
**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2022**

**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

Report on Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cobden, Illinois, as of April 30, 2022, 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 for Opinions

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the 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 Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Supplementary Information

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 and the Nonmajor Governmental Funds Statement are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the Budgetary Comparison Schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Marion, Illinois
August 18, 2022

**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, 2022, 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 August 18, 2022. 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.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2022-003.

Village of Cobden's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Cobden's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Village of Cobden's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
August 18, 2022

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2022

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 292,835	\$ 185,188	\$ 478,023
Noncurrent assets			
Capital assets not being depreciated			
Land	33,038	23,669	56,707
Total capital assets not being depreciated	<u>33,038</u>	<u>23,669</u>	<u>56,707</u>
Other capital assets			
Equipment and vehicles	805,769	458,272	1,264,041
Buildings	338,607	1,246,764	1,585,371
Land improvements	20,905	-	20,905
Infrastructure	-	2,974,571	2,974,571
Construction in Process	-	113,681	113,681
Less accumulated depreciation	(934,876)	(1,536,538)	(2,471,414)
Total other capital assets, net	<u>230,405</u>	<u>3,256,750</u>	<u>3,487,155</u>
Total noncurrent assets	<u>263,443</u>	<u>3,280,419</u>	<u>3,543,862</u>
Total Assets	<u>556,278</u>	<u>3,465,607</u>	<u>4,021,885</u>
LIABILITIES			
Current liabilities			
Utility deposits	-	11,124	11,124
Payroll liabilities	393	-	393
Due within one year:			
Bonds payable	-	24,000	24,000
Total Current Liabilities	<u>393</u>	<u>35,124</u>	<u>35,517</u>
Noncurrent Liabilities			
Due in more than one year:			
Bonds payable	-	1,259,994	1,259,994
Total Noncurrent Liabilities	<u>-</u>	<u>1,259,994</u>	<u>1,259,994</u>
Total Liabilities	<u>393</u>	<u>1,295,118</u>	<u>1,295,511</u>
NET POSITION			
Net investment in capital assets	263,443	1,996,425	2,259,868
Restricted for other purposes	226,505	-	226,505
Unrestricted	<u>65,937</u>	<u>174,064</u>	<u>240,001</u>
Total Net Position	<u>\$ 555,885</u>	<u>\$ 2,170,489</u>	<u>\$ 2,726,374</u>

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, 2022

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	\$ 49,153	\$ 12,824	\$ 3,540	\$ -	\$ (32,789)	\$ -	\$ (32,789)
Public safety	275,028	6,458	9,127	-	(259,443)	-	(259,443)
Public works and transportation	300,360	112,894	71,470	-	(115,996)	-	(115,996)
Social services	56,592	11,180	38,687	-	(6,725)	-	(6,725)
Culture and recreation	30,831	-	93	-	(30,738)	-	(30,738)
Total Governmental Activities	<u>711,964</u>	<u>143,356</u>	<u>122,917</u>	<u>-</u>	<u>(445,691)</u>	<u>-</u>	<u>(445,691)</u>
Business-type Activities:							
Water fund	354,333	313,190	72,397	-	-	31,254	31,254
Sewer fund	256,579	170,753	-	-	-	(85,826)	(85,826)
Gas fund	268,172	335,174	-	-	-	67,002	67,002
Total Business-type Activities	<u>879,084</u>	<u>819,117</u>	<u>72,397</u>	<u>-</u>	<u>-</u>	<u>12,430</u>	<u>12,430</u>
Total Primary Government	<u>\$ 1,591,048</u>	<u>\$ 962,473</u>	<u>\$ 195,314</u>	<u>\$ -</u>	<u>(445,691)</u>	<u>12,430</u>	<u>(433,261)</u>
General Revenues and Transfers:							
Taxes							
Property tax					83,510	-	83,510
Utility tax					47,000	-	47,000
Intergovernmental revenue							
Sales and use tax					110,948	-	110,948
Telecommunications tax					9,313	-	9,313
State income tax					161,450	-	161,450
Replacement tax					11,035	-	11,035
Video gaming tax					6,454	-	6,454
Interest income					174	41	215
Other receipts and reimbursements					8,854	-	8,854
Transfers (to) from other funds					39,000	(39,000)	-
Total General Revenues and Transfers					<u>477,738</u>	<u>(38,959)</u>	<u>438,779</u>
Change in Net Position					<u>32,047</u>	<u>(26,529)</u>	<u>5,518</u>
Net Position, May 1, 2021					<u>523,838</u>	<u>2,197,018</u>	<u>2,720,856</u>
Net Position, April 30, 2022					<u>\$ 555,885</u>	<u>\$ 2,170,489</u>	<u>\$ 2,726,374</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, 2022

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 66,330	\$ 226,505	\$ 292,835
Total Assets	\$ 66,330	\$ 226,505	\$ 292,835
LIABILITIES AND FUND BALANCE			
Current liabilities			
Payroll liabilities	\$ 393	\$ -	\$ 393
Total Liabilities	393	-	393
Fund Balance			
Restricted	-	226,505	226,505
Unassigned	65,937	-	65,937
Total Fund Balances	65,937	226,505	292,442
Total Liabilities and Fund Balance	\$ 66,330	\$ 226,505	\$ 292,835

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, 2022

Total Fund Balances—Governmental Funds	\$ 292,442
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.	<u>263,443</u>
Net Position of Governmental Activities	<u><u>\$ 555,885</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, 2022

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Local taxes			
Property tax	\$ 43,983	\$ 39,527	\$ 83,510
Utility tax	47,000	-	47,000
	<u>90,983</u>	<u>39,527</u>	<u>130,510</u>
Intergovernmental revenues			
Sales and use tax	110,948	-	110,948
Telecommunications tax	9,313	-	9,313
State income tax	161,450	-	161,450
Replacement tax	11,035	-	11,035
Video gaming tax	6,454	-	6,454
Motor fuel tax	-	46,053	46,053
State grants	-	25,417	25,417
Federal grants	9,367	-	9,367
	<u>308,567</u>	<u>71,470</u>	<u>380,037</u>
Other local sources			
Fees and fines	143,356	-	143,356
Interest income	10	164	174
Donations	42,080	-	42,080
Miscellaneous	8,854	-	8,854
	<u>194,300</u>	<u>164</u>	<u>194,464</u>
Total Revenues	<u>593,850</u>	<u>111,161</u>	<u>705,011</u>
Expenditures			
Current			
General government	37,769	7,296	45,065
Public safety	257,793	-	257,793
Public works and transportation	223,955	70,264	294,219
Social services	55,102	-	55,102
Culture and recreation	25,952	-	25,952
Capital outlay	32,043	-	32,043
	<u>632,614</u>	<u>77,560</u>	<u>710,174</u>
Total Expenditures	<u>632,614</u>	<u>77,560</u>	<u>710,174</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(38,764)</u>	<u>33,601</u>	<u>(5,163)</u>
Other Financing Sources (Uses)			
Lease-purchase agreement principal payments	(1,055)	-	(1,055)
Lease-purchase agreement interest expense	(28)	-	(28)
Transfers (to) from other funds	39,000	-	39,000
	<u>37,917</u>	<u>-</u>	<u>37,917</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(847)</u>	<u>33,601</u>	<u>32,754</u>
Fund Balance, May 1, 2021	<u>66,784</u>	<u>192,904</u>	<u>259,688</u>
Fund Balance, April 30, 2022	<u>\$ 65,937</u>	<u>\$ 226,505</u>	<u>\$ 292,442</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, 2022

Net Change in Fund Balance - Total Governmental Funds \$ 32,754

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	\$ 32,043	
Depreciation expense	<u>(33,805)</u>	(1,762)

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>1,055</u>
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Change in Net Position of Governmental Activities \$ 32,047

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, 2022

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Gas Fund	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 67,079	\$ 30,042	\$ 88,067	\$ 185,188
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	200,163	132,063	126,046	458,272
Buildings	305,125	936,738	4,901	1,246,764
Infrastructure	126,534	2,801,881	46,156	2,974,571
Construction in Process	113,681	-	-	113,681
Less accumulated depreciation	(300,124)	(1,094,846)	(141,568)	(1,536,538)
Total other capital assets, net	445,379	2,775,836	35,535	3,256,750
Total noncurrent assets	459,048	2,785,836	35,535	3,280,419
Total Assets	526,127	2,815,878	123,602	3,465,607
LIABILITIES				
Current Liabilities				
Utility deposits	4,883	-	6,241	11,124
Current portion of bonds payable	-	24,000	-	24,000
Total current liabilities	4,883	24,000	6,241	35,124
Noncurrent Liabilities				
Bonds payable	55,994	1,204,000	-	1,259,994
Total noncurrent liabilities	55,994	1,204,000	-	1,259,994
Total Liabilities	60,877	1,228,000	6,241	1,295,118
NET POSITION				
Net investment in capital assets	403,054	1,557,836	35,535	1,996,425
Unrestricted	62,196	30,042	81,826	174,064
Total Net Position	\$ 465,250	\$ 1,587,878	\$ 117,361	\$ 2,170,489

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, 2022

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Gas Fund	
Operating Revenues				
Charges for services	\$ 313,190	\$ 170,753	\$ 335,174	\$ 819,117
Cost of services	-	-	(106,103)	(106,103)
Gross margin	<u>313,190</u>	<u>170,753</u>	<u>229,071</u>	<u>713,014</u>
Operating Expenses				
Salaries and benefits	228,254	75,251	86,371	389,876
Contractual expenses	79,582	57,208	68,507	205,297
Supplies / Commodities	22,560	8,204	5,167	35,931
Interest & service charge	-	26,605	-	26,605
Depreciation	22,377	89,311	2,024	113,712
Other	1,560	-	-	1,560
	<u>354,333</u>	<u>256,579</u>	<u>162,069</u>	<u>772,981</u>
Operating Revenues over (under) Operating Expenditures	<u>(41,143)</u>	<u>(85,826)</u>	<u>67,002</u>	<u>(59,967)</u>
Non-Operating Items				
Federal grants	72,397	-	-	72,397
Interest income	24	17	-	41
	<u>72,421</u>	<u>17</u>	<u>-</u>	<u>72,438</u>
Income (Loss) before Transfers	31,278	(85,809)	67,002	12,471
Transfers (to) from other funds	<u>(13,000)</u>	<u>-</u>	<u>(26,000)</u>	<u>(39,000)</u>
Change in Net Position	18,278	(85,809)	41,002	(26,529)
Net Position, May 1, 2021	<u>446,972</u>	<u>1,673,687</u>	<u>76,359</u>	<u>2,197,018</u>
Net Position, April 30, 2022	<u>\$ 465,250</u>	<u>\$ 1,587,878</u>	<u>\$ 117,361</u>	<u>\$ 2,170,489</u>

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, 2022

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Gas Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 313,190	\$ 170,753	\$ 335,174	\$ 819,117
Payments to suppliers	(103,702)	(65,412)	(179,777)	(348,891)
Payments to employees	(228,254)	(75,251)	(86,371)	(389,876)
Other receipts (payments)	-	-	1,060	1,060
Net cash provided (used) by operating activities	<u>(18,766)</u>	<u>30,090</u>	<u>70,086</u>	<u>81,410</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Federal grants	72,397	-	-	72,397
Transfers (to) from other funds	(13,000)	-	(26,000)	(39,000)
Net cash provided (used) by noncapital financing activities	<u>59,397</u>	<u>-</u>	<u>(26,000)</u>	<u>33,397</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest on capital debt	-	(26,605)	-	(26,605)
Purchases of capital assets	(168,361)	(5,120)	-	(173,481)
Proceeds from bonds payable	55,994	-	-	55,994
Retirement of bonds payable	-	(24,000)	-	(24,000)
Net cash provided (used) by capital and related financing activities	<u>(112,367)</u>	<u>(55,725)</u>	<u>-</u>	<u>(168,092)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned	24	17	-	41
Net cash provided (used) by investing activities	<u>24</u>	<u>17</u>	<u>-</u>	<u>41</u>
Net increase (decrease) in cash and cash equivalents	(71,712)	(25,618)	44,086	(53,244)
Cash and cash equivalents, May 1, 2021	<u>138,791</u>	<u>55,660</u>	<u>43,981</u>	<u>238,432</u>
Cash and cash equivalents, April 30, 2022	<u>\$ 67,079</u>	<u>\$ 30,042</u>	<u>\$ 88,067</u>	<u>\$ 185,188</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating revenues over (under) operating expenditures	\$ (41,143)	\$ (85,826)	\$ 67,002	\$ (59,967)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation expense	22,377	89,311	2,024	113,712
Interest on capital debt	-	26,605	-	26,605
Change in assets and liabilities:				
Utility deposits	-	-	1,060	1,060
Net cash flows provided by operating activities	<u>\$ (18,766)</u>	<u>\$ 30,090</u>	<u>\$ 70,086</u>	<u>\$ 81,410</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, 2022

	<u>Private-Purpose Trust</u> <u>Cemetery Perpetual Trust Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 196,355
	<hr/>
Total Assets	196,355
	<hr/>
LIABILITIES	
	<hr/>
	-
NET POSITION	
Held for other purposes	196,355
	<hr/>
Total Net Position	\$ 196,355
	<hr/> <hr/>

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, 2022

	Private-Purpose Trust
	Cemetery Perpetual Trust Fund
ADDITIONS	
Interest income	\$ 22,049
DEDUCTIONS	
Donation expense	<u>25,000</u>
Change in Net Position	(2,951)
Net Position, May 1, 2021	<u>199,306</u>
Net Position, April 30, 2022	<u><u>\$ 196,355</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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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 “net investment 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 non-spendable 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 (\$73,528) and Tax Increment Financing Fund (\$152,977).

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, 2022**

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, 2022

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 August 18, 2022, the date which the financial statements were available to be issued.

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, 2022**

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 2020 levy was passed by the Board on August 3, 2020. 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 2020 and prior tax levies for which payments were received during the year ended April 30, 2022.

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

Fund	Limit	2020 Payable 2021 Levy
Corporate	0.32000	0.25158
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	0.11451
Illinois Municipal Retirement Fund	As Needed	0.11451
Unemployment Insurance	As Needed	0.05090
School Crossing Guards	0.02000	0.02000
Prior Year Adjustment	As Needed	-0.13623
		<u>0.69027</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, 2022, the carrying amount of the Village's cash deposits, including certificates of deposit, was \$674,378 which includes the Village's fiduciary fund and \$100 in petty cash maintained by various funds. The bank balance of these deposits was \$685,805. Of the total bank balance as of April 30, 2022, the total amount of \$685,805 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, 2022

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2022 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 33,038	\$ -	\$ -	\$ 33,038
<u>Other Capital Assets:</u>				
Equipment & Vehicles	780,102	\$ 27,437	\$ 1,770	805,769
Building	334,001	4,606	-	338,607
Land improvements	20,905	-	-	20,905
	<u>1,135,008</u>	<u>\$ 32,043</u>	<u>\$ 1,770</u>	<u>1,165,281</u>
<u>Accumulated Depreciation:</u>				
Equipment & Vehicles	724,718	\$ 24,282	\$ 1,770	747,230
Building	176,172	8,478	-	184,650
Land improvements	1,951	1,045	-	2,996
	<u>902,841</u>	<u>\$ 33,805</u>	<u>\$ 1,770</u>	<u>934,876</u>
Other Capital Assets, Net	<u>232,167</u>			<u>230,405</u>
Capital Assets, Net	<u>\$ 265,205</u>			<u>\$ 263,443</u>

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business-Type Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 23,669	\$ -	\$ -	\$ 23,669
Construction in Progress	-	113,681	-	113,681
	<u>23,669</u>	<u>\$ 113,681</u>	<u>\$ -</u>	<u>137,350</u>
<u>Other Capital Assets:</u>				
Equipment & Vehicles	403,592	\$ 54,680	\$ -	\$ 458,272
Building	1,241,644	5,120	-	1,246,764
Infrastructure	2,974,571	-	-	2,974,571
	<u>4,619,807</u>	<u>\$ 59,800</u>	<u>\$ -</u>	<u>4,679,607</u>
<u>Accumulated Depreciation:</u>				
Equipment & Vehicles	292,450	\$ 22,382	\$ -	314,832
Building	894,159	24,593	-	918,752
Infrastructure	236,217	66,737	-	302,954
	<u>1,422,826</u>	<u>\$ 113,712</u>	<u>\$ -</u>	<u>1,536,538</u>
Other Capital Assets, Net	<u>3,196,981</u>			<u>3,143,069</u>
Capital Assets, Net	<u>\$ 3,220,650</u>			<u>\$ 3,280,419</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2022**

NOTE 4: CAPITAL ASSETS (CONCLUDED)

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 4,089
Public Safety	17,207
Public Works and Transportation	6,140
Social Services	1,490
Culture and recreation	4,879
Total Depreciation Expense	\$ 33,805

Business-Type Activities:

Water Fund	\$ 22,377
Sewer Fund	89,311
Gas Fund	2,024
Total Depreciation Expense	\$ 113,712

NOTE 5: LONG-TERM DEBT AND SERVICE REQUIREMENTS

The following is a summary of changes in long-term debt for the year ended April 30, 2022:

	Governmental Activities	Business-Type Activities		
	Lease-Purchase Agreement	2015 Sewerage System Revenue Bonds	IEPA Loan	Total
Balance, May 1, 2021	\$ 1,055	\$ 1,252,000	\$ -	\$ 1,253,055
Addition of New Debt	-	-	55,994	55,994
Debt Retired	1,055	24,000	-	25,055
Balance, April 30, 2022	\$ -	\$ 1,228,000	\$ 55,994	\$ 1,283,994

The total principal balance of the IEPA (Illinois Environmental Protection Agency) Loan is \$638,526; however, as of April 30, 2022, the Village of Cobden had only drawn down \$55,994 of the total principal. The remaining \$582,532 will be drawn down during the year ended April 30, 2023, as needed for completion of a public water supply project. In accordance with Title 35 Ill. Adm. Code 662.250 (Loan Rules), \$283,013 of the loan amount will be forgiven by the State of Illinois (State) pursuant to the principal forgiveness provisions contained in the Loan Rules; however, the State reserves the right to increase or decrease the amount forgiven.

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2022**

NOTE 5: LONG-TERM DEBT AND SERVICE REQUIREMENTS (CONTINUED)

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

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
2023	\$ 24,000	\$ 30,400	\$ 54,400
2024	24,000	29,800	53,800
2025	28,000	29,150	57,150
2026	28,000	28,450	56,450
2027	28,000	27,750	55,750
2028-2032	152,000	127,800	279,800
2033-2037	172,000	107,550	279,550
2038-2042	196,000	84,450	280,450
2043-2047	220,000	58,650	278,650
2048-2052	248,000	29,300	277,300
2053-2054	108,000	2,750	110,750
	<u>\$ 1,228,000</u>	<u>\$ 556,050</u>	<u>\$ 1,784,050</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, 2022, the Village complied with all bond ordinance requirements.

IEPA Loan

Illinois Environmental Protection Agency Loan

Original Amount of Issuance: \$638,526

Principal Amount Payable: Semi-Annual (paid on June 15 and December 15)

Maturity Date: December 15, 2041

Interest Rate: 1.0% Semi-Annual (paid on June 15 and December 15)

Fiscal Year	Principal	Interest	Total
2023	\$ 28,986	\$ 6,326	\$ 35,312
2024	29,277	6,035	35,312
2025	29,571	5,741	35,312
2026	29,868	5,444	35,312
2027	30,168	5,144	35,312
2028-2032	155,449	21,111	176,560
2033-2037	163,416	13,144	176,560
2038-2042	171,791	4,769	176,560
	<u>\$ 638,526</u>	<u>\$ 67,714</u>	<u>\$ 706,240</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the year ended April 30, 2022**

NOTE 5: LONG-TERM DEBT AND SERVICE REQUIREMENTS (CONCLUDED)

Total future debt service requirements are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 52,986	\$ 36,726	\$ 89,712
2024	53,277	35,835	89,112
2025	57,571	34,891	92,462
2026	57,868	33,894	91,762
2027	58,168	32,894	91,062
2028-2032	307,449	148,911	456,360
2033-2037	335,416	120,694	456,110
2038-2042	367,791	89,219	457,010
2043-2047	220,000	58,650	278,650
2048-2052	248,000	29,300	277,300
2053-2054	108,000	2,750	110,750
	<u>\$ 1,866,526</u>	<u>\$ 623,764</u>	<u>\$ 2,490,290</u>

NOTE 6: INTERFUND TRANSFERS

The following interfund transfers occurred during the year ended April 30, 2022 in order to meet operating costs:

Fund	Transfers	
	In	Transfers Out
General	\$ 39,000	\$ -
Proprietary		
Water	-	13,000
Gas	-	26,000
	<u>\$ 39,000</u>	<u>\$ 39,000</u>

NOTE 7: 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, 2022**

NOTE 7: 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 years 2021 and 2022 was 10.41% and 7.86%, respectively. 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, 2021, the Village of Cobden's actual contributions for pension cost for the plan was \$49,528. The covered payroll for the calendar year 2021 (annual payroll of active employees covered by the plan) was \$475,774. For the year ending April 30, 2022, the Village paid \$44,853, 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 \$35,747, the total required contribution for the current fiscal year.

NOTE 8: 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, 2022

NOTE 9: WATER, SEWER, AND GAS USAGE STATISTICS

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

Water Consumers	478
Sewer Consumers	362
Gas Consumers	298

NOTE 10: 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, 2022.
- B. No funds had total disbursements that exceeded the budget at April 30, 2022.

NOTE 11: 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, 2022, 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, 2022.

SUPPLEMENTARY INFORMATION

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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

April 30, 2022

	<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	\$ 10,135	\$ 5,647	\$ 9,714	\$ 4,210	\$ 26,012	\$ 10,612	\$ 66,330
Total Assets	<u>\$ 10,135</u>	<u>\$ 5,647</u>	<u>\$ 9,714</u>	<u>\$ 4,210</u>	<u>\$ 26,012</u>	<u>\$ 10,612</u>	<u>\$ 66,330</u>
LIABILITIES AND FUND BALANCE							
Current liabilities							
Payroll liabilities	\$ 393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393
Total Liabilities	<u>393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393</u>
Fund Balance							
Unassigned	<u>9,742</u>	<u>5,647</u>	<u>9,714</u>	<u>4,210</u>	<u>26,012</u>	<u>10,612</u>	<u>65,937</u>
Total Liabilities and Fund Balance	<u>\$ 10,135</u>	<u>\$ 5,647</u>	<u>\$ 9,714</u>	<u>\$ 4,210</u>	<u>\$ 26,012</u>	<u>\$ 10,612</u>	<u>\$ 66,330</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, 2022

	General Administration	Cemetery	Fire	Parks	Police	Streets	Total
Revenues							
Local taxes							
Property tax	\$ 12,450	\$ -	\$ 3,708	\$ 3,708	\$ 16,131	\$ 7,986	\$ 43,983
Utility tax	-	-	1,512	-	31,500	13,988	47,000
	<u>12,450</u>	<u>-</u>	<u>5,220</u>	<u>3,708</u>	<u>47,631</u>	<u>21,974</u>	<u>90,983</u>
Intergovernmental revenues							
Sales and use tax	-	-	3,350	6,851	50,948	49,799	110,948
Telecommunications tax	-	-	1,661	2,171	4,526	955	9,313
State income tax	-	-	3,000	6,000	97,554	54,896	161,450
Replacement tax	-	-	-	3,793	4,733	2,509	11,035
Video gaming tax	-	-	-	-	6,454	-	6,454
Federal grants	240	-	-	-	9,127	-	9,367
	<u>240</u>	<u>-</u>	<u>8,011</u>	<u>18,815</u>	<u>173,342</u>	<u>108,159</u>	<u>308,567</u>
Other local sources							
Fees and fines	12,824	11,180	-	-	6,458	112,894	143,356
Interest income	3	-	-	-	7	-	10
Donations	3,300	38,687	-	93	-	-	42,080
Miscellaneous	35	-	-	3,897	4,922	-	8,854
	<u>16,162</u>	<u>49,867</u>	<u>-</u>	<u>3,990</u>	<u>11,387</u>	<u>112,894</u>	<u>194,300</u>
Total Revenues	<u>28,852</u>	<u>49,867</u>	<u>13,231</u>	<u>26,513</u>	<u>232,360</u>	<u>243,027</u>	<u>593,850</u>
Expenditures							
Current							
General government							
Salaries and benefits	17,855	-	-	-	-	-	17,855
Contractual services	11,727	-	-	-	-	-	11,727
Small equipment / Commodities	6,668	-	-	-	-	-	6,668
Other	1,519	-	-	-	-	-	1,519
	<u>37,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,769</u>
Public safety							
Salaries and benefits	-	-	-	-	167,273	-	167,273
Contractual services	-	-	11,393	-	54,700	-	66,093
Small equipment / Commodities	-	-	6,510	-	15,448	-	21,958
Other	-	-	-	-	2,469	-	2,469
	<u>-</u>	<u>-</u>	<u>17,903</u>	<u>-</u>	<u>239,890</u>	<u>-</u>	<u>257,793</u>
Public works and transportation							
Salaries and benefits	-	-	-	-	-	98,412	98,412
Contractual services	-	-	-	-	-	120,194	120,194
Small equipment / Commodities	-	-	-	-	-	5,249	5,249
Other	-	-	-	-	-	100	100
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,955</u>	<u>223,955</u>
Social services							
Salaries and benefits	-	50,533	-	-	-	-	50,533
Contractual services	-	3,414	-	-	-	-	3,414
Small equipment / Commodities	-	1,155	-	-	-	-	1,155
	<u>-</u>	<u>55,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,102</u>
Culture and recreation							
Salaries and benefits	-	-	-	17,392	-	-	17,392
Contractual services	-	-	-	7,579	-	-	7,579
Small equipment / Commodities	-	-	-	981	-	-	981
	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,952</u>	<u>-</u>	<u>-</u>	<u>25,952</u>
Capital outlay	-	-	5,044	-	-	26,999	32,043
Total Expenditures	<u>37,769</u>	<u>55,102</u>	<u>22,947</u>	<u>25,952</u>	<u>239,890</u>	<u>250,954</u>	<u>632,614</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,917)</u>	<u>(5,235)</u>	<u>(9,716)</u>	<u>561</u>	<u>(7,530)</u>	<u>(7,927)</u>	<u>(38,764)</u>
Other Financing Sources (Uses)							
Lease-purchase agreement principal payments	-	-	-	-	(1,055)	-	(1,055)
Lease-purchase agreement interest expense	-	-	-	-	(28)	-	(28)
Transfers (to) from other funds	15,000	-	-	-	16,000	8,000	39,000
	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,917</u>	<u>8,000</u>	<u>37,917</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>6,083</u>	<u>(5,235)</u>	<u>(9,716)</u>	<u>561</u>	<u>7,387</u>	<u>73</u>	<u>(847)</u>
Fund Balance, May 1, 2021	<u>3,659</u>	<u>10,882</u>	<u>19,430</u>	<u>3,649</u>	<u>18,625</u>	<u>10,539</u>	<u>66,784</u>
Fund Balance, April 30, 2022	<u>\$ 9,742</u>	<u>\$ 5,647</u>	<u>\$ 9,714</u>	<u>\$ 4,210</u>	<u>\$ 26,012</u>	<u>\$ 10,612</u>	<u>\$ 65,937</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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

April 30, 2022

	Motor Fuel Tax Fund	Tax Increment Financing Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 73,528	\$ 152,977	\$ 226,505
Total Assets	\$ 73,528	\$ 152,977	\$ 226,505
 LIABILITIES AND FUND BALANCE			
Liabilities	\$ -	\$ -	\$ -
Fund Balance			
Restricted	73,528	152,977	226,505
Total Liabilities and Fund Balance	\$ 73,528	\$ 152,977	\$ 226,505

**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, 2022

	Motor Fuel Tax Fund	Tax Increment Financing Fund	Total
Revenues			
Local taxes			
Property tax	\$ -	\$ 39,527	\$ 39,527
	-	39,527	39,527
Intergovernmental revenues			
Motor fuel tax	46,053	-	46,053
State grants	25,417	-	25,417
	71,470	-	71,470
Other local sources			
Interest income	25	139	164
	25	139	164
Total Revenues	71,495	39,666	111,161
Expenditures			
Current			
General government			
Contractual services	-	7,296	7,296
	-	7,296	7,296
Public works and transportation			
Salaries and benefits	11,704	-	11,704
Contractual services	58,560	-	58,560
	70,264	-	70,264
Total Expenditures	70,264	7,296	77,560
Excess (Deficiency) of Revenues over Expenditures	1,231	32,370	33,601
Fund Balance, May 1, 2021	72,297	120,607	192,904
Fund Balance, April 30, 2022	\$ 73,528	\$ 152,977	\$ 226,505

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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

For the Year Ended April 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local taxes				
Property tax	\$ 19,815	\$ 12,450	\$ 12,450	\$ -
	<u>19,815</u>	<u>12,450</u>	<u>12,450</u>	<u>-</u>
Intergovernmental revenues				
Federal grants	-	240	240	-
	<u>-</u>	<u>240</u>	<u>240</u>	<u>-</u>
Other local sources				
Fees and fines	14,065	13,005	12,824	(181)
Interest income	-	-	3	3
Donations	-	-	3,300	3,300
Miscellaneous	150	150	35	(115)
	<u>14,215</u>	<u>13,155</u>	<u>16,162</u>	<u>3,007</u>
Total Revenues	<u>34,030</u>	<u>25,845</u>	<u>28,852</u>	<u>3,007</u>
Expenditures				
Current				
General government				
Salaries and benefits	19,175	18,835	17,855	(980)
Contractual services	13,610	12,040	11,727	(313)
Small equipment / Commodities	8,410	6,945	6,668	(277)
Other	1,370	1,400	1,519	119
	<u>42,565</u>	<u>39,220</u>	<u>37,769</u>	<u>(1,451)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,535)</u>	<u>(13,375)</u>	<u>(8,917)</u>	<u>4,458</u>
Other Financing Sources (Uses)				
Transfers (to) from other funds	9,000	16,000	15,000	(1,000)
	<u>9,000</u>	<u>16,000</u>	<u>15,000</u>	<u>(1,000)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	465	2,625	6,083	3,458
Fund Balance, May 1, 2021	<u>3,659</u>	<u>3,659</u>	<u>3,659</u>	<u>-</u>
Fund Balance, April 30, 2022	<u>\$ 4,124</u>	<u>\$ 6,284</u>	<u>\$ 9,742</u>	<u>\$ 3,458</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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

For the Year Ended April 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local sources				
Fees and fines	\$ 18,480	\$ 15,300	\$ 11,180	\$ (4,120)
Donations	51,550	39,000	38,687	(313)
	<u>70,030</u>	<u>54,300</u>	<u>49,867</u>	<u>(4,433)</u>
 Total Revenues	 <u>70,030</u>	 <u>54,300</u>	 <u>49,867</u>	 <u>(4,433)</u>
Expenditures				
Current				
Social services				
Salaries and benefits	53,300	51,900	50,533	(1,367)
Contractual services	12,745	5,165	3,414	(1,751)
Small equipment / Commodities	5,365	4,315	1,155	(3,160)
Capital Outlay	<u>1,500</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
 Total Expenditures	 <u>72,910</u>	 <u>62,380</u>	 <u>55,102</u>	 <u>(7,278)</u>
 Excess (Deficiency) of Revenues over Expenditures	 (2,880)	 (8,080)	 (5,235)	 2,845
 Other Financing Sources (Uses)				
Transfers (to) from other funds	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	 120	 (8,080)	 (5,235)	 2,845
 Fund Balance, May 1, 2021	 <u>10,882</u>	 <u>10,882</u>	 <u>10,882</u>	 <u>-</u>
 Fund Balance, April 30, 2022	 <u>\$ 11,002</u>	 <u>\$ 2,802</u>	 <u>\$ 5,647</u>	 <u>\$ 2,845</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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

For the Year Ended April 30, 2022

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local taxes				
Property tax	\$ 5,300	\$ 3,705	\$ 3,708	\$ 3
Utility tax	4,000	4,000	1,512	(2,488)
	<u>9,300</u>	<u>7,705</u>	<u>5,220</u>	<u>(2,485)</u>
Intergovernmental revenues				
Sales and use tax	12,975	8,350	3,350	(5,000)
Telecommunications tax	3,000	1,660	1,661	1
State income tax	3,000	3,000	3,000	-
State grants	390,000	-	-	-
	<u>408,975</u>	<u>13,010</u>	<u>8,011</u>	<u>(4,999)</u>
Other local sources				
Donations	10	10	-	(10)
	<u>10</u>	<u>10</u>	<u>-</u>	<u>(10)</u>
Total Revenues	<u>418,285</u>	<u>20,725</u>	<u>13,231</u>	<u>(7,494)</u>
Expenditures Disbursed				
Current				
Public safety				
Contractual services	13,475	7,855	11,393	3,538
Small equipment / Commodities	9,035	8,685	6,510	(2,175)
Capital outlay	415,000	12,000	5,044	(6,956)
	<u>437,510</u>	<u>28,540</u>	<u>22,947</u>	<u>(5,593)</u>
Excess (Deficiency) of Revenues over Expenditures	(19,225)	(7,815)	(9,716)	(1,901)
Other Financing Sources (Uses)				
Transfers (to) from other funds	19,300	-	-	-
	<u>19,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	75	(7,815)	(9,716)	(1,901)
Fund Balance, May 1, 2021	<u>19,430</u>	<u>19,430</u>	<u>19,430</u>	<u>-</u>
Fund Balance, April 30, 2022	<u>\$ 19,505</u>	<u>\$ 11,615</u>	<u>\$ 9,714</u>	<u>\$ (1,901)</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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

For the Year Ended April 30, 2022

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local taxes				
Property tax	\$ 5,300	\$ 3,705	\$ 3,708	\$ 3
	<u>5,300</u>	<u>3,705</u>	<u>3,708</u>	<u>3</u>
Intergovernmental revenues				
Sales and use tax	6,885	8,070	6,851	(1,219)
Telecommunications tax	2,960	2,170	2,171	1
State income tax	7,020	6,000	6,000	-
Replacement tax	720	1,485	3,793	2,308
	<u>17,585</u>	<u>17,725</u>	<u>18,815</u>	<u>1,090</u>
Other local sources				
Donations	3,500	500	93	(407)
Miscellaneous	5,000	4,000	3,897	(103)
	<u>8,500</u>	<u>4,500</u>	<u>3,990</u>	<u>(510)</u>
Total Revenues	<u>31,385</u>	<u>25,930</u>	<u>26,513</u>	<u>583</u>
Expenditures				
Current				
Culture and recreation				
Salaries and benefits	16,485	18,425	17,392	(1,033)
Contractual services	8,835	6,290	7,579	1,289
Small equipment / Commodities	6,785	4,675	981	(3,694)
Other	100	60	-	(60)
Capital outlay	<u>2,000</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Total Expenditures	<u>34,205</u>	<u>29,950</u>	<u>25,952</u>	<u>(3,998)</u>
Excess (Deficiency) of Revenues over Expenditures	(2,820)	(4,020)	561	4,581
Other Financing Sources (Uses)				
Transfers (to) from other funds	<u>3,300</u>	<u>3,300</u>	<u>-</u>	<u>(3,300)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	480	(720)	561	1,281
Fund Balance, May 1, 2021	<u>3,649</u>	<u>3,649</u>	<u>3,649</u>	<u>-</u>
Fund Balance, April 30, 2022	<u>\$ 4,129</u>	<u>\$ 2,929</u>	<u>\$ 4,210</u>	<u>\$ 1,281</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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

For the Year Ended April 30, 2022

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local taxes				
Property tax	\$ 22,110	\$ 16,130	\$ 16,131	\$ 1
Utility tax	31,500	31,500	31,500	-
	<u>53,610</u>	<u>47,630</u>	<u>47,631</u>	<u>1</u>
Intergovernmental revenues				
Sales and use tax	42,700	51,255	50,948	(307)
Telecommunications tax	10,000	10,000	4,526	(5,474)
State income tax	70,000	87,550	97,554	10,004
Replacement tax	2,570	4,730	4,733	3
Video gaming tax	-	-	6,454	6,454
Federal grants	-	9,125	9,127	2
	<u>125,270</u>	<u>162,660</u>	<u>173,342</u>	<u>10,682</u>
Other local sources				
Fees and fines	4,000	6,005	6,458	453
Interest	-	-	7	7
Donations	10	10	-	(10)
Miscellaneous	2,425	1,735	4,922	3,187
	<u>6,435</u>	<u>7,750</u>	<u>11,387</u>	<u>3,637</u>
Total Revenues	<u>185,315</u>	<u>218,040</u>	<u>232,360</u>	<u>14,320</u>
Expenditures				
Current				
Public safety				
Salaries and benefits	174,515	175,955	167,273	(8,682)
Contractual services	55,230	55,290	54,700	(590)
Small equipment / Commodities	12,100	15,290	15,448	158
Other	100	45	2,469	2,424
Capital outlay	31,360	2,730	-	(2,730)
Total Expenditures	<u>273,305</u>	<u>249,310</u>	<u>239,890</u>	<u>(9,420)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(87,990)</u>	<u>(31,270)</u>	<u>(7,530)</u>	<u>23,740</u>
Other Financing Sources (Uses)				
Lease-purchase agreement principal payments	-	-	(1,055)	(1,055)
Lease-purchase agreement interest expense	-	-	(28)	(28)
Transfers (to) from other funds	84,000	35,782	16,000	(19,782)
	<u>84,000</u>	<u>35,782</u>	<u>14,917</u>	<u>(20,865)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(3,990)</u>	<u>4,512</u>	<u>7,387</u>	<u>2,875</u>
Fund Balance, May 1, 2021	<u>18,625</u>	<u>18,625</u>	<u>18,625</u>	<u>-</u>
Fund Balance, April 30, 2022	<u>\$ 14,635</u>	<u>\$ 23,137</u>	<u>\$ 26,012</u>	<u>\$ 2,875</u>

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS**

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

For the Year Ended April 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local taxes				
Property tax	\$ 7,950	\$ 7,985	\$ 7,986	\$ 1
Utility tax	10,000	14,000	13,988	(12)
	<u>17,950</u>	<u>21,985</u>	<u>21,974</u>	<u>(11)</u>
Intergovernmental revenues				
Sales and use tax	38,415	49,800	49,799	(1)
Telecommunications tax	280	955	955	-
State income tax	51,000	51,000	54,896	3,896
Replacement tax	1,680	2,510	2,509	(1)
	<u>91,375</u>	<u>104,265</u>	<u>108,159</u>	<u>3,894</u>
Other local sources				
Fees and fines	110,850	110,600	112,894	2,294
	<u>110,850</u>	<u>110,600</u>	<u>112,894</u>	<u>2,294</u>
Total Revenues	<u>220,175</u>	<u>236,850</u>	<u>243,027</u>	<u>6,177</u>
Expenditures				
Current				
Public works and transportation				
Salaries and benefits	102,595	87,320	98,412	11,092
Contractual services	141,010	134,350	120,194	(14,156)
Small equipment / Commodities	12,805	12,405	5,249	(7,156)
Other	-	100	100	-
Capital outlay	11,900	22,575	26,999	4,424
	<u>268,310</u>	<u>256,750</u>	<u>250,954</u>	<u>(5,796)</u>
Excess (Deficiency) of Revenues over Expenditures	(48,135)	(19,900)	(7,927)	11,973
Other Financing Sources (Uses)				
Transfers (to) from other funds	48,000	12,500	8,000	(4,500)
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	(135)	(7,400)	73	7,473
Fund Balance, May 1, 2021	<u>10,539</u>	<u>10,539</u>	<u>10,539</u>	<u>-</u>
Fund Balance, April 30, 2022	<u>\$ 10,404</u>	<u>\$ 3,139</u>	<u>\$ 10,612</u>	<u>\$ 7,473</u>

SCHEDULE OF FINDINGS AND RESPONSES

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended April 30, 2022**

Finding No. 2022-001 – 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 (CONTINUED)
For the year ended April 30, 2022**

Finding No. 2022-001 – Oversight for Drafting Financial Statements (Concluded)

Corrective Action Plan:

The Village accepts the degree of risk associated with this condition. The increased expense to seek additional accounting staff with the appropriate skills and expertise to draft the complete financial statements would take away from the funds available to provide services to the citizens of the Village.

Anticipated Date of Completion:

Not Applicable

Name of Contact Person:

Paul Tomazzoli, Village President

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the year ended April 30, 2022**

Finding No. 2022-002 – 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.

Corrective Action Plan:

The Village accepts the degree of risk associated with this condition. The increased expense to seek additional accounting staff with the appropriate skills and expertise to perform the procedures above would take away from the funds available to provide services to the citizens of the Village.

Anticipated Date of Completion:

Not Applicable

Name of Contact Person:

Paul Tomazzoli, Village President

**VILLAGE OF COBDEN
UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES (CONCLUDED)
For the year ended April 30, 2021**

Finding No. 2022-003 – Economic Interest Statements

Criteria/Specific Requirement:

Chapter 5 section 420/4A-101 of the *Illinois Compiled Statutes* requires that certain persons employed by the Village or persons who are elected to hold an office of the Village file an economic interest statement annually with the County Clerk's office.

Condition:

The Village Clerk appropriately notified the County Clerk of those who are required to file. The County Clerk has the responsibility of notifying the individual and obtaining the economic interest statement from each by the filing due date. Based on the audit procedures performed, it was determined that five of the twenty-two Village employees and officials failed to file such statements with the County Clerk's office by year-end.

Effect:

Failure to file this statement subjects the individuals to potential fines and jeopardizes their elected office or position of employment with the Village.

Cause:

Failure to file is due to an apparent oversight by certain Village officials & personnel who are required to file.

Recommendation:

The Village, in conjunction with the County Clerk, should take the necessary steps to ensure that all economic interest statements are correctly and timely filed. One recommendation would be for the Village to consider having all applicable individuals sign the economic interest statements at the same time, such as at a board meeting, and then submit all of the forms together to ensure all filings are made in a timely manner.

Management's Response:

Management agrees with this finding.

Corrective Action Plan:

The Village will take the necessary steps to ensure that all economic interest statements are correctly and timely filed.

Anticipated Date of Completion:

April 30, 2023

Name of Contact Person:

Paul Tomazzoli, Village President