

VILLAGE OF ALBERS, ILLINOIS

UNIT CODE 014/010/32

ANNUAL FINANCIAL REPORT

YEAR ENDED APRIL 30, 2019

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

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 (the Village) as of and for the year ended April 30, 2019, 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 the modified cash basis of accounting described in Note 1; this includes 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 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 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, 2019, 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 basis of accounting described in Note 1.

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, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Albers, Illinois' basic financial statements. The Budget to Actual Comparison Schedules and related notes, the General Fund Statement, and the Combining Fund Statement on pages 23-26 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statement of Revenues, Expenditures, and Changes in Fund Balance-Modified Cash Basis - General Fund and the Combining Statements of Revenues, Expenses, and Changes in Net Position- Modified Cash Basis - Proprietary Funds on pages 27-28 are the responsibility of management and were 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 General Fund Statement and the Combining Proprietary Funds Statement are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



SCHEFFEL BOYLE
Belleville, Illinois
December 26, 2019

FINANCIAL SECTION

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2019

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 495,404	\$ 166,738	\$ 662,142
Certificates of Deposit	200,000	350,000	550,000
Total Current Assets	<u>695,404</u>	<u>516,738</u>	<u>1,212,142</u>
Non-Current Assets:			
Capital Assets, Net	498,346	381,415	879,761
Total Non-Current Assets	<u>498,346</u>	<u>381,415</u>	<u>879,761</u>
 Total Assets	 <u>1,193,750</u>	 <u>898,153</u>	 <u>2,091,903</u>
 LIABILITIES			
CURRENT LIABILITIES:			
Unremitted Payroll Taxes	4,507	-	4,507
Notes Payable, Current	-	7,470	7,470
Total Current Liabilities	<u>4,507</u>	<u>7,470</u>	<u>11,977</u>
NON-CURRENT LIABILITIES:			
Notes Payable	-	53,350	53,350
Total Non-Current Liabilities	<u>-</u>	<u>53,350</u>	<u>53,350</u>
 Total Liabilities	 <u>4,507</u>	 <u>60,820</u>	 <u>65,327</u>
 NET POSITION			
Restricted	-	-	-
Invested in Capital Assets, Net of Related Debt	498,346	320,595	818,941
Unrestricted	<u>690,897</u>	<u>516,738</u>	<u>1,207,635</u>
 Total Net Position	 <u>\$ 1,189,243</u>	 <u>\$ 837,333</u>	 <u>\$ 2,026,576</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2019

		PROGRAM REVENUES			NET REVENUES, (EXPENSES), AND CHANGES IN NET POSITON		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS		TYPE ACTIVITIES	
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 164,142	\$ 21,139	\$ -	\$ -	\$ (143,003)	\$ -	\$ (143,003)
Public Safety	66,205	2,553	-	-	(63,652)	-	(63,652)
Social Services - Health	85,075	82,936	-	-	(2,139)	-	(2,139)
Streets and Roads	99,008	-	-	-	(99,008)	-	(99,008)
Park and Recreation	6,401	-	-	-	(6,401)	-	(6,401)
Total Governmental Activities	420,831	106,628	-	-	(314,203)	-	(314,203)
BUSINESS-TYPE ACTIVITIES:							
Water and Sewer	297,626	321,327	-	-	-	23,701	23,701
Total Business-Type Activities	297,626	321,327	-	-	-	23,701	23,701
Total	\$ 718,457	\$ 427,955	\$ -	\$ -	(314,203)	23,701	(290,502)
GENERAL REVENUES:							
Taxes							
Property Taxes					80,920	-	80,920
State Sales Tax					99,936	-	99,936
State Income Tax					115,536	-	115,536
Motor Fuel Tax					30,298	-	30,298
Other Taxes					60,268	-	60,268
Miscellaneous					7,328	-	7,328
Interest Income					1,890	4,367	6,257
Transfers, Net					130,100	(130,100)	-
Total General Revenues					526,276	(125,733)	400,543
Change in Net Position					212,073	(102,032)	110,041
Net Position, Beginning of Year					977,171	939,365	1,916,536
Net Position, End of Year					\$ 1,189,244	\$ 837,333	\$ 2,026,577

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2019

ASSETS	GENERAL	MOTOR FUEL TAX	TOTALS
Cash and Cash Equivalents	\$ 439,706	\$ 55,698	\$ 495,404
Certificates of Deposits	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Assets	<u>\$ 639,706</u>	<u>\$ 55,698</u>	<u>\$ 695,404</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Unremitted Payroll Taxes	\$ <u>4,507</u>	\$ <u>-</u>	\$ <u>4,507</u>
Total Liabilities	<u>4,507</u>	<u>-</u>	<u>4,507</u>
FUND BALANCES:			
Restricted:			
Special Revenue Fund	-	55,698	55,698
Assigned - Building Improvement	136,597	-	136,597
Unassigned:			
General Fund	<u>498,602</u>	<u>-</u>	<u>498,602</u>
Total Fund Balances	<u>635,199</u>	<u>55,698</u>	<u>690,897</u>
Total Liabilities and Fund Balances	<u>\$ 639,706</u>	<u>\$ 55,698</u>	<u>\$ 695,404</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, 2019

Total fund balance - total governmental funds	\$ 690,897
Capital assets of \$1,102,883 net of accumulated depreciation of \$604,537 are not financial resources and, therefore are not reported in the funds.	<u>498,346</u>
Net position of governmental activities	<u>\$ 1,189,243</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, 2019

	GENERAL	MOTOR FUEL TAX	TOTALS
REVENUES:			
Property Taxes	\$ 80,920	\$ -	\$ 80,920
Sales Tax	99,936	-	99,936
Income Tax	115,536	-	115,536
Motor Fuel Tax	-	30,298	30,298
Other Taxes	60,268	-	60,268
Licenses, Permits, Fees, and Services	21,139	-	21,139
Traffic Fines	2,553	-	2,553
Refuse Collection	82,936	-	82,936
Interest Income	1,890	-	1,890
Miscellaneous	7,328	-	7,328
Total Revenues	<u>472,506</u>	<u>30,298</u>	<u>502,804</u>
EXPENDITURES:			
Current:			
General Government	139,071	-	139,071
Public Safety	57,452	-	57,452
Social Services - Health	85,075	-	85,075
Streets and Roads	73,108	25,900	99,008
Park and Recreation	6,401	-	6,401
Capital Outlay			
General Government	3,500	-	3,500
Streets and Roads	52,762	-	52,762
Public Safety	38,013	-	38,013
Total Expenditures	<u>455,382</u>	<u>25,900</u>	<u>481,282</u>
Excess of Revenues Over (Under)			
Expenditures	<u>17,124</u>	<u>4,398</u>	<u>21,522</u>
Other Financing Sources (Uses):			
Transfers In	130,100	325	130,425
Transfers Out	(325)	-	(325)
Total Other Financing Sources (Uses)	<u>129,775</u>	<u>325</u>	<u>130,100</u>
Net Change in Fund Balance	146,899	4,723	151,622
Fund Balances, Beginning of Year	<u>488,301</u>	<u>50,975</u>	<u>539,276</u>
Fund Balances, End of Year	<u>\$ 635,200</u>	<u>\$ 55,698</u>	<u>\$ 690,898</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, 2019

Net change in fund balances - total governmental funds	\$ 151,622
Governmental funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$94,275 exceeded depreciation of \$33,824.	<u>60,451</u>
Change in net position of governmental activities	<u>\$ 212,073</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2019

ASSETS	BUSINESS- TYPE ACTIVITIES WATER AND SEWER
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 166,738
Certificates of Deposit	350,000
Total Current Assets	<u>516,738</u>
NON-CURRENT ASSETS:	
Capital Assets, Net	<u>381,415</u>
Total Non-Current Assets	<u>381,415</u>
Total Assets	<u>898,153</u>
LIABILITIES	
CURRENT LIABILITIES:	
Notes Payable, Current	<u>7,470</u>
Total Current Liabilities	<u>7,470</u>
NON-CURRENT LIABILITIES:	
Notes Payable	<u>53,350</u>
Total Non-Current Liabilities	<u>53,350</u>
Total Liabilities	<u>60,820</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	320,595
Unrestricted	<u>516,738</u>
Total Net Position	<u>\$ 837,333</u>

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, 2019

	BUSINESS- TYPE ACTIVITIES WATER AND SEWER
OPERATING REVENUES:	
Charges for Services	\$ 321,327
Total Operating Revenues	<u>321,327</u>
OPERATING EXPENSES:	
Chemicals and Supplies	25,657
Depreciation Expense	47,049
Maintenance Service Contract	72,200
Office Expense	4,871
Professional Services	234
Repairs	24,289
Utilities	19,570
Water Purchased	<u>102,099</u>
Total Operating Expenses	<u>295,969</u>
Operating Income	<u>25,358</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest Income	4,367
Interest Expense	<u>(1,657)</u>
Total Non-Operating Revenues (Expenses)	<u>2,710</u>
Income Before Transfers	28,068
Transfers (Out)	<u>(130,100)</u>
Changes in Net Position	(102,032)
Net Position, Beginning of Year	<u>939,365</u>
Net Position, End of Year	<u>\$ 837,333</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, 2019

	BUSINESS- TYPE ACTIVITIES WATER AND SEWER
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 321,327
Payments to Suppliers	(248,920)
Net Cash Provided by Operating Activities	<u>72,407</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Interfund Loan	-
Transfers Out	(130,100)
Net Cash (Used) by Non-Capital Financing Activities	<u>(130,100)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal Paid on Notes Payable	(7,286)
Interest Paid on Notes Payable	(1,657)
Purchases of Capital Assets	(30,348)
Net Cash (Used) by Capital and Related Financing Activities	<u>(39,291)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Certificates of Deposit	-
Redemption of Certificates of Deposit	102,500
Interest on Certificates of Deposit	4,367
Net Cash (Used) by Investing Activities	<u>106,867</u>
Net increase in Cash and Cash Equivalents	9,883
Balances, Beginning of the Year	<u>156,855</u>
Balances, End of the Year	<u>\$ 166,738</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 25,358
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	<u>47,049</u>
Total Adjustments	<u>47,049</u>
Net Cash Provided by Operating Activities	<u>\$ 72,407</u>

See accompanying notes to the basic financial statements.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

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.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

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.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

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.

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 9, 2018.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

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, 2019.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

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 bulk of 2017 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.

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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

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, 2019.

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 \$136,597 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.

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, 2019, the Village had the following certificates of deposit:

	<u>MATURITY</u>	<u>FAIR VALUE</u>
FCB Banks - Certificate of Deposit	7/16/2020	150,000
FCB Banks - Certificate of Deposit	8/13/2021	100,000
FCB Banks - Certificate of Deposit	2/19/2022	100,000
FCB Banks - Certificate of Deposit	7/16/2020	100,000
FCB Banks - Certificate of Deposit	8/13/2021	100,000
		<u>\$ 550,000</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.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 2. CASH AND CERTIFICATES OF DEPOSIT (CONT'D)

Credit risk - The Village requires collateralization for cash and investments in federally insured institutions in excess of FDIC coverage limits. As of April 30, 2019, 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, 2019, none of the Village's bank balance was exposed to custodial credit risk as uninsured and uncollateralized. At April 30, 2019 the reported amount on the Village's deposits was \$1,212,142 and the bank balance was \$1,234,646. \$500,000 of the bank balance was covered by federal depository insurance and the remaining \$734,646 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.

NOTE 3. CAPITAL ASSETS

Changes in capital assets were as follows:

Governmental Activities

	BALANCE APRIL 30, 2018	ADDITIONS	DELETIONS	BALANCE APRIL 30, 2019
Assets Not Depreciated				
Land	\$ 40,947	\$ -	\$ -	\$ 40,947
Assets Depreciated				
Buildings and Improvements	770,937	52,762	-	823,699
Furniture and Equipment	210,224	41,513	13,500	238,237
	<u>981,161</u>	<u>94,275</u>	<u>13,500</u>	<u>1,061,936</u>
Accumulated Depreciation				
Building and Improvements	419,148	15,992	-	435,140
Furniture and Equipment	165,065	17,832	13,500	169,397
	<u>584,213</u>	<u>33,824</u>	<u>13,500</u>	<u>604,537</u>
Governmental Activities, Net	<u>\$ 437,895</u>	<u>\$ 60,451</u>	<u>\$ -</u>	<u>\$ 498,346</u>

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 3. CAPITAL ASSETS (CONT'D)

Business-Type Activities

	BALANCE APRIL 30, 2018	ADDITIONS	DELETIONS	BALANCE APRIL 30, 2019
Assets Not Depreciated				
Land	\$ 23,000	\$ -	\$ -	\$ 23,000
Assets Depreciated				
Water Distribution System	1,600,375		-	1,600,375
Sewerage System	908,367	30,348	-	938,715
	<u>2,531,742</u>	<u>30,348</u>	<u>-</u>	<u>2,562,090</u>
Accumulated Depreciation				
Water Distribution System	1,234,045	29,499	-	1,263,544
Sewerage System	899,581	17,550	-	917,131
	<u>2,133,626</u>	<u>47,049</u>	<u>-</u>	<u>2,180,675</u>
Business-Type Activities, Net	<u>\$ 398,116</u>	<u>\$ (16,701)</u>	<u>\$ -</u>	<u>\$ 381,415</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General Government	\$ 25,071
Public Safety	8,753
	<u>\$ 33,824</u>

Business-Type Activities

Water and Sewer Fund	<u>\$ 47,049</u>
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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, 2018	ISSUED	RETIRED	BALANCE APRIL 30, 2019
Water Tower Note Payable	<u>\$ 68,106</u>	<u>\$ -</u>	<u>\$ 7,286</u>	<u>\$ 60,820</u>

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 4. LONG-TERM DEBT (CONT'D)

The following is a schedule of the debt maturities:

Year Ended April 30,	PRINCIPAL	INTEREST	TOTAL
2020	\$ 7,470	\$ 1,474	\$ 8,944
2021	7,656	1,288	8,944
2022	7,850	1,094	8,944
2023	8,048	896	8,944
2024	8,250	694	8,944
2025-2027	21,546	812	22,358
	<u>\$ 60,820</u>	<u>\$ 6,258</u>	<u>\$ 67,078</u>

Interest expense of \$1,657 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 \$32,317. 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.

NOTE 7. INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended April 30, 2019 consist of the following:

Transfers-out	Transfers-in	AMOUNT
Water and Sewer Fund	General Fund	\$ 130,100
General Fund	Motor Fuel Tax Fund	325
		<u>\$ 130,425</u>

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. The General Fund transferred money to the Motor Fuel Tax Fund to reimburse for expenses paid on behalf of the General Fund.

VILLAGE OF ALBERS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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, 2019 was \$23,394. 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, 2019:

General Fund	\$60,392
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SUPPLEMENTARY INFORMATION

VILLAGE OF ALBERS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET -</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	<u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUE:				
Property Taxes	\$ 128,000	\$ 128,000	\$ 80,920	\$ (47,080)
Sales Tax	88,000	88,000	99,936	11,936
Income Tax	128,000	128,000	115,536	(12,464)
Video Gaming Tax	6,000	6,000	6,593	593
Other Taxes	32,500	32,500	53,675	21,175
License, Permits, and Service Fees	13,000	13,000	21,139	8,139
Traffic Fines	6,000	6,000	2,553	(3,447)
Refuse Collection	94,000	94,000	82,936	(11,064)
Interest Income	-	-	1,890	1,890
Miscellaneous	1,000	1,000	7,328	6,328
Total Revenue	<u>496,500</u>	<u>496,500</u>	<u>472,506</u>	<u>(23,994)</u>
EXPENDITURES:				
General Government				
Personnel Expenses	41,000	41,000	59,627	(18,627)
Maintenance Services/Construction	-	-	-	-
Office Supplies	8,500	8,500	10,234	(1,734)
Utilities	16,000	16,000	13,957	2,043
Repairs and Maintenance	7,000	7,000	9,091	(2,091)
Auditing and Professional Fees	21,000	21,000	19,584	1,416
Insurance	22,000	22,000	24,282	(2,282)
Equipment Purchases	-	-	3,500	(3,500)
Fuel	-	-	-	-
Miscellaneous	3,500	3,500	2,296	1,204
	<u>119,000</u>	<u>119,000</u>	<u>142,571</u>	<u>(23,571)</u>
Public Safety				
Personnel Expenses	65,000	65,000	53,102	11,898
Supplies	5,000	5,000	2,369	2,631
Repairs and Maintenance	3,000	3,000	89	2,911
Utilities	-	-	-	-
Equipment Purchases	1,500	1,500	38,013	(36,513)
Fuel	2,500	2,500	1,892	608
Miscellaneous	-	-	-	-
	<u>77,000</u>	<u>77,000</u>	<u>95,465</u>	<u>(18,465)</u>
Social Services - Health				
Refuse and Garbage Collection	\$ 94,000	\$ 94,000	\$ 85,075	\$ 8,925

VILLAGE OF ALBERS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Streets and Roads				
Utilities	\$ 15,000	\$ 15,000	\$ 9,236	\$ 5,764
Repairs and Maintenance	15,000	15,000	14,434	566
Professional Fees	53,000	53,000	47,628	5,372
Equipment Purchases	11,000	11,000	52,762	(41,762)
Fuel	4,000	4,000	1,810	2,190
	<u>98,000</u>	<u>98,000</u>	<u>125,870</u>	<u>(27,870)</u>
Park and Recreation				
Personnel Expense	-	-	1,470	(1,470)
Utilities	4,000	4,000	3,778	222
Repairs and Maintenance	9,500	9,500	1,153	8,347
Professional Fees	3,500	3,500	-	3,500
	<u>17,000</u>	<u>17,000</u>	<u>6,401</u>	<u>10,599</u>
Debt Service				
Principal and Interest Payments	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>405,000</u>	<u>405,000</u>	<u>455,382</u>	<u>(50,382)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 91,500</u>	<u>\$ 91,500</u>	17,124	<u>\$ (74,376)</u>
Other Financing Sources (Uses)				
Transfers In			130,100	
Transfers Out			(325)	
Total Other Financing Sources			<u>129,775</u>	
Net Change in Fund Balance			<u>146,899</u>	
Beginning Fund Balance			<u>488,301</u>	
Ending Fund Balance			<u>\$ 635,200</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, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE:				
Taxes	\$ 30,000	\$ 30,000	\$ 30,298	\$ 298
Miscellaneous revenue	-	-	-	-
Total Revenue	30,000	30,000	30,298	298
EXPENDITURES:				
Highways and Streets	30,000	30,000	25,900	4,100
Total Expenditures	30,000	30,000	25,900	4,100
Excess of Revenues Over Expenditures	-	-	4,398	4,398
TRANSFERS:				
Transfers from General Fund	-	-	325	325
Transfers to General Fund	-	-	-	-
Net Transfers	-	-	325	325
Net Change in Fund Balance	\$ -	\$ -	4,723	\$ 4,723
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			-	-
Effect of Unrecorded Liabilities			-	-
Beginning Fund Balance			50,975	
Ending Fund Balance			\$ 55,698	

VILLAGE OF ALBERS, ILLINOIS
NOTES TO BUDGET TO ACTUAL COMPARISON SCHEDULES
APRIL 30, 2019

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 9, 2018.

VILLAGE OF ALBERS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - MODIFIED CASH BASIS
GENERAL FUND
YEAR ENDED APRIL 30, 2019

REVENUES:

Property Taxes	\$ 80,920
Sales Tax	99,936
Income Tax	115,536
Video Gaming Tax	6,593
Other Taxes	53,675
Licenses, Permits, Fees, and Services	21,139
Traffic Fines	2,553
Refuse Collection	82,936
Interest Income	1,890
Miscellaneous	7,328
Total Revenues	<u>472,506</u>

EXPENDITURES:

Fuel	3,702
Insurance Expense	24,282
Miscellaneous	2,296
Maintenance Services	47,500
Office Supplies and Postage	12,603
Professional Fees	19,712
Repairs and Maintenance	24,767
Refuse Collection	85,075
Salaries	114,199
Utilities	26,971
Capital Outlay	94,275
Total Expenditures	<u>455,382</u>

Excess of Revenues Over Expenditures	<u>17,124</u>
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OTHER FINANCING SOURCES (USES):

Transfers In	130,100
Transfers Out	<u>(325)</u>

Total Other Financing Sources (Uses)	<u>129,775</u>
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Net Change in Fund Balance	146,899
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Fund Balances, Beginning of Year	<u>488,301</u>
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Fund Balances, End of Year	<u>\$ 635,200</u>
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VILLAGE OF ALBERS, ILLINOIS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2019

	WATER	SEWER	TOTAL
OPERATING REVENUES:			
Water Charges	\$ 221,951	\$ -	\$ 221,951
Sewer Charges	<u>-</u>	<u>99,376</u>	<u>99,376</u>
Total Operating Revenues	<u>221,951</u>	<u>99,376</u>	<u>321,327</u>
OPERATING EXPENSES:			
Maintenance Service	36,100	36,100	72,200
Professional Fees	234		234
Depreciation Expense	29,499	17,550	47,049
Utilities	3,484	16,086	19,570
Office Expense	3,871	1,000	4,871
Water Purchases	102,099	-	102,099
Repairs	18,303	5,986	24,289
Supplies and Chemicals	<u>21,836</u>	<u>3,821</u>	<u>25,657</u>
Total Operating Expenses	<u>215,426</u>	<u>80,543</u>	<u>295,969</u>
Operating Income	<u>6,525</u>	<u>18,833</u>	<u>25,358</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	4,367	-	4,367
Interest Expense	<u>(1,657)</u>	<u>-</u>	<u>(1,657)</u>
Total Non-Operating Revenues (Expenses)	<u>2,710</u>	<u>-</u>	<u>2,710</u>
Income Before Transfers	9,235	18,833	28,068
Transfers (Out)	<u>(65,050)</u>	<u>(65,050)</u>	<u>(130,100)</u>
Changes in Net Position	(55,815)	(46,217)	(102,032)
Net Position, Beginning of Year	<u>400,369</u>	<u>538,996</u>	<u>939,365</u>
Net Position, End of Year	<u>\$ 344,554</u>	<u>\$ 492,779</u>	<u>\$ 837,333</u>