
**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED APRIL 30, 2020**

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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UNION COUNTY, ILLINOIS**

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Cobden
Cobden, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cobden, Illinois, as of and for the year ended April 30, 2020, 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 presentation 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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, each major fund, and the aggregate remaining fund information of the Village of Cobden, Illinois, as of April 30, 2020, and the respective changes in the 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 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.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Cobden's basic financial statements. The General Fund Schedules, Nonmajor Governmental Funds Statements, and Budgetary Comparison Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund Schedules and the Nonmajor Governmental Funds Statement 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 Schedules and the Nonmajor Governmental Funds Statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Budgetary Comparison Schedules, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2020 on our consideration of the Village of Cobden's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Cobden's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Village of Cobden's internal control over financial reporting and compliance.



KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Marion, Illinois

September 23, 2020

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

Board of Trustees
Village of Cobden
Cobden, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cobden, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village of Cobden's basic financial statements and have issued our report thereon dated September 23, 2020. The report states that the basic financial statements were 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 were not modified with respect to that matter.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2020-001 and 2020-002 that we consider to be material weaknesses.

Compliance and Other Matters

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

Village of Cobden's Responses to Findings

The Village of Cobden's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Village of Cobden's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Marion, Illinois
September 23, 2020

BASIC FINANCIAL STATEMENTS

**VILLAGE OF COBDEN, ILLINOIS
UNION COUNTY, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 166,134	\$ 136,488	\$ 302,622
Noncurrent assets			
Capital assets not being depreciated			
Land	33,038	23,669	56,707
Total capital assets not being depreciated	33,038	23,669	56,707
Other capital assets			
Equipment and vehicles	884,448	387,971	1,272,419
Buildings	334,001	1,241,644	1,575,645
Land improvements	20,905	-	20,905
Infrastructure	-	2,963,951	2,963,951
Less accumulated depreciation	(946,308)	(1,317,109)	(2,263,417)
Total other capital assets, net	293,046	3,276,457	3,569,503
Total noncurrent assets	326,084	3,300,126	3,626,210
Total Assets	492,218	3,436,614	3,928,832
LIABILITIES			
Current liabilities			
Utility deposits	-	8,337	8,337
Payroll liabilities	7,764	-	7,764
Due within on year:			
Lease-purchase agreement payable	6,134	-	6,134
Billings overage payable	-	20,000	20,000
Bonds payable	-	24,000	24,000
Total Current Liabilities	13,898	52,337	66,235
Noncurrent Liabilities			
Due in more than one year:			
Lease-purchase agreement payable	1,055	-	1,055
Bonds payable	-	1,252,000	1,252,000
Total Noncurrent Liabilities	1,055	1,252,000	1,253,055
Total Liabilities	14,953	1,304,337	1,319,290
NET POSITION			
Net investment in capital assets	318,895	2,024,126	2,343,021
Restricted for other purposes	126,701	-	126,701
Unrestricted	31,669	108,151	139,820
Total Net Position	\$ 477,265	\$ 2,132,277	\$ 2,609,542

The accompanying notes are an integral part of these financial statements.

VILLAGE OF COBDEN, ILLINOIS
UNION COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 62,733	\$ 12,455	\$ 5,058	\$ -	\$ (45,220)	\$ -	\$ (45,220)
Public safety	330,182	6,687	421	898	(322,176)	-	(322,176)
Public works and transportation	254,568	107,438	41,825	-	(105,305)	-	(105,305)
Social services	46,442	5,950	11,821	-	(28,671)	-	(28,671)
Culture and recreation	35,493	-	2,009	-	(33,484)	-	(33,484)
Total Governmental Activities	<u>729,418</u>	<u>132,530</u>	<u>61,134</u>	<u>898</u>	<u>(534,856)</u>	<u>-</u>	<u>(534,856)</u>
Business-type Activities:							
Water fund	254,664	345,332	-	-	-	90,668	90,668
Sewer fund	237,901	169,513	-	-	-	(68,388)	(68,388)
Gas fund	294,820	267,360	-	-	-	(27,460)	(27,460)
Total Business-type Activities	<u>787,385</u>	<u>782,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,180)</u>	<u>(5,180)</u>
Total Primary Government	<u>\$ 1,516,803</u>	<u>\$ 914,735</u>	<u>\$ 61,134</u>	<u>\$ 898</u>	<u>(534,856)</u>	<u>(5,180)</u>	<u>(540,036)</u>
General Revenues and Transfers:							
Taxes							
Property tax					94,437	-	94,437
Utility tax					47,023	-	47,023
Intergovernmental revenue							
Sales and use tax					90,683	-	90,683
Telecommunications tax					11,567	-	11,567
State income tax					125,401	-	125,401
Replacement tax					5,035	-	5,035
Video gaming tax					5,905	-	5,905
Interest income					368	131	499
Other receipts and reimbursements					18,840	-	18,840
Transfers (to) from other funds					135,900	(112,200)	23,700
Total General Revenues and Transfers					<u>535,159</u>	<u>(112,069)</u>	<u>423,090</u>
Change in Net Position					303	(117,249)	(116,946)
Net Position, May 1, 2019					<u>476,962</u>	<u>2,249,526</u>	<u>2,726,488</u>
Net Position, April 30, 2020					<u>\$ 477,265</u>	<u>\$ 2,132,277</u>	<u>\$ 2,609,542</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

BALANCE SHEET - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

April 30, 2020

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 39,433	\$ 126,701	\$ 166,134
Total Assets	<u>\$ 39,433</u>	<u>\$ 126,701</u>	<u>\$ 166,134</u>
LIABILITIES AND FUND BALANCE			
Current liabilities			
Payroll liabilities	\$ 7,764	\$ -	\$ 7,764
Total Liabilities	<u>7,764</u>	<u>-</u>	<u>7,764</u>
Fund Balance			
Restricted	-	126,701	126,701
Unassigned	31,669	-	31,669
Total Fund Balances	<u>31,669</u>	<u>126,701</u>	<u>158,370</u>
Total Liabilities and Fund Balance	<u>\$ 39,433</u>	<u>\$ 126,701</u>	<u>\$ 166,134</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

April 30, 2020

Total Fund Balances—Governmental Funds	\$ 158,370
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	326,084
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	
Lease-purchase agreement payable	<u>(7,189)</u>
Net Position of Governmental Activities	<u><u>\$ 477,265</u></u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS**

GOVERNMENTAL FUNDS

For the Year Ended April 30, 2020

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenues			
Local taxes			
Property tax	\$ 55,000	\$ 39,437	\$ 94,437
Utility tax	47,023	-	47,023
	<u>102,023</u>	<u>39,437</u>	<u>141,460</u>
Intergovernmental revenues			
Sales and use tax	90,683	-	90,683
Telecommunications tax	11,567	-	11,567
State income tax	125,401	-	125,401
Replacement tax	5,035	-	5,035
Video gaming tax	5,905	-	5,905
Motor fuel tax	-	41,825	41,825
State grants	898	-	898
	<u>239,489</u>	<u>41,825</u>	<u>281,314</u>
Other local sources			
Fees and fines	132,530	-	132,530
Interest income	36	332	368
Donations	19,309	-	19,309
Miscellaneous	18,840	-	18,840
	<u>170,715</u>	<u>332</u>	<u>171,047</u>
Total Revenues	<u>512,227</u>	<u>81,594</u>	<u>593,821</u>
Expenditures			
Current			
General government	42,183	16,713	58,896
Public safety	295,842	-	295,842
Public works and transportation	215,294	33,923	249,217
Social services	43,538	-	43,538
Culture and recreation	30,646	-	30,646
Capital outlay	16,728	-	16,728
	<u>644,231</u>	<u>50,636</u>	<u>694,867</u>
Total Expenditures	<u>644,231</u>	<u>50,636</u>	<u>694,867</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(132,004)</u>	<u>30,958</u>	<u>(101,046)</u>
Other Financing Sources (Uses)			
Lease-purchase agreement principal payments	(5,728)	-	(5,728)
Lease-purchase agreement interest expense	(783)	-	(783)
Transfers (to) from other funds	135,900	-	135,900
	<u>129,389</u>	<u>-</u>	<u>129,389</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(2,615)</u>	<u>30,958</u>	<u>28,343</u>
Fund Balance, May 1, 2019	<u>34,284</u>	<u>95,743</u>	<u>130,027</u>
Fund Balance, April 30, 2020	<u>\$ 31,669</u>	<u>\$ 126,701</u>	<u>\$ 158,370</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For the Year Ended April 30, 2020

Net Change in Fund Balance - Total Governmental Funds	\$	28,343
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Amounts reported for *governmental activities* in the Statement of Activities - Modified Cash Basis are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities - Modified Cash Basis, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capital asset purchases capitalized	\$ 16,728		
Depreciation expense	<u>(50,496)</u>		(33,768)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds; however, this transaction does not have any effect on net position:

Repayment of principal of long-term debt		<u>5,728</u>	
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Change in Net Position of Governmental Activities	\$	<u><u>303</u></u>
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The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

April 30, 2020

	Enterprise Funds			
	Water Fund	Sewer Fund	Gas Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 52,318	\$ 66,452	\$ 17,718	\$ 136,488
Noncurrent assets				
Capital assets not being depreciated				
Land	13,669	10,000	-	23,669
Total capital assets not being depreciated	13,669	10,000	-	23,669
Other capital assets				
Equipment and vehicles	142,311	119,614	126,046	387,971
Buildings	305,125	931,618	4,901	1,241,644
Infrastructure	126,534	2,801,881	35,536	2,963,951
Less accumulated depreciation	(262,259)	(917,587)	(137,263)	(1,317,109)
Total other capital assets, net	311,711	2,935,526	29,220	3,276,457
Total noncurrent assets	325,380	2,945,526	29,220	3,300,126
Total Assets	377,698	3,011,978	46,938	3,436,614
LIABILITIES				
Current Liabilities				
Utility deposits	4,095	-	4,242	8,337
Current portion of billing overage payable	-	-	20,000	20,000
Current portion of bonds payable	-	24,000	-	24,000
Total current liabilities	4,095	24,000	24,242	52,337
Noncurrent Liabilities				
Bonds payable	-	1,252,000	-	1,252,000
Total noncurrent liabilities	-	1,252,000	-	1,252,000
Total Liabilities	4,095	1,276,000	24,242	1,304,337
NET POSITION				
Net investment in capital assets	325,380	1,669,526	29,220	2,024,126
Unrestricted	48,223	66,452	(6,524)	108,151
Total Net Position	\$ 373,603	\$ 1,735,978	\$ 22,696	\$ 2,132,277

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Enterprise Funds			
	Water Fund	Sewer Fund	Gas Fund	Total
Operating Revenues				
Charges for services	\$ 345,332	\$ 169,513	\$ 267,360	\$ 782,205
Cost of services	-	-	(67,674)	(67,674)
Gross margin	345,332	169,513	199,686	714,531
Operating Expenses				
Salaries and benefits	161,261	64,225	148,191	373,677
Contractual expenses	56,065	55,274	65,724	177,063
Supplies / Commodities	18,461	7,262	8,555	34,278
Interest & service charge	-	27,625	-	27,625
Depreciation	18,877	83,515	4,676	107,068
	254,664	237,901	227,146	719,711
Operating Revenues over (under)				
Operating Expenditures	90,668	(68,388)	(27,460)	(5,180)
Non-Operating Items				
Interest income	9	109	13	131
Income (Loss) before Transfers	90,677	(68,279)	(27,447)	(5,049)
Transfers (to) from other funds	(99,500)	-	(12,700)	(112,200)
Change in Net Position	(8,823)	(68,279)	(40,147)	(117,249)
Net Position, May 1, 2019	382,426	1,804,257	62,843	2,249,526
Net Position, April 30, 2020	\$ 373,603	\$ 1,735,978	\$ 22,696	\$ 2,132,277

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS**

For the Year Ended April 30, 2020

	Enterprise Funds			
	Water Fund	Sewer Fund	Gas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 345,332	\$ 169,513	\$ 267,360	\$ 782,205
Payments to suppliers	(74,526)	(62,536)	(141,953)	(279,015)
Payments to employees	(161,261)	(64,225)	(148,191)	(373,677)
Other receipts (payments)	(100)	-	(19,447)	(19,547)
Net cash provided (used) by operating activities	<u>109,445</u>	<u>42,752</u>	<u>(42,231)</u>	<u>109,966</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers (to) from other funds	(99,500)	-	(12,700)	(112,200)
Net cash provided (used) by noncapital financing activities	<u>(99,500)</u>	<u>-</u>	<u>(12,700)</u>	<u>(112,200)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest on capital debt	-	(27,625)	-	(27,625)
Purchases of capital assets	(1,300)	(211,214)	(4,735)	(217,249)
Retirement of bonds payable	-	(24,000)	-	(24,000)
Net cash provided (used) by capital and related financing activities	<u>(1,300)</u>	<u>(262,839)</u>	<u>(4,735)</u>	<u>(268,874)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned	9	109	13	131
Net cash provided (used) by investing activities	<u>9</u>	<u>109</u>	<u>13</u>	<u>131</u>
Net increase (decrease) in cash and cash equivalents	8,654	(219,978)	(59,653)	(270,977)
Cash and cash equivalents, May 1, 2019	43,664	286,430	77,371	407,465
Cash and cash equivalents, April 30, 2020	<u>\$ 52,318</u>	<u>\$ 66,452</u>	<u>\$ 17,718</u>	<u>\$ 136,488</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating revenues over (under) operating expenditures	\$ 90,668	\$ (68,388)	\$ (27,460)	\$ (5,180)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation expense	18,877	83,515	4,676	107,068
Interest on capital debt	-	27,625	-	27,625
Change in assets and liabilities:				
Utility deposits	(100)	-	553	453
Billings overage payable	-	-	(20,000)	(20,000)
Net cash flows provided by operating activities	<u>\$ 109,445</u>	<u>\$ 42,752</u>	<u>\$ (42,231)</u>	<u>\$ 109,966</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS**

FIDUCIARY FUND

April 30, 2020

	<u>Private-Purpose Trust Cemetery Perpetual Trust Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 210,693
Total Assets	<u>210,693</u>
LIABILITIES	
	<u>-</u>
NET POSITION	
Held for other purposes	<u>210,693</u>
Total Net Position	<u><u>\$ 210,693</u></u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS**

FIDUCIARY FUND

For the Year Ended April 30, 2020

	Private-Purpose Trust
	Cemetery Perpetual Trust Fund
ADDITIONS	
Interest income	\$ 14,431
DEDUCTIONS	
Transfers to other funds	<u>23,700</u>
Change in Net Position	(9,269)
Net Position, May 1, 2019	<u>219,962</u>
Net Position, April 30, 2020	<u><u>\$ 210,693</u></u>

The accompanying notes are an integral part of these statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Cobden are in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB), except as noted in Note 1B.

A. Reporting Entity

The Village of Cobden operates as a non-home-rule unit, and functions under a President - Trustee form of government, providing the following services: public safety, highways and streets, utilities, cemetery, park and general administrative services. The Village, for financial purposes, includes all of the funds relevant to the operations of the Village of Cobden. The Village is considered to be a primary government pursuant to GASB Statement No. 14 since it is legally separate and fiscally independent. The Village has no component units which are legally separate entities from the Village for which the Village is financially accountable or whose relationship with the Village is such that exclusion would cause the Village's statements to be misleading or incomplete.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of Accounting refers to "when" transactions are recorded regardless of the measurement focus applies.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus as applied to the modified cash basis of accounting is used as appropriate:

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position, Statement of Activities, and the fund financial statements, the governmental activities and business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions, with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Concluded)

Basis of Accounting (Concluded)

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable and accrued expenses and liabilities) are *not recorded* in these financial statements.

C. Government-Wide and Fund Financial Statements

The Village of Cobden's government-wide financial statements include the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis and display information about the reporting government as a whole. These statements focus on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the current fiscal period. The statements include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Village's utility services are classified as business-type activities. All other services are classified as governmental activities.

All of the Village of Cobden's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position – Modified Cash Basis. The Statement of Activities – Modified Cash Basis demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities such as payables, receivables, and transfers. Any interfund activities between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet – Modified Cash Basis and the proprietary fund Statement of Net Position – Modified Cash Basis and as other financing sources (uses) on the governmental fund Statement of Revenues, Expenses and Changes in Fund Balance – Modified Cash basis and the proprietary fund Statement of Revenues, Expenses and Changes in Net Position – Modified Cash Basis. All interfund transactions between governmental funds or proprietary funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/ due from or as a transfer on the government-wide financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Concluded)

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within funds.

In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the Village the option of electing to apply FASB pronouncements issued after November 30, 1989. The Village has elected not to apply those pronouncements.

D. Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Village uses governmental, proprietary and fiduciary funds. Within each fund, the Village has created a number of sub-funds in order to separately report to management the various activities within each fund.

Governmental Funds

Governmental funds are those through which most governmental functions of the Village are typically reported. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

Governmental Fund Financial Statements include a Balance Sheet – Modified Cash Basis and a Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as well as the changes in fund balances as presented in these statements to the Net Position and changes in Net Position presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with the modified cash basis of accounting as discussed in Note 1B above.

The Village reports the following types of governmental funds:

General Fund – The General Fund is established to account for resources devoted to financing the general services that the Village performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Continued)

Governmental Funds (Concluded)

Special Revenue Funds - Special Revenue Funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts or major capital projects that are legally restricted to expenditures for specific purposes.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in Net Position, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues of the Village's proprietary funds are charges to customers for utility services. Operating expenses include the cost of these services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary Fund Financial Statements include a Statement of Net Position – Modified Cash Basis, a Statement of Revenues, Expenses and Changes in Net Position – Modified Cash Basis, and a Statement of Cash Flows – Modified Cash Basis for each major proprietary fund and non-major funds aggregated.

The proprietary fund financial statements have been prepared in accordance with the modified cash basis of accounting as discussed in Note 1B above.

The Village reports the following type of proprietary fund:

Enterprise Funds - Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The purpose of the Village's Enterprise Funds is to provide utility services to the Village.

Fiduciary Funds

Trust Funds - The Trust Funds are established to account for assets held by the Village in a trustee capacity. These funds include the Cemetery Perpetual Trust Fund.

Major and Nonmajor Funds

As prescribed by GASB Statement No. 34, government and proprietary fund reporting focuses on the major fund, rather than on fund type. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of an individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Concluded)

Major and Nonmajor Funds (Concluded)

- b. Total assets, liabilities, revenues, or expenditures of an individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor governmental funds and/or nonmajor proprietary funds. The Village has presented all major funds that have met the above criteria.

Major Funds

The Village reports on the following major governmental funds:

General Fund – This is the Village’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village reports on the following major proprietary funds:

Water Fund – This fund accounts for the activities related to the water distribution system.

Sewer Fund – This fund accounts for the activities related to the sewage pumping station and sewage treatment lagoons.

Gas Fund – This fund accounts for the activities related to the gas distribution system.

Nonmajor Funds

The Village reports on the following nonmajor governmental funds:

Motor Fuel Tax Fund – This fund is a special revenue fund established to receive allotments of motor fuel taxes from the State of Illinois. This money is restricted to specific programs approved by the State.

Tax Increment Financing (TIF) Fund – This fund accounts for the activities related to the development or redevelopment of property within the TIF district.

The Village does not have any nonmajor proprietary funds.

E. Net Position

Equity is classified as Net Position in the government-wide financial statements and is displayed in three components:

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Net Position (Concluded)

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consists of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted Net Position – All other Net Position that does not meet the definition of "restricted" or "invested in capital assets."

F. Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet – Modified Cash Basis:

Nonspendable fund balance – The portion of a governmental fund's Net Position that are not available to be spent, either short term or long term, in either form or through legal restrictions. The Village of Cobden has no nonspendable fund balances.

Restricted fund balance – The portion of a governmental fund's Net Position with constraints placed on the use of resources which are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislations. The following funds have restricted fund balances: Motor Fuel Tax Fund (\$33,497) and Tax Increment Financing Fund (\$93,204).

Committed fund balance – The portion of a governmental fund's Net Position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Village of Cobden has no committed fund balances.

Assigned fund balance – The portion of a governmental fund's Net Position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Board of Trustees. The Village of Cobden has no assigned fund balances.

Unassigned fund balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: General Administration, Cemetery, Fire, Parks, Police and Streets.

Unless specifically identified, expenditures act to reduce restricted fund balances first, then committed balances, next assigned balances, and finally unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Cash and Cash Equivalents

For purposes of the statement of cash flows of the enterprise funds, the Village considers all cash and certificates of deposit to be cash and cash equivalents.

H. Capital Assets

The accounting treatment over fixed assets depends on whether the assets are used in the governmental fund operations or proprietary funds operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment & Vehicles	5-10 years
Buildings	40-50 years
Land improvements	20 years
Infrastructure	30-50 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

GASB No. 34 required the Village to begin reporting and depreciating new infrastructure effective with the beginning of the year ended April 30, 2005. Infrastructure assets include roads, bridges, underground pipe, traffic signals, etc.

I. Encumbrances

The Village does not maintain information concerning encumbrances; therefore, no amounts for encumbrances are reported in the financial statements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

J. Budgets and Budgetary Accounting

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

The Village President submits to the Board of Trustees a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted at regular board meetings to obtain taxpayer comments. Prior to May 1 the budget is legally enacted through the passage of an ordinance.

The Village Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Board.

K. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of management's estimates. Accordingly, actual results may differ from those estimates.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations resulting from cash transactions are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of any applicable bond premium or discount.

M. Date of Management's Review

Management of the Village of Cobden has evaluated subsequent events through September 23, 2020, the date which the financial statements were available to be issued. Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Village's financial position, results of its operations, and cash flows, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might results from the outcome of this uncertainty.

NOTE 2: PROPERTY TAX

The Village's Property Tax Levy is due on the second Tuesday in December. The County Clerk (Union County, Illinois) calculates, extends, bills and collects the Village's property taxes. The property taxes are payable in two installments.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 2: PROPERTY TAX (CONCLUDED)

The Village's property tax is levied each year on all taxable real property located in the Village on or before the last Tuesday in December. The 2018 levy was passed by the Board on August 20, 2018. Property taxes attach as an enforceable lien on property as of the January 1. The property taxes are typically due in July and September, and are distributed to the Village in August, September, and November. Taxes recorded in these financial statements are from the 2018 and prior tax levies for which payments were received during the year ended April 30, 2020.

The following are the tax rate limits permitted by Local Referendum and the actual rates levied per \$100.00 of assessed valuation:

Fund	Limit	2018 Payable 2019 Levy
Corporate	0.32000	0.25069
Police Protection	0.07500	0.07500
Fire Protection	0.07500	0.07500
Street Lighting	0.05000	0.05000
Parks	0.07500	0.07500
Social Security	As Needed	0.10611
Illinois Municipal Retirement Fund	As Needed	0.10611
Unemployment Insurance	As Needed	0.04598
School Crossing Guards	0.02000	0.02000
		<u>0.80389</u>

NOTE 3: CASH AND CASH EQUIVALENTS

The Village is allowed to invest in securities as authorized by Illinois Compiled Statutes, Section 235/2.

At April 30, 2020, the carrying amount of the Village's cash deposits, including certificates of deposit, was \$513,315 which includes \$100 in petty cash maintained by various funds. The bank balance of these deposits was \$528,550. Of the total bank balance as of April 30, 2020, the total amount of \$528,550 was insured by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk – Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned. To guard against custodial credit risk for deposits with financial institutions, the Village's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral with a written agreement and held at an independent, third-party institution, in the name of the Village.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 33,038	\$ -	\$ -	\$ 33,038
 <u>Other Capital Assets:</u>				
Equipment & Vehicles	881,675	\$ 2,773	\$ -	884,448
Building	334,001	-	-	334,001
Land improvements	6,950	13,955	-	20,905
	<u>1,222,626</u>	<u>\$ 16,728</u>	<u>\$ -</u>	<u>1,239,354</u>
 <u>Accumulated Depreciation:</u>				
Equipment & Vehicles	735,889	\$ 41,538	\$ -	777,427
Building	159,778	8,197	-	167,975
Land improvements	145	761	-	906
	<u>895,812</u>	<u>\$ 50,496</u>	<u>\$ -</u>	<u>946,308</u>
Other Capital Assets, Net	<u>326,814</u>			<u>293,046</u>
 Capital Assets, Net	<u>\$ 359,852</u>			<u>\$ 326,084</u>

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 23,669	\$ -	\$ -	\$ 23,669
Construction in Progress	27,247	210,269	237,516	-
	<u>50,916</u>	<u>\$ 210,269</u>	<u>\$ 237,516</u>	<u>23,669</u>
 <u>Other Capital Assets:</u>				
Equipment & Vehicles	380,991	\$ 6,980	\$ -	\$ 387,971
Building	1,241,644	-	-	1,241,644
Infrastructure	2,726,435	237,516	-	2,963,951
	<u>4,349,070</u>	<u>\$ 244,496</u>	<u>\$ -</u>	<u>4,593,566</u>
 <u>Accumulated Depreciation:</u>				
Equipment & Vehicles	256,510	\$ 21,485	\$ -	277,995
Building	845,109	24,525	-	869,634
Infrastructure	108,422	61,058	-	169,480
	<u>1,210,041</u>	<u>\$ 107,068</u>	<u>\$ -</u>	<u>1,317,109</u>
Other Capital Assets, Net	<u>3,139,029</u>			<u>3,276,457</u>
 Capital Assets, Net	<u>\$ 3,189,945</u>			<u>\$ 3,300,126</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 4: CAPITAL ASSETS (CONCLUDED)

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 3,837
Public Safety	33,557
Public Works and Transportation	5,351
Social Services	2,904
Culture and recreation	4,847
Total Depreciation Expense	<u>\$ 50,496</u>

Business-Type Activities:

Water Fund	\$ 18,877
Sewer Fund	83,515
Gas Fund	4,676
Total Depreciation Expense	<u>\$ 107,068</u>

NOTE 5: BILLINGS OVERAGE PAYABLE

During the year ended April 30, 2018, the Village of Cobden determined it had been incorrectly billing one of its gas customers since 1998. The result was that the Village had overbilled the customer by a total of \$80,043. Upon learning of the error, the Village made an immediate payment of \$20,043 in order reimburse the customer for this over billing. The Village will make subsequent payments of \$10,000 on October 1 and March 1 of each year beginning October 1, 2018 and ending March 1, 2021. At April 30, 2020, the Village's current portion of this payable was \$20,000 and the noncurrent portion was \$0.

NOTE 6: LONG-TERM DEBT AND SERVICE REQUIREMENTS

The following is a summary of changes in long-term debt for the year ended April 30, 2020:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
	<u>Lease-Purchase Agreement</u>	<u>2015 Sewerage System Revenue Bonds</u>	<u>Total</u>
Balance, May 1, 2019	\$ 12,917	\$ 1,300,000	\$ 1,312,917
Addition of New Debt	-	-	-
Debt Retired	5,728	24,000	29,728
Balance, April 30, 2020	<u>\$ 7,189</u>	<u>\$ 1,276,000</u>	<u>\$ 1,283,189</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 6: LONG-TERM DEBT AND SERVICE REQUIREMENTS (CONTINUED)

The following is a description of the debt issues and the debt service requirements to maturity:

Lease-Purchase Agreement

Ford F-150 Police Vehicle
Lessor: Ford Credit
Dated: September 25, 2018
Interest Rate: 6.9%
Principal: \$17,265
Maturity Date: June 25, 2021
Collateral: Ford F-150 Police Vehicle

Fiscal Year	Principal	Interest	Total
2021	\$ 6,134	\$ 377	\$ 6,511
2022	1,055	28	1,083
	<u>\$ 7,189</u>	<u>\$ 405</u>	<u>\$ 7,594</u>

Bonds

Sewerage System Revenue Bonds, Series 2015
Original Amount of Issuance: \$1,364,000
Principal Amount Payable: January 1
Maturity Date: January 1, 2054
Interest Rate 2.5% Semi-Annual (paid on January 1 and July 1)

Fiscal Year	Principal	Interest	Total
2021	\$ 24,000	\$ 31,600	\$ 55,600
2022	24,000	31,000	55,000
2023	24,000	30,400	54,400
2024	24,000	29,800	53,800
2025	28,000	29,150	57,150
2026-2030	144,000	135,200	279,200
2031-2035	164,000	115,950	279,950
2036-2040	188,000	94,050	282,050
2041-2045	208,000	69,300	277,300
2046-2050	236,000	41,450	277,450
2051-2054	212,000	10,750	222,750
	<u>\$ 1,276,000</u>	<u>\$ 618,650</u>	<u>\$ 1,894,650</u>

There are certain restrictions and limitations imposed by the bond ordinances that provide for the issuance and retirement of the bonds. All monies are required to be segregated and restricted in separate reserve accounts. For the year ended April 30, 2020, the Village complied with all bond ordinance requirements.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 6: LONG-TERM DEBT AND SERVICE REQUIREMENTS (CONCLUDED)

Total future debt service requirements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 30,134	\$ 31,977	\$ 62,111
2022	25,055	31,028	56,083
2023	24,000	30,400	54,400
2024	24,000	29,800	53,800
2025	28,000	29,150	57,150
2026-2030	144,000	135,200	279,200
2031-2035	164,000	115,950	279,950
2036-2040	188,000	94,050	282,050
2041-2045	208,000	69,300	277,300
2046-2050	236,000	41,450	277,450
2051-2054	212,000	10,750	222,750
	<u>\$ 1,283,189</u>	<u>\$ 619,055</u>	<u>\$ 1,902,244</u>

NOTE 7: INTERFUND TRANSFERS

The following interfund transfers occurred during the year ended April 30, 2020 in order to meet operating costs:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 135,900	\$
Proprietary		
Water	-	99,500
Gas	-	12,700
Fiduciary		
Cemetery Perpetual Trust	-	23,700
	<u>\$ 135,900</u>	<u>\$ 135,900</u>

NOTE 8: PENSION AND RETIREMENT FUND COMMITMENTS

A. Illinois Municipal Retirement Fund - Defined Benefit Pension Plan

Plan Description:

The Village of Cobden's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 8: PENSION AND RETIREMENT FUND COMMITMENTS (CONCLUDED)

A. Illinois Municipal Retirement Fund - Defined Benefit Pension Plan (Concluded)

Funding Policy:

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute required employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village of Cobden's annual contribution rate for calendar year 2019 was 10.44%. The Village of Cobden also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For the calendar year December 31, 2019, the Village of Cobden's actual contributions for pension cost for the plan was \$47,617. The covered payroll for the calendar year 2019 (annual payroll of active employees covered by the plan) was \$456,101. For the year ending April 30, 2020, the Village paid \$51,813 the total required contribution for the current fiscal year

B. Social Security

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The Village paid \$35,590, the total required contribution for the current fiscal year.

NOTE 9: POSTEMPLOYMENT HEALTHCARE BENEFITS

COBRA Benefits – Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Village provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium and, if applicable, a 2% administration fee, is paid in full by the insured each month. This program is offered for a duration of 18 months after termination date, and is subject to extension. There is no cost to the Village under this program.

In addition to COBRA Benefits, in accordance with rules established through participation in the Illinois Municipal Retirement Fund, the Village offers health insurance coverage to retirees. The cost for retirees to purchase coverage is the same as the amount active employees pay. Expenditures for postemployment healthcare benefits are recognized on a pay-as-you-go basis. During the year, no expenses were recognized for postemployment healthcare.

Accounting standards require numerous disclosure about postemployment benefits, including amounts that can only be determined through an actuarial study. The Village has elected not to incur the cost of having an actuarial study completed and therefore the amounts that should be disclosed are not known.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2020**

NOTE 10: WATER, SEWER, AND GAS USAGE STATISTICS

At year end the system had the following number of users:

Water Consumers	483
Sewer Consumers	363
Gas Consumers	304

NOTE 11: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including:

- A. There were no outstanding interfund loans as of April 30, 2020.
- B. No funds had total disbursements that exceeded the budget at April 30, 2020.

NOTE 12: RISK MANAGEMENT

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village participates in the Illinois Municipal League Risk Management Association. The Village's policy is to record any related expenditures in the year in which they are notified of the loss. During the year ended April 30, 2020, there were no significant reductions in coverage. There have been no significant settlement amounts which have exceeded insurance coverage during the past three years. The Village is not aware of any liabilities owed as of April 30, 2020.

SUPPLEMENTARY INFORMATION

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**GENERAL FUND
BALANCE SHEET SCHEDULE - MODIFIED CASH BASIS**

April 30, 2020

	<u>General Administration</u>	<u>Cemetery</u>	<u>Fire</u>	<u>Parks</u>	<u>Police</u>	<u>Streets</u>	<u>Total</u>
ASSETS							
Current assets							
Cash and cash equivalents	\$ 9,157	\$ 6,068	\$ 4,119	\$ 964	\$ 13,100	\$ 6,025	\$ 39,433
Total Assets	<u>\$ 9,157</u>	<u>\$ 6,068</u>	<u>\$ 4,119</u>	<u>\$ 964</u>	<u>\$ 13,100</u>	<u>\$ 6,025</u>	<u>\$ 39,433</u>
LIABILITIES AND FUND BALANCE							
Current liabilities							
Payroll liabilities	\$ 7,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,764
Total Liabilities	<u>7,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,764</u>
Fund Balance							
Unassigned	<u>1,393</u>	<u>6,068</u>	<u>4,119</u>	<u>964</u>	<u>13,100</u>	<u>6,025</u>	<u>31,669</u>
Total Liabilities and Fund Balance	<u>\$ 9,157</u>	<u>\$ 6,068</u>	<u>\$ 4,119</u>	<u>\$ 964</u>	<u>\$ 13,100</u>	<u>\$ 6,025</u>	<u>\$ 39,433</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS**

For the Year Ended April 30, 2020

	General Administration	Cemetery	Fire	Parks	Police	Streets	Total
Revenues							
Local taxes							
Property tax	\$ 17,315	\$ -	\$ 4,382	\$ 4,382	\$ 17,935	\$ 10,986	\$ 55,000
Utility tax	-	-	3,000	-	32,899	11,124	47,023
	<u>17,315</u>	<u>-</u>	<u>7,382</u>	<u>4,382</u>	<u>50,834</u>	<u>22,110</u>	<u>102,023</u>
Intergovernmental revenues							
Sales and use tax	-	-	9,818	6,336	44,388	30,141	90,683
Telecommunications tax	-	-	944	2,961	7,382	280	11,567
State income tax	-	-	-	13,132	61,269	51,000	125,401
Replacement tax	-	-	-	666	2,571	1,798	5,035
Video gaming tax	-	-	-	-	5,905	-	5,905
State grants	-	-	-	-	898	-	898
	<u>-</u>	<u>-</u>	<u>10,762</u>	<u>23,095</u>	<u>122,413</u>	<u>83,219</u>	<u>239,489</u>
Other local sources							
Fees and fines	12,455	5,950	-	-	6,687	107,438	132,530
Interest income	11	-	-	-	25	-	36
Donations	5,058	11,821	250	2,009	171	-	19,309
Miscellaneous	11	-	-	3,947	14,743	139	18,840
	<u>17,535</u>	<u>17,771</u>	<u>250</u>	<u>5,956</u>	<u>21,626</u>	<u>107,577</u>	<u>170,715</u>
Total Revenues	<u>34,850</u>	<u>17,771</u>	<u>18,394</u>	<u>33,433</u>	<u>194,873</u>	<u>212,906</u>	<u>512,227</u>
Expenditures							
Current							
General government							
Salaries and benefits	18,647	-	-	-	-	-	18,647
Contractual services	11,569	-	-	-	-	-	11,569
Small equipment / Commodities	9,407	-	-	-	-	-	9,407
Other	2,560	-	-	-	-	-	2,560
	<u>42,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,183</u>
Public safety							
Salaries and benefits	-	-	-	-	212,670	-	212,670
Contractual services	-	-	10,869	-	42,995	-	53,864
Small equipment / Commodities	-	-	8,140	-	14,008	-	22,148
Other	-	-	-	-	7,160	-	7,160
	<u>-</u>	<u>-</u>	<u>19,009</u>	<u>-</u>	<u>276,833</u>	<u>-</u>	<u>295,842</u>
Public works and transportation							
Salaries and benefits	-	-	-	-	-	95,080	95,080
Contractual services	-	-	-	-	-	106,471	106,471
Small equipment / Commodities	-	-	-	-	-	13,743	13,743
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,294</u>	<u>215,294</u>
Social services							
Salaries and benefits	-	34,842	-	-	-	-	34,842
Contractual services	-	5,564	-	-	-	-	5,564
Small equipment / Commodities	-	3,132	-	-	-	-	3,132
	<u>-</u>	<u>43,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,538</u>
Culture and recreation							
Salaries and benefits	-	-	-	21,117	-	-	21,117
Contractual services	-	-	-	6,383	-	-	6,383
Small equipment / Commodities	-	-	-	3,146	-	-	3,146
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,646</u>	<u>-</u>	<u>-</u>	<u>30,646</u>
Capital outlay	-	-	-	3,855	1,373	11,500	16,728
Total Expenditures	<u>42,183</u>	<u>43,538</u>	<u>19,009</u>	<u>34,501</u>	<u>278,206</u>	<u>226,794</u>	<u>644,231</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,333)</u>	<u>(25,767)</u>	<u>(615)</u>	<u>(1,068)</u>	<u>(83,333)</u>	<u>(13,888)</u>	<u>(132,004)</u>
Other Financing Sources (Uses)							
Lease-purchase agreement principal payments	-	-	-	-	(5,728)	-	(5,728)
Lease-purchase agreement interest expense	-	-	-	-	(783)	-	(783)
Transfers (to) from other funds	4,700	23,700	-	-	89,000	18,500	135,900
	<u>4,700</u>	<u>23,700</u>	<u>-</u>	<u>-</u>	<u>82,489</u>	<u>18,500</u>	<u>129,389</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(2,633)</u>	<u>(2,067)</u>	<u>(615)</u>	<u>(1,068)</u>	<u>(844)</u>	<u>4,612</u>	<u>(2,615)</u>
Fund Balance, May 1, 2019	<u>4,026</u>	<u>8,135</u>	<u>4,734</u>	<u>2,032</u>	<u>13,944</u>	<u>1,413</u>	<u>34,284</u>
Fund Balance, April 30, 2020	<u>\$ 1,393</u>	<u>\$ 6,068</u>	<u>\$ 4,119</u>	<u>\$ 964</u>	<u>\$ 13,100</u>	<u>\$ 6,025</u>	<u>\$ 31,669</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

April 30, 2020

	Motor Fuel Tax Fund	Tax Increment Financing Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 33,497	\$ 93,204	\$ 126,701
 Total Assets	<u>\$ 33,497</u>	<u>\$ 93,204</u>	<u>\$ 126,701</u>
 LIABILITIES AND FUND BALANCE			
Liabilities	\$ -	\$ -	\$ -
 Fund Balance			
Restricted	<u>33,497</u>	<u>93,204</u>	<u>126,701</u>
 Total Liabilities and Fund Balance	<u>\$ 33,497</u>	<u>\$ 93,204</u>	<u>\$ 126,701</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

For the Year Ended April 30, 2020

	Motor Fuel Tax Fund	Tax Increment Financing Fund	Total
Revenues			
Local taxes			
Property tax	\$ -	\$ 39,437	\$ 39,437
	<u>-</u>	<u>39,437</u>	<u>39,437</u>
Intergovernmental revenues			
Motor fuel tax	41,825	-	41,825
	<u>41,825</u>	<u>-</u>	<u>41,825</u>
Other local sources			
Interest income	42	290	332
	<u>42</u>	<u>290</u>	<u>332</u>
Total Revenues	<u>41,867</u>	<u>39,727</u>	<u>81,594</u>
Expenditures			
Current			
General government			
Contractual services	-	16,713	16,713
	<u>-</u>	<u>16,713</u>	<u>16,713</u>
Public works and transportation			
Salaries and benefits	9,259	-	9,259
Contractual services	24,664	-	24,664
	<u>33,923</u>	<u>-</u>	<u>33,923</u>
Total Expenditures	<u>33,923</u>	<u>16,713</u>	<u>50,636</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7,944</u>	<u>23,014</u>	<u>30,958</u>
Fund Balance, May 1, 2019	<u>25,553</u>	<u>70,190</u>	<u>95,743</u>
Fund Balance, April 30, 2020	<u>\$ 33,497</u>	<u>\$ 93,204</u>	<u>\$ 126,701</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS - GENERAL FUND
GENERAL ADMINISTRATION**

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Local taxes				
Property tax	\$ 16,690	\$ 17,315	\$ 17,315	\$ -
	16,690	17,315	17,315	-
Other local sources				
Fees and fines	14,520	12,280	12,455	175
Interest income	-	-	11	11
Donations	-	-	5,058	5,058
Miscellaneous	1,430	700	11	(689)
	15,950	12,980	17,535	4,555
Total Revenues	32,640	30,295	34,850	4,555
Expenditures				
Current				
General government				
Salaries and benefits	19,525	18,965	18,647	(318)
Contractual services	14,585	11,580	11,569	(11)
Small equipment / Commodities	6,320	9,200	9,407	207
Other	1,400	2,100	2,560	460
	41,830	41,845	42,183	338
Total Expenditures	41,830	41,845	42,183	338
Excess (Deficiency) of Revenues over Expenditures	(9,190)	(11,550)	(7,333)	4,217
Other Financing Sources (Uses)				
Transfers (to) from other funds	9,500	9,000	4,700	(4,300)
	9,500	9,000	4,700	(4,300)
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	310	(2,550)	(2,633)	(83)
Fund Balance, May 1, 2019	4,026	4,026	4,026	-
Fund Balance, April 30, 2020	\$ 4,336	\$ 1,476	\$ 1,393	\$ (83)

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS - GENERAL FUND
CEMETERY**

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Other local sources				
Fees and fines	\$ 14,600	\$ 8,160	\$ 5,950	\$ (2,210)
Donations	13,300	13,300	11,821	(1,479)
	<u>27,900</u>	<u>21,460</u>	<u>17,771</u>	<u>(3,689)</u>
 Total Revenues	 <u>27,900</u>	 <u>21,460</u>	 <u>17,771</u>	 <u>(3,689)</u>
Expenditures				
Current				
Social services				
Salaries and benefits	45,235	42,600	34,842	(7,758)
Contractual services	13,265	7,140	5,564	(1,576)
Small equipment / Commodities	5,970	4,215	3,132	(1,083)
Capital Outlay	<u>16,500</u>	<u>1,600</u>	<u>-</u>	<u>(1,600)</u>
 Total Expenditures	 <u>80,970</u>	 <u>55,555</u>	 <u>43,538</u>	 <u>(12,017)</u>
 Excess (Deficiency) of Revenues over Expenditures	 (53,070)	 (34,095)	 (25,767)	 8,328
 Other Financing Sources (Uses)				
Transfers (to) from other funds	<u>49,500</u>	<u>29,700</u>	<u>23,700</u>	<u>(6,000)</u>
 Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	 (3,570)	 (4,395)	 (2,067)	 2,328
 Fund Balance, May 1, 2019	 <u>8,135</u>	 <u>8,135</u>	 <u>8,135</u>	 <u>-</u>
 Fund Balance, April 30, 2020	 <u><u>\$ 4,565</u></u>	 <u><u>\$ 3,740</u></u>	 <u><u>\$ 6,068</u></u>	 <u><u>\$ 2,328</u></u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS - GENERAL FUND
FIRE**

For the Year Ended April 30, 2020

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Local taxes				
Property tax	\$ 4,500	\$ 4,385	\$ 4,382	\$ (3)
Utility tax	3,000	3,000	3,000	-
	<u>7,500</u>	<u>7,385</u>	<u>7,382</u>	<u>(3)</u>
Intergovernmental revenues				
Sales and use tax	10,000	9,820	9,818	(2)
Telecommunications tax	2,000	940	944	4
State income tax	5,000	-	-	-
	<u>17,000</u>	<u>10,760</u>	<u>10,762</u>	<u>2</u>
Other local sources				
Donations	-	250	250	-
	<u>-</u>	<u>250</u>	<u>250</u>	<u>-</u>
Total Revenues	<u>24,500</u>	<u>18,395</u>	<u>18,394</u>	<u>(1)</u>
Expenditures Disbursed				
Current				
Public safety				
Contractual services	13,450	7,100	10,869	3,769
Small equipment / Commodities	10,935	9,035	8,140	(895)
Capital outlay	<u>6,575</u>	<u>6,575</u>	<u>-</u>	<u>(6,575)</u>
Total Expenditures	<u>30,960</u>	<u>22,710</u>	<u>19,009</u>	<u>(3,701)</u>
Excess (Deficiency) of Revenues over Expenditures	(6,460)	(4,315)	(615)	3,700
Other Financing Sources (Uses)				
Transfers (to) from other funds	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	(3,460)	(4,315)	(615)	3,700
Fund Balance, May 1, 2019	<u>4,734</u>	<u>4,734</u>	<u>4,734</u>	<u>-</u>
Fund Balance, April 30, 2020	<u>\$ 1,274</u>	<u>\$ 419</u>	<u>\$ 4,119</u>	<u>\$ 3,700</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS - GENERAL FUND
PARKS**

For the Year Ended April 30, 2020

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Local taxes				
Property tax	\$ 4,245	\$ 4,380	\$ 4,382	\$ 2
	4,245	4,380	4,382	2
Intergovernmental revenues				
Sales and use tax	6,885	6,335	6,336	1
Telecommunications tax	2,795	2,960	2,961	1
State income tax	5,020	13,130	13,132	2
Replacement tax	720	665	666	1
	15,420	23,090	23,095	5
Other local sources				
Donations	5,200	2,200	2,009	(191)
Miscellaneous	2,200	3,925	3,947	22
	7,400	6,125	5,956	(169)
Total Revenues	27,065	33,595	33,433	(162)
Expenditures				
Current				
Culture and recreation				
Salaries and benefits	13,865	24,435	21,117	(3,318)
Contractual services	6,580	5,375	6,383	1,008
Small equipment / Commodities	3,520	3,405	3,146	(259)
Other	100	-	-	-
Capital outlay	4,000	5,350	3,855	(1,495)
Total Expenditures	28,065	38,565	34,501	(4,064)
Excess (Deficiency) of Revenues over Expenditures	(1,000)	(4,970)	(1,068)	3,902
Other Financing Sources (Uses)				
Transfers (to) from other funds	-	4,000	-	(4,000)
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	(1,000)	(970)	(1,068)	(98)
Fund Balance, May 1, 2019	2,032	2,032	2,032	-
Fund Balance, April 30, 2020	\$ 1,032	\$ 1,062	\$ 964	\$ (98)

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS - GENERAL FUND
POLICE**

For the Year Ended April 30, 2020

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Local taxes				
Property tax	\$ 17,185	\$ 17,935	\$ 17,935	\$ -
Utility tax	32,500	32,500	32,899	399
	<u>49,685</u>	<u>50,435</u>	<u>50,834</u>	<u>399</u>
Intergovernmental revenues				
Sales and use tax	39,420	44,390	44,388	(2)
Telecommunications tax	10,000	10,000	7,382	(2,618)
State income tax	70,000	61,265	61,269	4
Replacement tax	2,020	2,570	2,571	1
Video gaming tax	-	-	5,905	5,905
State grants	1,500	900	898	(2)
	<u>122,940</u>	<u>119,125</u>	<u>122,413</u>	<u>3,288</u>
Other local sources				
Fees and fines	10,000	5,550	6,687	1,137
Interest	-	-	25	
Donations	-	170	171	1
Miscellaneous	2,400	11,200	14,743	3,543
	<u>12,400</u>	<u>16,920</u>	<u>21,626</u>	<u>4,681</u>
Total Revenues	<u>185,025</u>	<u>186,480</u>	<u>194,873</u>	<u>8,368</u>
Expenditures				
Current				
Public safety				
Salaries and benefits	218,400	220,155	212,670	(7,485)
Contractual services	36,360	43,420	42,995	(425)
Small equipment / Commodities	16,545	15,425	14,008	(1,417)
Other	480	50	7,160	7,110
Capital outlay	12,500	8,700	1,373	(7,327)
Total Expenditures	<u>284,285</u>	<u>287,750</u>	<u>278,206</u>	<u>(9,544)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(99,260)</u>	<u>(101,270)</u>	<u>(83,333)</u>	<u>17,912</u>
Other Financing Sources (Uses)				
Lease-purchase agreement principal payments	-	-	(5,728)	(5,728)
Lease-purchase agreement interest expense	-	-	(783)	(783)
Transfers (to) from other funds	99,700	99,510	89,000	(10,510)
	<u>99,700</u>	<u>99,510</u>	<u>82,489</u>	<u>(17,021)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	440	(1,760)	(844)	891
Fund Balance, May 1, 2019	<u>13,944</u>	<u>13,944</u>	<u>13,944</u>	<u>-</u>
Fund Balance, April 30, 2020	<u>\$ 14,384</u>	<u>\$ 12,184</u>	<u>\$ 13,100</u>	<u>\$ 891</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS - GENERAL FUND
STREETS**

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Local taxes				
Property tax	\$ 10,525	\$ 10,985	\$ 10,986	\$ 1
Utility tax	15,500	9,200	11,124	1,924
	<u>26,025</u>	<u>20,185</u>	<u>22,110</u>	<u>1,925</u>
Intergovernmental revenues				
Sales and use tax	26,585	30,140	30,141	1
Telecommunications tax	280	280	280	-
State income tax	51,000	51,000	51,000	-
Replacement tax	1,680	1,795	1,798	3
	<u>79,545</u>	<u>83,215</u>	<u>83,219</u>	<u>4</u>
Other local sources				
Fees and fines	104,700	110,400	107,438	(2,962)
Miscellaneous	-	140	139	(1)
	<u>104,700</u>	<u>110,540</u>	<u>107,577</u>	<u>(2,963)</u>
Total Revenues	<u>210,270</u>	<u>213,940</u>	<u>212,906</u>	<u>(1,034)</u>
Expenditures				
Current				
Public works and transportation				
Salaries and benefits	104,645	105,950	95,080	(10,870)
Contractual services	135,630	127,205	106,471	(20,734)
Small equipment / Commodities	13,805	16,810	13,743	(3,067)
Other	125	-	-	-
Capital outlay	<u>29,000</u>	<u>3,000</u>	<u>11,500</u>	<u>8,500</u>
Total Expenditures	<u>283,205</u>	<u>252,965</u>	<u>226,794</u>	<u>(26,171)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(72,935)</u>	<u>(39,025)</u>	<u>(13,888)</u>	<u>25,137</u>
Other Financing Sources (Uses)				
Transfers (to) from other funds	<u>71,245</u>	<u>43,500</u>	<u>18,500</u>	<u>(25,000)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(1,690)</u>	<u>4,475</u>	<u>4,612</u>	<u>137</u>
Fund Balance, May 1, 2019	<u>1,413</u>	<u>1,413</u>	<u>1,413</u>	<u>-</u>
Fund Balance, April 30, 2020	<u>\$ (277)</u>	<u>\$ 5,888</u>	<u>\$ 6,025</u>	<u>\$ 137</u>

SCHEDULE OF FINDINGS AND RESPONSES

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended April 30, 2020**

Finding No. 2020-001 – Oversight for Drafting Financial Statements

Criteria/Specific Requirement:

The Village is required to maintain a system of controls over the preparation of financial statements, including footnotes and the schedule of expenditures of federal awards, in accordance with the modified cash basis of accounting. The Village's internal controls over the modified cash basis financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare modified cash basis financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

Condition:

The Village does not have sufficient internal controls over the financial reporting process. While the Village maintains controls over the processing of most accounting transactions, such as the governmental fund and proprietary fund financial statements, there are not sufficient controls over the preparation of modified cash basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Effect:

The Village's management or employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

Lack of technical training. Prior auditing standards did not require an entity's accounting personnel or members of management to possess the level of technical expertise that is currently required by standards.

Recommendation:

As part of internal control over the preparation of financial statements, the Village should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable modified cash, GAAP, and GASB pronouncements, and knowledge of the Village's activities and operations. This could include providing additional training to the Village's current accounting personnel, as well as, trying to attract an individual with a higher level accounting background to serve as a Village Trustee.

Management's Response:

Management agrees with this finding.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES (CONCLUDED)
For the year ended April 30, 2020**

Finding No. 2020-002 – Inadequate Internal Controls

Criteria/Specific Requirement:

The Village is responsible for establishing and maintaining an internal control system over receipts and disbursements to prevent unintentional or intentional errors, misappropriations of assets, and fraud.

Condition:

The following deficiencies were noted during our review of internal control:

- a) Inadequate segregation of duties exist over cash/check receipts as almost all cash/check receipt process procedures are performed by the Village clerks with no review.
- b) The accounting software used for utility billings and payroll is not integrated with the general accounting software. Inadequate segregation of duties exist over utility revenue and payroll, as someone independent of recording utility billings and payroll does not reconcile the entries made into the general ledger accounting software.
- c) Journal entries are not reviewed and/or approved by anyone independent of the journal entry process.

Effect:

Risk of loss due to intentional or unintentional error.

Cause:

Management's oversight of internal controls.

Recommendation:

The Village should formally segregate duties between the Clerk and the Deputy Clerk and, where appropriate, members of the Board of Trustees, in order to allow for proper checks and balances of the day to day operations. In addition, the Village Treasurer should review and document approval on all journal entries. The Village should also have an individual independent of recording utility billings and payroll reconcile these entries into the general accounting software.

Management's Response:

Management agrees with this finding.