	167,060	37,060
Video Gaming Tax	6,000	6,000	10,701	4,701
Other Taxes	43,000	43,000	71,668	28,668
Grant Income	-	-	77,148	77,148
License, Permits, and Service Fees	4,500	4,500	22,050	17,550
Traffic Fines	2,000	2,000	785	(1,215)
Refuse Collection	105,000	105,000	107,395	2,395
Interest Income	-	-	5,563	5,563
Miscellaneous	5,500	5,500	33,888	28,388
Total Revenue	<u>531,000</u>	<u>531,000</u>	<u>714,145</u>	<u>183,145</u>
EXPENDITURES:				
General Government				
Personnel Expenses	69,000	69,000	66,065	2,935
Office Expenses	12,000	12,000	14,980	(2,980)
Utilities	17,000	17,000	10,784	6,216
Repairs and Maintenance	8,000	8,000	7,897	103
Equipment Purchases	-	-	2,884	(2,884)
Professional Fees	25,800	25,800	38,300	(12,500)
Insurance	23,000	23,000	24,728	(1,728)
Miscellaneous	4,500	4,500	3,387	1,113
	<u>159,300</u>	<u>159,300</u>	<u>169,025</u>	<u>(9,725)</u>
Public Safety				
Personnel Expenses	76,000	76,000	85,326	(9,326)
Supplies	5,500	5,500	7,617	(2,117)
Repairs and Maintenance	3,000	3,000	1,095	1,905
Utilities	-	-	829	(829)
Equipment Purchases	1,000	1,000	4,356	(3,356)
Fuel	3,000	3,000	6,690	(3,690)
Miscellaneous	-	-	260	(260)
	<u>88,500</u>	<u>88,500</u>	<u>106,173</u>	<u>(17,673)</u>
Social Services - Health				
Refuse and Garbage Collection	\$ 105,000	\$ 105,000	\$ 110,471	\$ (5,471)

VILLAGE OF ALBERS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2022

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	(BUDGETARY BASIS)	FINAL BUDGET - POSITIVE (NEGATIVE)
Streets and Roads				
Utilities	\$ 10,000	\$ 10,000	\$ 8,359	\$ 1,641
Repairs and Maintenance	8,000	8,000	28,249	(20,249)
Professional Fees	51,000	51,000	53,098	(2,098)
Equipment Purchases	7,000	7,000	-	7,000
Fuel	2,000	2,000	2,365	(365)
	<u>78,000</u>	<u>78,000</u>	<u>92,071</u>	<u>(14,071)</u>
Park and Recreation				
Personnel Expense	-	-	1,362	(1,362)
Utilities	4,000	4,000	8,420	(4,420)
Repairs and Maintenance	3,500	3,500	21,646	(18,146)
Professional Fees	1,500	1,500	-	1,500
Equipment and Improvements	-	-	29,851	(29,851)
Supplies and Special Projects	1,000	1,000	588	412
	<u>10,000</u>	<u>10,000</u>	<u>61,867</u>	<u>(51,867)</u>
Debt Service				
Principal and Interest Payments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>440,800</u>	<u>440,800</u>	<u>539,607</u>	<u>(98,807)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 90,200</u>	<u>\$ 90,200</u>	174,538	<u>\$ 84,338</u>
Other Financing Sources (Uses)				
Transfers In			27,600	
Transfers Out			(13,071)	
Total Other Financing Sources			<u>14,529</u>	
Net Change in Fund Balance			<u>189,067</u>	
Beginning Fund Balance			<u>801,370</u>	
Ending Fund Balance			<u>\$ 990,437</u>	

VILLAGE OF ALBERS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - MOTOR FUEL TAX FUND
YEAR ENDED APRIL 30, 2022

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	(BUDGETARY	FINAL BUDGET -
			BASIS)	POSITIVE
				(NEGATIVE)
REVENUE:				
Taxes	\$ 30,000	\$ 30,000	\$ 75,132	\$ 45,132
Miscellaneous revenue	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Total Revenue	<u>30,000</u>	<u>30,000</u>	<u>75,132</u>	<u>45,132</u>
EXPENDITURES:				
Highways and Streets	<u>30,000</u>	<u>30,000</u>	<u>30,528</u>	<u>(528)</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,528</u>	<u>(528)</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>44,604</u>	<u>\$ 44,604</u>
TRANSFERS:				
Transfers from General Fund			13,071	
Transfers to General Fund			<u> -</u>	
Net Transfers			<u>13,071</u>	
Net Change in Fund Balance			57,675	
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>111,855</u>	
Ending Fund Balance			<u>\$ 169,530</u>	

VILLAGE OF ALBERS, ILLINOIS
NOTES TO BUDGET TO ACTUAL COMPARISON SCHEDULES
APRIL 30, 2022

NOTE 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 12, 2021.

VILLAGE OF ALBERS, ILLINOIS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2022

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Water Charges	\$ 221,177	\$ -	\$ 221,177
Sewer Charges	<u>-</u>	<u>111,687</u>	<u>111,687</u>
Total Operating Revenues	<u>221,177</u>	<u>111,687</u>	<u>332,864</u>
OPERATING EXPENSES:			
Maintenance Service	40,729	40,729	81,458
Professional Fees	5,254	9,673	14,927
Depreciation Expense	29,833	21,316	51,149
Utilities	4,081	20,156	24,237
Office Expense	3,552	-	3,552
Insurance	637	-	637
Testing and Permits	1,357	-	1,357
Water Purchases	91,219	-	91,219
Repairs & Maintenance	5,130	22,071	27,201
Supplies and Chemicals	22,070	2,876	24,946
Bank Service Charges	<u>120</u>	<u>-</u>	<u>120</u>
Total Operating Expenses	<u>203,982</u>	<u>116,821</u>	<u>320,803</u>
Operating Income	<u>17,195</u>	<u>(5,134)</u>	<u>12,061</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	5,525	-	5,525
Interest Expense	<u>(1,094)</u>	<u>-</u>	<u>(1,094)</u>
Total Non-Operating Revenues (Expenses)	<u>4,431</u>	<u>-</u>	<u>4,431</u>
Income Before Transfers	21,626	(5,134)	16,492
Transfers (Out)	<u>(13,800)</u>	<u>(13,800)</u>	<u>(27,600)</u>
Changes in Net Position	7,826	(18,934)	(11,108)
Net Position, Beginning of Year	<u>351,052</u>	<u>504,789</u>	<u>855,841</u>
Net Position, End of Year	<u>\$ 358,878</u>	<u>\$ 485,855</u>	<u>\$ 844,733</u>