

VILLAGE OF WALTONVILLE, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Village of Waltonville, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Waltonville, Illinois as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Waltonville, Illinois' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Village of Waltonville, Illinois, as of April 30, 2023, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

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

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

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

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules and related notes, and the schedule of assessed valuation but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements 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.

Fick, Eggemeyer & Williamson, CPAs

Fick, Eggemeyer, & Williamson, CPAs
Columbia, Illinois
September 7, 2023

BASIC FINANCIAL STATEMENTS

VILLAGE OF WALTONVILLE, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 266,514	\$ 389,910	\$ 656,424
Restricted cash	103,046	44,793	147,839
Total current assets	<u>369,560</u>	<u>434,703</u>	<u>804,263</u>
Noncurrent assets			
Capital assets, net of depreciation	47,954	2,027,816	2,075,770
Total noncurrent assets	<u>47,954</u>	<u>2,027,816</u>	<u>2,075,770</u>
Total assets	<u>\$ 417,514</u>	<u>\$ 2,462,519</u>	<u>\$ 2,880,033</u>
LIABILITIES			
Current liabilities			
Current portion of long-term debt	\$ -	\$ 62,434	\$ 62,434
Total current liabilities	<u>-</u>	<u>62,434</u>	<u>62,434</u>
Noncurrent liabilities			
Note payable	-	446,279	446,279
Bonds payable	-	360,000	360,000
Total noncurrent liabilities	<u>-</u>	<u>806,279</u>	<u>806,279</u>
Total liabilities	<u>\$ -</u>	<u>\$ 868,713</u>	<u>\$ 868,713</u>
NET POSITION			
Net investment in capital assets	\$ 47,954	\$ 1,159,103	\$ 1,207,057
Restricted for:			
ARPA Funds	58,932	-	58,932
Motor Fuel Tax	44,114	-	44,114
Sewer	-	44,793	44,793
Unrestricted	266,514	389,910	656,424
Total net position	<u>\$ 417,514</u>	<u>\$ 1,593,806</u>	<u>\$ 2,011,320</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 88,229	\$ 100	\$ 29,394	\$ -	\$ (58,735)	\$ -	\$ (58,735)
Highways and streets	42,414	-	-	-	(42,414)	-	(42,414)
Total governmental activities	130,643	100	29,394	-	(101,149)	-	(101,149)
Business-type:							
Water	455,551	409,211	-	-	-	(46,340)	(46,340)
Sewer	81,226	54,407	-	-	-	(26,819)	(26,819)
Total business-type activities	536,777	463,618	-	-	-	(73,159)	(73,159)
Total	\$ 667,420	\$ 463,718	\$ 29,394	\$ -	(101,149)	(73,159)	(174,308)
General revenues:							
Property tax					9,721	-	9,721
Income tax					65,924	-	65,924
Sales tax					64,544	-	64,544
Local use tax					16,614	-	16,614
Replacement tax					2,622	-	2,622
Gaming tax					22,916	-	22,916
Cannabis tax					642	-	642
Motor fuel tax					21,780	-	21,780
Interest income					7,876	7,744	15,620
Other					5,662	17,991	23,653
Total general revenues					218,301	25,735	244,036
Changes in net position					117,152	(47,424)	69,728
Net position - beginning					300,362	1,641,230	1,941,592
Net position - ending					\$ 417,514	\$ 1,593,806	\$ 2,011,320

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
APRIL 30, 2023

	General	Motor Fuel Tax	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 266,514	\$ -	\$ 266,514
Restricted cash	58,932	44,114	103,046
Total assets	<u>\$ 325,446</u>	<u>\$ 44,114</u>	<u>\$ 369,560</u>
LIABILITIES			
None	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
ARPA Funds	58,932	-	58,932
Motor Fuel Tax	-	44,114	44,114
Unassigned	266,514	-	266,514
Total fund balances	<u>325,446</u>	<u>44,114</u>	<u>369,560</u>
Total liabilities and fund balances	<u>\$ 325,446</u>	<u>\$ 44,114</u>	<u>\$ 369,560</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS,
LIABILITIES AND FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT
OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2023

Total fund balance - governmental funds	\$ 369,560
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and , therefore, are not reported in the governmental funds Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis.	<u>47,954</u>
Net position of governmental activities	<u><u>\$ 417,514</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	General	Motor Fuel Tax	Total
REVENUES			
Property tax	\$ 9,721	\$ -	\$ 9,721
Income tax	65,924	-	65,924
Sales tax	64,544	-	64,544
Local use tax	16,614	-	16,614
Replacement tax	2,622	-	2,622
Motor fuel tax	-	21,780	21,780
Gaming tax	22,916	-	22,916
Cannabis tax	642	-	642
Interest income	7,716	160	7,876
Licenses and permits	100	-	100
Other	5,662	-	5,662
Grants and contributions	29,394	-	29,394
Total revenues	<u>225,855</u>	<u>21,940</u>	<u>247,795</u>
EXPENDITURES			
General government	80,724	-	80,724
Highways and streets	-	41,685	41,685
Capital outlay	-	5,104	5,104
Total expenditures	<u>80,724</u>	<u>46,789</u>	<u>127,513</u>
Excess (deficiency) of revenue over expenditures	145,131	(24,849)	120,282
Fund balances - beginning	<u>180,315</u>	<u>68,963</u>	<u>249,278</u>
Fund balances - ending	<u>\$ 325,446</u>	<u>\$ 44,114</u>	<u>\$ 369,560</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2023

Net change in fund balances - total governmental funds	\$	120,282
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	5,104		
Depreciation expense	(8,234)		(3,130)
Change in net position of governmental activities	\$		117,152

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2023

	Water Fund	Sewer Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 344,408	\$ 45,502	\$ 389,910
Restricted cash	-	44,793	44,793
Total current assets	<u>344,408</u>	<u>90,295</u>	<u>434,703</u>
Noncurrent assets			
Capital assets, net of depreciation	772,891	1,254,925	2,027,816
Total noncurrent assets	<u>772,891</u>	<u>1,254,925</u>	<u>2,027,816</u>
Total assets	<u>\$ 1,117,299</u>	<u>\$ 1,345,220</u>	<u>\$ 2,462,519</u>
LIABILITIES			
Current liabilities			
Current portion of long term debt	\$ 47,434	\$ 15,000	\$ 62,434
Total current liabilities	<u>47,434</u>	<u>15,000</u>	<u>62,434</u>
Noncurrent liabilities			
Notes payable	446,279	-	446,279
Bonds payable	-	360,000	360,000
Total noncurrent liabilities	<u>446,279</u>	<u>360,000</u>	<u>806,279</u>
Total liabilities	<u>\$ 493,713</u>	<u>\$ 375,000</u>	<u>\$ 868,713</u>
NET POSITION			
Net investment in capital assets	\$ 279,178	\$ 879,925	\$ 1,159,103
Restricted for:			
Bond and Interest	-	38,849	38,849
Reserves	-	5,944	5,944
Unrestricted	344,408	45,502	389,910
Total net position	<u>\$ 623,586</u>	<u>\$ 970,220</u>	<u>\$ 1,593,806</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	Water Fund	Sewer Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 409,211	\$ 53,691	\$ 462,902
Other	17,991	716	18,707
Total operating revenues	<u>427,202</u>	<u>54,407</u>	<u>481,609</u>
OPERATING EXPENSES:			
Salaries and related expenses	59,214	-	59,214
Supplies and materials	68,214	-	68,214
Cost of water sold	125,008	-	125,008
Repairs and maintenance	43,482	5,919	49,401
Professional fees	3,700	1,500	5,200
Contractual services	82,436	-	82,436
Office expenses	19,354	-	19,354
Utilities	4,836	1,613	6,449
Other	1,338	8,427	9,765
Depreciation	25,390	46,554	71,944
Total operating expenses	<u>432,972</u>	<u>64,013</u>	<u>496,985</u>
Operating income (loss)	<u>(5,770)</u>	<u>(9,606)</u>	<u>(15,376)</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest income	6,063	1,681	7,744
Interest and fiscal charges	(22,579)	(17,213)	(39,792)
Total non-operating revenues (expenses)	<u>(16,516)</u>	<u>(15,532)</u>	<u>(32,048)</u>
Change in net position	(22,286)	(25,138)	(47,424)
Net position - beginning	<u>645,872</u>	<u>995,358</u>	<u>1,641,230</u>
Net position - ending	<u>\$ 623,586</u>	<u>\$ 970,220</u>	<u>\$ 1,593,806</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 427,202	\$ 54,407	\$ 481,609
Payments to suppliers	(348,368)	(17,459)	(365,827)
Payments to employees	(59,214)	-	(59,214)
Net cash provided (used) by operating activities	<u>19,620</u>	<u>36,948</u>	<u>56,568</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment of principal	(44,969)	(15,000)	(59,969)
Payment of interest	(22,579)	(17,213)	(39,792)
Net cash provided (used) by capital and related financing activities	<u>(67,548)</u>	<u>(32,213)</u>	<u>(99,761)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	6,063	1,681	7,744
Net cash provided (used) by investing activities	<u>6,063</u>	<u>1,681</u>	<u>7,744</u>
Net increase (decrease) in cash	(41,865)	6,416	(35,449)
Cash and cash equivalents - beginning	<u>386,273</u>	<u>83,879</u>	<u>470,152</u>
Cash and cash equivalents - ending	<u><u>\$ 344,408</u></u>	<u><u>\$ 90,295</u></u>	<u><u>\$ 434,703</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income	\$ (5,770)	\$ (9,606)	\$ (15,376)
Adjustments to reconcile net income to net cash provided (used) by operating activities			
Depreciation expense	25,390	46,554	71,944
Prepaid insurance	-	-	-
Net cash provided by operating activities	<u><u>\$ 19,620</u></u>	<u><u>\$ 36,948</u></u>	<u><u>\$ 56,568</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WALTONVILLE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Village of Waltonville, Illinois (the Village) related to the funds included in the accompanying basic financial statements conform to other accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable).

Reporting Entity

The Village Board of Trustees is the primary governing authority for the Village. The Village has developed criteria to determine whether outside agencies with activities that benefit the Village should be included within its financial reporting entity. The criteria for including other organizations within the Village's financial statements, as set forth in GASB No. 14, is based on financial accountability.

The Village is financially accountable for an organization if it appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Village because the Village approved their budget, the issuance of debt or the levying of taxes. The Village has no component units.

Government-Wide and Fund Financial Statements

The statement of net position - modified cash basis and the statement of activities - modified cash basis display information about the primary government (the Village). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The government-wide financial statements report net position in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The statement of activities - modified cash basis presents a comparison between direct expenses and program revenues for the different business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

VILLAGE OF WALTONVILLE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

The fund financial statements provide information about the Village's funds. Separate statements for each fund category-*governmental* and *proprietary* are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principle activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. The Village maintains no fiduciary funds.

The Village has elected to report all funds as major funds and maintains the following 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.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for motor fuel taxes received from the State of Illinois and restricted to expenditures for specified purposes.

The Village reports the following proprietary funds:

Water Fund

Accounts for the activities of the public trust in providing water services to the public.

Sewer Fund

Accounts for the activities of the public trust in providing sewer services to the public.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Modified cash basis of accounting refers to when revenues received, and expenses or expenditures disbursed are recognized in the accounts and how they are reported on the financial statements.

Both the government-wide financial statements and the fund financial statements are presented on a modified cash basis of accounting. The modifications to the cash basis include capital assets, internal balances, note payable and bonds payable. Revenues are recognized and recorded when cash is received, and expenditures are recognized and recorded when cash is disbursed. This differs from the generally accepted accounting principles applicable to government entities of reporting using the economic resources measurement focus and the accrual basis of accounting for governmental fund financial statements.

Internal Balances

In the process of aggregating the financial information for the government-wide Statement of Net Position, amounts, if any, reported as interfund balances in the fund financial statements are eliminated.

VILLAGE OF WALTONVILLE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers compensation. The Village purchases commercial insurance coverage for such risks. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Cash and Cash Equivalents

The Village considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash deposits are reported at carrying amount.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The Village accounts for infrastructure within the guidelines promulgated by GASB 34. Currently, the Village has a capitalization threshold of \$5,000 for capital assets purchased except for infrastructure, which must exceed costs of \$100,000. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset's life, are not capitalized. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings, improvements and infrastructure	20-40
Machinery and equipment	5-10

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted fund balances consist of monies restricted by bond covenants. All other net position is reported as unrestricted.

It is the Village's policy to use restricted amounts first when both restricted and unrestricted resources are available, unless there are legal contracts that prohibit doing this.

VILLAGE OF WALTONVILLE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Balance Sheet:

Restricted - the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following account's fund balance is restricted by Village ordinance, taxing authority or grant agreements: ARPA Funds, Motor Fuel Tax, Sewer Bond and Interest, and Sewer Reserves.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following account comprises the unassigned fund balance: General.

The Village uses restricted amounts first when both restricted and unassigned fund balances are available, unless there are legal contracts that prohibit doing this.

Use of Estimates

The preparation of basic financial statements in conformity in a comprehensive basis of accounting other than U.S. generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village and the 2021 property tax levy was passed by the Board of Trustees in December 2021. Property taxes attach as an enforceable lien on property as of January 1 and are payable in installments. The Village received significant distributions of tax receipts during September and November of 2022. Property tax collections reflected in the Village's financial statements for the year ended April 30, 2023, represent taxes received for the 2021 tax levy.

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits

At year-end, the carrying amount of the Village's deposits totaled \$804,263 and bank balances totaled \$803,266.

Custodial Risk

Custodial credit risk is the risk that in the event of a bank failure the Village's deposits may not be returned to it. Of the bank balances, \$416,788 was insured by the Federal Deposit Insurance Corporation (FDIC), and \$386,478 was covered by pledged collateral, which was held in the Village's name, leaving no deposits at risk as of April 30, 2023.

VILLAGE OF WALTONVILLE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 3 - RESTRICTED ASSETS

The Sewer Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources that can only be used to service outstanding debt. At April 30, 2023, the Village was in compliance with restrictions set forth on cash and cash equivalents. The Village has restricted assets as of April 30, 2023, for the General Fund in the amount of \$58,932, the Motor Fuel Tax Fund in the amount of \$44,114, and the Sewer Fund in the amount of \$44,793.

NOTE 4 - LONG TERM DEBT

The following is a summary of changes in long term debt for the year ended April 30, 2023:

	4/30/2022			4/30/2023	
Business-type activities:	Balance	Additions	Retirements	Balance	Due Within One Year
Sewer System Revenue Bonds	\$ 390,000	\$ -	\$ (15,000)	\$ 375,000	\$ 15,000
Water Improvement Loan	228,182	-	(22,569)	205,613	23,234
General Obligation Debt Certificates	310,500	-	(22,400)	288,100	24,200
Totals	<u>\$ 928,682</u>	<u>\$ -</u>	<u>\$ (59,969)</u>	<u>\$ 868,713</u>	<u>\$ 62,434</u>

Sewer System Revenue Bonds

In 2003, the Village's Sewer Fund issued \$560,000 worth of sewer system revenue bonds. Payments are due in semi-annual installments with principal due on May 1st and interest only due on November 1st and interest computed at an annual rate of 4.50%. The principal and interest payments required for the fiscal years ending April 30 are as follows:

Year Ending	Total		
April 30,	Principal	Interest	Payment
2024	\$ 15,000	\$ 16,538	\$ 31,538
2025	15,000	15,863	30,863
2026	15,000	15,188	30,188
2027	15,000	14,513	29,513
2028	15,000	13,838	28,838
2029-2033	100,000	56,250	156,250
2034-2038	120,000	31,950	151,950
2039-2041	80,000	5,625	85,625
	<u>\$ 375,000</u>	<u>\$ 169,765</u>	<u>\$ 544,765</u>

VILLAGE OF WALTONVILLE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 4 - LONG TERM DEBT (continued)

Peoples National Bank

On October 20, 2020, the Village's Water Fund entered into a note payable agreement with Peoples National Bank in the amount of \$250,000. Payments are due in annual installments with principal and interest due October 20th. The note payable accrues interest at an annual interest rate of 2.95%. The principal and interest payments required for the fiscal years ending April 30 are as follows:

Year Ending April 30,	Principal	Interest	Total Payment
2024	\$ 23,234	\$ 6,063	\$ 29,297
2025	23,904	5,392	29,296
2026	24,624	4,672	29,296
2027	25,393	3,946	29,339
2028	26,142	3,196	29,338
2029-2031	82,316	4,878	87,194
	<u>\$ 205,613</u>	<u>\$ 28,147</u>	<u>\$ 233,760</u>

Community First Bank General Obligation Debt

On March 1, 2022, the Village's Water Fund entered into a series 2022, general obligation debt certificates agreement, in the amount of \$310,500. Payments are due in annual installments with principal and interest due March 1st and accrues interest at an annual interest rate of 8.00% for the first six years and 1.85% for the following four years. The principal and interest payments required for the fiscal years ending April 30 are as follows:

Year Ending April 30,	Principal	Interest	Total Payment
2024	\$ 24,200	\$ 14,057	\$ 38,257
2025	26,100	12,121	38,221
2026	28,200	10,033	38,233
2027	30,500	7,777	38,277
2028	32,900	5,072	37,972
2029-2032	146,200	7,092	153,292
	<u>\$ 288,100</u>	<u>\$ 56,152</u>	<u>\$ 344,252</u>

VILLAGE OF WALTONVILLE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 5 - LEGAL DEBT MARGIN

Assessed valuation - 2021 payable in 2022	\$ 3,795,092
Legaldebt limit - 8.625% of assessed valuation	327,327
Amount of debt applicable to debt limit	-
Legal debt margin	<u>\$ 327,327</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Total capital assets not being depreciated	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Capital assets being depreciated:				
Buildings and improvements	60,388	-	-	60,388
Machinery and equipment	89,170	5,104	-	94,274
Total capital assets being depreciated	<u>149,558</u>	<u>5,104</u>	<u>-</u>	<u>154,662</u>
Less accumulated depreciation for:				
Buildings and improvements	47,655	830	-	48,485
Machinery and equipment	75,819	7,404	-	83,223
Total accumulated depreciation	<u>123,474</u>	<u>8,234</u>	<u>-</u>	<u>131,708</u>
Capital assets being depreciated, net	<u>26,084</u>	<u>(3,130)</u>	<u>-</u>	<u>22,954</u>
Governmental activity capital assets, net	<u>\$ 51,084</u>	<u>\$ (3,130)</u>	<u>\$ -</u>	<u>\$ 47,954</u>

Depreciation expense was charged to the following function in the Statement of Activities - Modified Cash Basis:

Governmental activities:	
General government	\$ 8,234
Total Governmental Activities	<u>\$ 8,234</u>

VILLAGE OF WALTONVILLE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 6 - CAPITAL ASSETS (continued)

Business-type activities consist of the Water and Sewer Funds:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 28,500	\$ -	\$ -	\$ 28,500
Construction in progress	410,557	-	410,557	-
Total capital assets not being depreciated	<u>439,057</u>	<u>-</u>	<u>410,557</u>	<u>28,500</u>
Capital assets being depreciated:				
Buildings and improvements	273,859	-	-	273,859
Machinery and equipment	58,866	-	-	58,866
Infrastructure	3,411,636	410,557	-	3,822,193
Total capital assets being depreciated	<u>3,744,361</u>	<u>410,557</u>	<u>-</u>	<u>4,154,918</u>
Less accumulated depreciation for:				
Buildings and improvements	248,950	944	-	249,894
Machinery and equipment	57,711	3,959	-	61,670
Infrastructure	1,776,997	67,041	-	1,844,038
Total accumulated depreciation	<u>2,083,658</u>	<u>71,944</u>	<u>-</u>	<u>2,155,602</u>
Capital assets being depreciated, net	<u>1,660,703</u>	<u>338,613</u>	<u>-</u>	<u>1,999,316</u>
Governmental activity capital assets, net	<u>\$ 2,099,760</u>	<u>\$ 338,613</u>	<u>\$ 410,557</u>	<u>\$ 2,027,816</u>

Depreciation expense was charged to the following functions in the Statement of Activities - Modified Cash Basis:

Business-type activities:	
Water	\$ 25,390
Sewer	46,554
Total Business-type Activities	<u>\$ 71,944</u>

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 7, 2023, the date which the financial statements were available for issues and noted no reportable events.

OTHER INFORMATION

VILLAGE OF WALTONVILLE, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/(Negative)
REVENUES				
Property tax	\$ 11,000	\$ 11,000	\$ 9,721	\$ (1,279)
Income tax	54,000	54,000	65,924	11,924
Sales tax	38,000	38,000	64,544	26,544
Local use tax	15,000	15,000	16,614	1,614
Replacement tax	1,500	1,500	2,622	1,122
Gaming tax	17,000	17,000	22,916	5,916
Cannabis tax	500	500	642	142
Interest income	-	-	7,716	7,716
Licenses and permits	2,100	2,100	100	(2,000)
Other	5,900	5,900	5,662	(238)
Grants and contributions	-	-	29,394	29,394
Total revenues	<u>145,000</u>	<u>145,000</u>	<u>225,855</u>	<u>80,855</u>
EXPENDITURES				
General government	128,800	128,800	80,724	48,076
Highways and streets	6,500	6,500	-	6,500
Capital outlay	10,000	10,000	-	10,000
Total expenditures	<u>145,300</u>	<u>145,300</u>	<u>80,724</u>	<u>64,576</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (300)</u>	<u>\$ (300)</u>	145,131	<u>\$ 145,431</u>
Fund balance - beginning			<u>180,315</u>	
Fund balance - ending			<u><u>\$ 325,446</u></u>	

VILLAGE OF WALTONVILLE, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS - MOTOR FUEL TAX
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/(Negative)
REVENUES				
Motor fuel tax	\$ 26,200	\$ 26,200	\$ 21,780	\$ (4,420)
Interest income	10	10	160	150
Total revenues	<u>26,210</u>	<u>26,210</u>	<u>21,940</u>	<u>(4,270)</u>
EXPENDITURES				
Highways and street	25,000	25,000	41,685	(16,685)
Capital outlay	-	-	5,104	(5,104)
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>46,789</u>	<u>(21,789)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,210</u>	<u>\$ 1,210</u>	(24,849)	<u>\$ (26,059)</u>
Fund balance - beginning			<u>68,963</u>	
Fund balance - ending			<u>\$ 44,114</u>	

VILLAGE OF WALTONVILLE, ILLINOIS
NOTES TO OTHER INFORMATION
APRIL 30, 2023

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The Village followed these procedures in establishing the appropriated and budgetary data reported in the financial statements for the year ended April 30, 2023.

- a. Prior to April 30, the Village submits a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures, and the means of financing them, for the general fund, all special revenue funds and the proprietary funds.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. The appropriation is legally enacted through passage of an ordinance.
- d. The Village Council adopts operating budgets, which are used as a management control device.
- e. Supplements to the appropriation ordinance, which alter the total expenditures of a fund, must also be approved by the Village Council.
- f. Appropriations and budgets for all funds are based on accounting principles which are consistent modified cash basis of financial reporting (OCBOA) in all material respects.

Appropriated amounts are as originally adopted, unless amended by the Village Council. If amended, the amounts presented in the financial statements and schedules represent final authorized amounts. Unexpended appropriations lapse at year-end.

NOTE 2 - EXPENDITURES IN EXCESS OF BUDGET

<u>Fund</u>	<u>Expenditures</u>	<u>Budget</u>
Motor Fuel Tax	\$ 46,789	\$ 25,000

VILLAGE OF WALTONVILLE, ILLINOIS
SCHEDULE OF ASSESSED VALUATION - TAX RATES
TAXES EXTENDED AND COLLECTED FOR 2019, 2020 AND 2021

	<u>2019</u>	<u>2020</u>	<u>2021</u>
ASSESSED VALUATION:	<u>\$ 3,332,454</u>	<u>\$ 3,615,640</u>	<u>\$ 3,795,092</u>
TAX RATES PER \$100 OF ASSESSED VALUATION:			
General Corporate	<u>0.15713</u>	<u>0.14482</u>	<u>0.12517</u>
	<u>0.15713</u>	<u>0.14482</u>	<u>0.12517</u>
TAXES EXTENDED:			
General Corporate	<u>\$ 5,236</u>	<u>\$ 5,236</u>	<u>\$ 4,757</u>
	<u>\$ 5,236</u>	<u>\$ 5,236</u>	<u>\$ 4,757</u>
TAXES COLLECTED:	<u>\$ 9,713</u>	<u>\$ 10,113</u>	<u>\$ 9,721</u>
Less: Road and Bridge adjustment	(4,362)	(4,758)	(4,758)
ADJUSTED TAXES COLELCTED:	<u>\$ 5,351</u>	<u>\$ 5,355</u>	<u>\$ 4,963</u>
% COLLECTED ON THOSE EXTENDED:	<u>102.20%</u>	<u>102.27%</u>	<u>104.33%</u>