



VILLAGE OF WARRENSBURG, ILLINOIS

ANNUAL FINANCIAL REPORT

April 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Village of Warrensburg
Warrensburg, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Warrensburg, 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 Warrensburg'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 financial position on a modified cash basis of the governmental activities, the business-type activities, and each major proprietary fund and the financial position on a cash basis of each governmental fund of the Village of Warrensburg as of April 30, 2022, and the respective changes in financial position on a modified cash basis and cash basis, and where applicable, cash flows thereof for the year then ended in accordance with the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these 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 and to meet our 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The government-wide and proprietary fund financial statements are prepared on a modified cash basis of accounting and the governmental fund financial statements are prepared on the cash basis of accounting, which are 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 modified cash basis of accounting for government-wide financial statements and proprietary fund financial statements and cash basis of accounting for the governmental fund financial statements described in Note 1; this includes determining the modified cash basis of accounting and the cash basis of accounting are an acceptable basis for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 GAAS 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'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'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 Warrensburg's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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 combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We audited, in accordance with auditing standards generally accepted in the United States of America, the Village of Warrensburg's basic financial statements for the year ended April 30, 2021, which are not presented with the accompanying financial statements. In our opinion dated July 9, 2021, we expressed unmodified opinions on the respective financial position on a modified cash basis of the governmental activities, the business-type activities, each major proprietary fund and the financial position on a cash basis of each governmental fund. As identified in the prior independent auditor's report, the audit was conducted for the purpose of forming opinions on the respective financial position on a modified cash basis and cash basis that collectively comprise the Village of Warrensburg's' basic financial statements as a whole. The Comparative Statement of Net Position, Comparative Statement of Revenues, Expenses, and Changes in Net Position, Comparative Statement of Cash Flows all presented on a modified cash basis for the Water Fund, related to the 2021 financial statements 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 2021 financial statements. The information was subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures performed in the prior year, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our prior year auditor's opinion, the information was fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Insurance Coverage and the Schedule of Water Rates Charged but does not include the basic financial statements or our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or form any 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 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 16, 2022, on our consideration of the Village of Warrensburg, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Warrensburg, Illinois' internal control over financial reporting and compliance.

Sikich LLP

Decatur, Illinois
August 16, 2022

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**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***

The Board of Trustees
Village of Warrensburg
Warrensburg, Illinois

We have audited, in accordance with the 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, the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Warrensburg, 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 Warrensburg, Illinois' basic financial statements, and have issued our report thereon dated August 16, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Warrensburg, Illinois' 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Warrensburg, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Warrensburg, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, that we consider to be significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies.[2022-001]

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Warrensburg, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Responses to Findings

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

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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Decatur, Illinois
August 16, 2022

BASIC FINANCIAL STATEMENTS

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 719,759	\$ 727,985	\$ 1,447,744
Restricted cash	-	336,337	336,337
Capital assets, net			
Nondepreciable	10,754	60,934	71,688
Depreciable, net	109,363	1,652,855	1,762,218
Total assets	<u>839,876</u>	<u>2,778,111</u>	<u>3,617,987</u>
LIABILITIES			
Customer deposits	-	10,800	10,800
Accounts payable	14	-	14
Long-term debt:			
Due within one year	-	35,000	35,000
Due in more than one year	-	1,220,000	1,220,000
Total liabilities	<u>14</u>	<u>1,265,800</u>	<u>1,265,814</u>
NET POSITION			
Net investment in capital assets	120,117	458,789	578,906
Restricted	315,723	336,337	652,060
Unrestricted	404,022	717,185	1,121,207
TOTAL NET POSITION	<u>\$ 839,862</u>	<u>\$ 1,512,311</u>	<u>\$ 2,352,173</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

Year Ended April 30, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses Paid	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 188,923	\$ 4,745	\$ -	\$ -	\$ (184,178)	\$ -	\$ (184,178)
Public safety	178,080	10,709	76,616	-	(90,755)	-	(90,755)
Streets and alleys	152,110	-	48,162	26,581	(77,367)	-	(77,367)
Total governmental activities	<u>519,113</u>	<u>15,454</u>	<u>124,778</u>	<u>26,581</u>	<u>(352,300)</u>	<u>-</u>	<u>(352,300)</u>
Business-type activities							
Water	220,994	314,613	-	-	-	93,619	93,619
Sewer	100,367	137,933	-	-	-	37,566	37,566
Total business-type activities	<u>321,361</u>	<u>452,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,185</u>	<u>131,185</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 840,474</u>	<u>\$ 468,000</u>	<u>\$ 124,778</u>	<u>\$ 26,581</u>	<u>(352,300)</u>	<u>131,185</u>	<u>(221,115)</u>
	General revenues collected						
	Property taxes				221,424	2,553	223,977
	Sales and use tax				122,935	-	122,935
	Replacement tax				20,086	-	20,086
	State income taxes				168,037	-	168,037
	Miscellaneous income				122,340	4,997	127,337
	Investment income				365	539	904
	Gain on disposal of assets				-	11,001	11,001
	Total general revenues collected				<u>655,187</u>	<u>19,090</u>	<u>674,277</u>
	Transfers				<u>6,319</u>	<u>(6,319)</u>	<u>-</u>
	Change in net position				309,206	143,956	453,162
	NET POSITION, BEGINNING OF YEAR				<u>530,656</u>	<u>1,368,355</u>	<u>1,899,011</u>
	NET POSITION, END OF YEAR				<u>\$ 839,862</u>	<u>\$ 1,512,311</u>	<u>\$ 2,352,173</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - CASH BASIS

GOVERNMENTAL FUNDS

April 30, 2022

	Special Revenue Funds						Total Governmental Funds
	General	Motor Fuel Tax	Tort Liability	Social Security	Drug and Alcohol	Safe Route to School	
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 581,292	\$ 104,141	\$ 19,657	\$ 12,710	\$ 1,959	\$ -	\$ 719,759
TOTAL ASSETS	<u>\$ 581,292</u>	<u>\$ 104,141</u>	<u>\$ 19,657</u>	<u>\$ 12,710</u>	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 719,759</u>
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14
Interfund payable	-	-	-	-	-	-	-
Total current liabilities	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>
Total liabilities	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>
FUND BALANCES							
Restricted	177,388	104,141	19,657	12,710	1,827	-	315,723
Assigned	-	-	-	-	132	-	132
Unassigned	403,890	-	-	-	-	-	403,890
Total fund balances	<u>581,278</u>	<u>104,141</u>	<u>19,657</u>	<u>12,710</u>	<u>1,959</u>	<u>-</u>	<u>719,745</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 581,292</u>	<u>\$ 104,141</u>	<u>\$ 19,657</u>	<u>\$ 12,710</u>	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 719,759</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WARRENSBURG, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES, AND FUND
BALANCES - CASH BASIS - GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

April 30, 2022

FUND BALANCE OF GOVERNMENTAL FUNDS	\$ 719,745
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$563,514 net of accumulated depreciation of \$(443,397), are not current financial resources and, therefore, are not reported in the governmental funds.	<u>120,117</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 839,862</u></u>

The accompanying notes are an integral part of this statements.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CASH BASIS

GOVERNMENTAL FUNDS

Year Ended April 30, 2022

	General	Special Revenue Funds					Total Governmental Funds
		Motor Fuel Tax	Tort Liability	Social Security	Drug and Alcohol	Safe Route to School	
REVENUES							
Property taxes	\$ 160,471	\$ -	\$ 37,971	\$ 22,982	\$ -	\$ -	\$ 221,424
Sales and use taxes	122,935	-	-	-	-	-	122,935
Personal property replacement tax	20,086	-	-	-	-	-	20,086
Motor fuel tax	-	48,162	-	-	-	-	48,162
State income taxes	168,037	-	-	-	-	-	168,037
Fines and fees	10,609	-	-	-	100	-	10,709
Licenses and permits	4,745	-	-	-	-	-	4,745
Grants	76,616	26,581	-	-	-	-	103,197
Other revenue	120,513	-	-	-	1,827	-	122,340
Investment income	273	83	7	2	-	-	365
Total revenues	684,285	74,826	37,978	22,984	1,927	-	822,000

This statement is continued on the following page.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CASH BASIS

GOVERNMENTAL FUNDS (Continued)

Year Ended April 30, 2022

	General	Special Revenue Funds					Total Governmental Funds
		Motor Fuel Tax	Tort Liability	Social Security	Drug and Alcohol	Safe Route to School	
EXPENDITURES							
Current							
General government	\$ 136,383	\$ -	\$ 33,423	\$ 18,401	\$ -	\$ -	\$ 188,207
Public safety	158,949	-	-	-	188	-	159,137
Streets and alleys	69,324	59,752	-	-	-	20,301	149,377
Total expenditures	<u>364,656</u>	<u>59,752</u>	<u>33,423</u>	<u>18,401</u>	<u>188</u>	<u>20,301</u>	<u>496,721</u>
Excess (deficiency) of revenue over (under) expenditures	319,629	15,074	4,555	4,583	1,739	(20,301)	325,279
OTHER FINANCING SOURCES (USES)							
Transfer out	(17,108)	-	-	-	-	-	(17,108)
Transfer in	11,129	-	-	(128)	-	12,426	23,427
	<u>(5,979)</u>	<u>-</u>	<u>-</u>	<u>(128)</u>	<u>-</u>	<u>12,426</u>	<u>6,319</u>
Net change in fund balance	313,650	15,074	4,555	4,455	1,739	(7,875)	331,598
FUND BALANCES, BEGINNING OF YEAR	<u>267,628</u>	<u>89,067</u>	<u>15,102</u>	<u>8,255</u>	<u>220</u>	<u>7,875</u>	<u>388,147</u>
FUND BALANCES, END OF YEAR	<u>\$ 581,278</u>	<u>\$ 104,141</u>	<u>\$ 19,657</u>	<u>\$ 12,710</u>	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 719,745</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF WARRENSBURG, ILLINOIS

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

Year Ended April 30, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENT FUNDS \$ 331,598

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures. However,
they are capitalized and depreciated in the statement of activities

This is the amount by which depreciation \$(30,132) was greater than
capital outlays of \$7,740

(22,392)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 309,206

The accompanying notes are an integral part of this statement.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

April 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total Proprietary</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents, unrestricted	\$ 553,530	\$ 174,455	\$ 727,985
Cash and cash equivalents, restricted	326,377	9,960	336,337
Total current assets	<u>879,907</u>	<u>184,415</u>	<u>1,064,322</u>
NONCURRENT ASSETS			
Capital assets, net:			
Nondepreciable	28,570	32,364	60,934
Depreciable, net	1,623,870	28,985	1,652,855
Total noncurrent assets	<u>1,652,440</u>	<u>61,349</u>	<u>1,713,789</u>
Total assets	<u>2,532,347</u>	<u>245,764</u>	<u>2,778,111</u>
LIABILITIES			
CURRENT LIABILITIES			
Customer deposits	10,800	-	10,800
Bonds payable - current	35,000	-	35,000
Total current liabilities	<u>45,800</u>	<u>-</u>	<u>45,800</u>
NONCURRENT LIABILITIES			
Bonds payable	1,220,000	-	1,220,000
Total liabilities	<u>1,265,800</u>	<u>-</u>	<u>1,265,800</u>
NET POSITION			
Net investment in capital assets	397,440	61,349	458,789
Restricted	326,377	9,960	336,337
Unrestricted	542,730	174,455	717,185
TOTAL NET POSITION	<u>\$ 1,266,547</u>	<u>\$ 245,764</u>	<u>\$ 1,512,311</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WARRENSBURG, ILLINOIS

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

PROPRIETARY FUNDS

Year Ended April 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total Proprietary</u>
OPERATING REVENUE			
User charges	\$ 314,613	\$ 137,933	\$ 452,546
Other fees	-	-	-
Total operating revenues	<u>314,613</u>	<u>137,933</u>	<u>452,546</u>
OPERATING EXPENSES			
Personnel services	46,657	50,950	97,607
Commodities and supplies	78,723	44,876	123,599
Contractual services	-	1,153	1,153
Depreciation	59,333	3,388	62,721
Total operating expenses	<u>184,713</u>	<u>100,367</u>	<u>285,080</u>
Net operating income (loss)	<u>129,900</u>	<u>37,566</u>	<u>167,466</u>
NON-OPERATING REVENUE (EXPENSE)			
Property taxes	-	2,553	2,553
Disposal of assets	5,500	5,501	11,001
Miscellaneous income	4,997	-	4,997
Investment income	445	94	539
Interest Expense	(36,281)	-	(36,281)
Total non-operating revenues (expenses)	<u>(25,339)</u>	<u>8,148</u>	<u>(17,191)</u>
Income before transfers	<u>104,561</u>	<u>45,714</u>	<u>150,275</u>
TRANSFERS			
Transfer in (out)	<u>(3,707)</u>	<u>(2,612)</u>	<u>(6,319)</u>
Change in net position	100,854	43,102	143,956
NET POSITION, BEGINNING OF YEAR	<u>1,165,693</u>	<u>202,662</u>	<u>1,368,355</u>
NET POSITION, END OF YEAR	<u><u>\$ 1,266,547</u></u>	<u><u>\$ 245,764</u></u>	<u><u>\$ 1,512,311</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

PROPRIETARY FUNDS

Year Ended April 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total Proprietary</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 314,763	\$ 137,933	\$ 452,696
Payments to employees	(46,657)	(50,950)	(97,607)
Payment to suppliers	(78,723)	(46,029)	(124,752)
Miscellaneous income	4,997	-	4,997
Net cash from operating activities	<u>194,380</u>	<u>40,954</u>	<u>235,334</u>
CASH FLOWS FROM NON- CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments for interfund transfers	(3,707)	(2,612)	(6,319)
Proceeds from sewer chlorination levy	-	2,553	2,553
Net cash from non-capital and related financing activities	<u>(3,707)</u>	<u>(59)</u>	<u>(3,766)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the sale of assets	5,500	5,501	11,001
Principal payments	(35,000)	-	(35,000)
Interest expense paid	(36,281)	-	(36,281)
Net cash from capital and related financing activities	<u>(65,781)</u>	<u>5,501</u>	<u>(60,280)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	445	94	539
Net cash flows from investing activities	<u>445</u>	<u>94</u>	<u>539</u>
Net increase in cash and cash equivalents	125,337	46,490	171,827
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>754,570</u>	<u>137,925</u>	<u>892,495</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 879,907</u>	<u>\$ 184,415</u>	<u>\$ 1,064,322</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating (loss) income	\$ 129,900	\$ 37,566	\$ 167,466
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	59,333	3,388	62,721
Miscellaneous income	4,997	-	4,997
Decrease in meter deposits	150	-	150
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 194,380</u>	<u>\$ 40,954</u>	<u>\$ 235,334</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents, unrestricted	\$ 553,530	\$ 174,455	\$ 727,985
Cash and cash equivalents, restricted	326,377	9,960	336,337
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 879,907</u>	<u>\$ 184,415</u>	<u>\$ 1,064,322</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WARRENSBURG, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Warrensburg, Illinois (Village) have been prepared in conformity with the modified cash and cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Village are described as follows:

(a) Reporting Entity

The Village of Warrensburg operates under a mayor-trustee form of government and provides the following services as authorized by its charter; public safety (police); streets, alleys and sidewalks; water distribution; sewage treatment; public improvements; planning and zoning; and general administrative services.

The Village's financial statements include the accounts of all Village operations. The criteria for including organizations within the Village's reporting entity, as set forth in GASB No. 61, "The Financial Reporting Entity; Omnibus" is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either (1) the Village is able to 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; or (3) the Village is legally obligated or has otherwise assumed responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Village is obligated for the debt of the organization. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

(b) Government-wide Financial Statements

The basic financial statements include both government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The Statement of Net Position and the Statement of Activities report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Government-wide Financial Statements (Continued)

The statement of net position presents the reporting entity's assets and liabilities, with the difference reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Taxes and other items not included in program revenues are reported as general revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods or services provided by a given function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

(c) Fund Financial Statements

During the year, the Village segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at a more detailed level. The focus of the governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column.

Governmental Funds

Governmental funds are those through which most governmental functions of the Village are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets and liabilities 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 fund balance.

The Village reports the following major governmental funds:

The General Fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fund Financial Statements (Continued)

The Motor Fuel Tax Fund is used to account for the receipts and expenditures of State Motor Fuel Taxes which are legally restricted to expenditures for road maintenance and construction.

Tort Liability Fund is used to account for expenses relating to insuring the Village. This fund is a special revenue fund.

Social Security Fund is used to account for the Village's payroll expense, including the Payroll taxes. This fund is a special revenue fund.

Drug and Alcohol Fund is used to account for receipts and expenditures for public safety related to drugs and alcohol abuse. This fund is a special revenue fund.

Safe Route to School Fund is used to account for receipts and expenditures for the Illinois Safe Routes to School (SRTS) Program.

While the Tort Liability, Social Security, Drug and Alcohol and Safe Route to School funds do not qualify as major funds in accordance with GASB, the Village has elected to report these as major funds.

Proprietary Funds

Proprietary fund operating revenues, such as charges for services, generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, generally result from non-exchange transactions or ancillary activities.

Proprietary fund operating expenses include costs directly related to providing services and producing and delivering goods. All expenses not meeting this definition are reported as non-operating expenses.

The Village reports the following major proprietary funds:

The Water Fund is used to account for the revenues and expenditures related to operating and maintaining the Village's water operations.

The Sewer Fund is used to account for revenues and expenditures related to operating and maintaining the Village's sewer operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in Note 1(e).

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:

- a. All governmental funds utilize a “current financial resources” measurement focus. 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.
- b. The proprietary funds utilize an “economic resources” measurement focus, as applied to the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

(e) Basis of Accounting

The government-wide financial statements and the proprietary fund financial statements are presented using the 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 and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities including long-term debt and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Basis of Accounting (Continued)

The governmental fund financial statements are presented using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis recognizes assets, liabilities, fund equity, revenues, and expenditures when they result from cash transactions.

(f) Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

(g) Interfund Receivables/Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payable" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

If applicable, advances between funds, as reported in the fund financial statements, are offset by a fund balance non-spendable classification in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."

(h) Meter Deposits

Water and/or sewer customers are required to make a deposit with the Village in order to receive water and sewer services. Deposits are credited to the account of the person having made the deposit after 36 months of prompt payment of charges.

VILLAGE OF WARRENSBURG, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Capital Assets

The Village's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital assets arising from cash transactions and having a useful life in excess of one year and an original cost of \$5,000 or more are accounted for as assets in the Statement of Net Position. All capital assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Contributed assets are reported at their acquisition value as of the date received.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of routine maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 – 45
Machinery and equipment	5 – 30
Treatment Plant and System	5 – 40
Infrastructure	40 – 50

Infrastructure assets include roads; bridges; curbs and gutters; streets and sidewalks; drainage system; and lighting systems. The Village has elected to report only those infrastructure capital assets that were acquired or constructed after May 1, 2004.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Capital Assets (Continued)

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in the governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in the proprietary fund operations are accounted for the same as in the government-wide statements.

(j) Investments

Investments are stated at cost, which approximates market.

(k) Compensated Absences

The Village does not report accrued vacation leave or sick pay under the modified cash basis of accounting. Such amounts are reported as expenditures when paid. The Village's vacation period is in line with the calendar year. All vacation time earned must be used by December 31 of each year or it is considered waived. The employee may request reimbursement in lieu of vacation time.

(l) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, for proprietary funds, the Village considers all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

(m) Fund Balance/Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted 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 improvements of those assets.
- b. Restricted net position – consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

VILLAGE OF WARRENSBURG, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fund Balance/Net Position (Continued)

b. Restricted net position (Continued)

Governmental Activities	
Public Safety	\$ 97,851
Economic Development	77,264
Streets and Alleys	104,141
Audit	4,100
Liability	19,657
Benefits	12,710
	<u> </u>
Total Restricted Net Position – Governmental Activities	<u>\$ 315,723</u>
Business-type Activities	
Water Fund	\$ 326,377
Sewer Fund	9,960
	<u> </u>
Total Restricted Net Position – Business-type Activities	<u>\$ 336,337</u>

- c. Unrestricted net position – consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

It is the Village’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

In the governmental fund financial statements, fund balance is the difference between assets and liabilities and is displayed in five components:

- a. Non-spendable – consists of fund balance amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balances with constraints placed on their use either by external groups, by laws of higher authority governments or by constitutional provisions or enabling legislation.

Public Safety	\$ 97,851
Economic Development	77,264
Streets and Alleys	104,141
Audit	4,100
Liability	19,657
Benefits	12,710
	<u> </u>
Total Restricted Fund Balance	<u>\$ 315,723</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fund Balance/Net Position (Continued)

- c. Committed – consists of fund balance amounts that are constrained for specific purposes that are internally imposed by formal action (ordinance) of the highest level of decision-making authority, the Village Board of Trustees. These amounts must be committed prior to year end (actual amounts may be determined after year end). Any changes to the constraints imposed require amendment by the same type of Village Board formal action.
- d. Assigned – consists of fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Assignments may take place after the end of the reporting period.
- e. Unassigned – consists of the residual positive fund balance within the general fund that has not been classified within the above categories. Unassigned fund balance amounts may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

It is the Village's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. Likewise, it is the Village's policy to first use committed or assigned fund balance prior to the use of unassigned fund balance when an expenditure is incurred for purposes for which both committed or assigned and unassigned fund balance is available.

Proprietary fund equity is classified the same as in the government-wide statements.

(n) Use of Estimates

The preparation of financial statements in conformity with the modified basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Long-term Debt

All long-term debt arising from cash transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt arising from cash transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest is reported as expenditures.

The accounting for debt in the proprietary fund financial statements is the same as the treatment in the government-wide statements.

(p) Restricted Assets

Restricted assets consist primarily of the following items. Cash set aside by the Village for the meter replacement project in the Water Fund. Cash required to be set aside to fulfill revenue bond covenants in the Water Fund. Cash restricted by law to be used to pay the National Pollutant Discharge Elimination System (NPDES) fee in the Sewer Fund.

(q) Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Authority has delayed the implementation of GASB Statement No. 87, *Leases* to April 30, 2023.

2. DEPOSITS AND INVESTMENTS

The Village's Board of Trustees has adopted an investment policy to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds. Illinois Compiled Statutes (ILCS) authorize the Village to invest funds in interest-bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of governmental securities, The Illinois Funds, and annuities.

(a) Deposits – Separate cash and investment accounts are maintained for all Village funds.

2. DEPOSITS AND INVESTMENTS (Continued)

(b) Custodial Credit Risk –

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be recovered. The Village's policy requires deposits to be 100 percent secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Collateral must be witnessed by a written agreement and held at an independent third party institution in the name of the municipality.

Investments: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments that are in the possession of an outside party. The Village does not have a policy that specifically addresses custodial credit risk for investments.

(c) Concentration of Credit Risk – The Village's investment policy states that investments shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities. This diversification is achieved by investing in the Illinois Funds, which is an external investment pool managed by the Illinois State Treasurer, in addition to a local bank.

(d) Interest Rate Risk – Interest rate risk is the risk that the market value of portfolio securities will fall due to a decrease in general interest rates. Interest rate risk is mitigated by structuring the Village's portfolio so that securities mature to meet the Village's cash requirements for ongoing operations.

(e) Credit risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The Village does not have a policy that specifically addresses credit risk for investments.

3. PROPERTY TAXES

The Village's property tax is levied and attached as an enforceable lien on January 1 of each year on property values assessed as of the same date. The 2020 tax levy was filed and published on December 7, 2020. The 2020 tax levy is recorded as revenue in the year ended April 30, 2022. Taxes levied in one year become due and payable in two installments during the following year. The first installment is due no later than June 1 and the second installment is due no later than September 1. Property taxes are collected by the Macon County Collector who remits to each taxing unit its respective share of the collections.

VILLAGE OF WARRENSBURG, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 10,754	\$ -	\$ -	\$ 10,754
Capital assets, being depreciated:				
Buildings	237,821	-	-	237,821
Equipment	314,149	7,740	6,950	314,939
Total capital assets being depreciated	551,970	7,740	6,950	552,760
Less accumulated depreciation for:				
Buildings	(145,781)	(5,960)	-	(151,741)
Equipment	(274,434)	(24,172)	(6,950)	(291,656)
Total accumulated depreciation	(420,215)	(30,132)	(6,950)	(443,397)
Total capital assets, being depreciated, net	131,755	(22,392)	-	109,363
Governmental activities capital assets, net	\$ 142,509	\$ (22,392)	\$ -	\$ 120,117
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 60,934	\$ -	\$ -	\$ 60,934
Total capital assets not being depreciated	60,934	-	-	60,934
Capital assets being depreciated:				
Treatment plants and systems	3,487,148	-	-	3,487,148
Equipment	414,024	-	32,674	381,350
Total capital assets being depreciated	3,901,172	-	32,674	3,868,498

VILLAGE OF WARRENSBURG, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation for:				
Treatment plants and systems	(1,815,806)	(57,203)	-	(1,873,009)
Equipment	(369,790)	(5,518)	(32,674)	(342,634)
Total accumulated depreciation	(2,185,596)	(62,721)	(32,674)	(2,215,643)
Total depreciable assets, net	1,715,576	(62,721)	-	1,652,855
Business-type activities capital assets, net	\$1,776,510	\$ (62,721)	\$ -	\$1,713,789

Depreciation expense was charged to functions/programs of the primary government in the following manner.

Governmental Activities	
General government	\$ 8,456
Public safety	18,943
Streets and alleys	2,733
Total Depreciation Expense - Governmental Activities	<u>\$ 30,132</u>
Business-type Activities	
Water	\$ 59,333
Sewer	3,388
Total Depreciation Expense - Business-type Activities	<u>\$ 62,721</u>

5. LONG-TERM DEBT

On June 20, 2014, the Village issued Series A bonds in the amount of 1,165,000 and Series B bonds in the amount of \$285,000 to the U.S. Department of Agriculture Rural Development.

The net proceeds were used to construct a new water treatment plant and well. The Village accessed the bond proceeds as construction on the plant progressed. During the fiscal year ended April 30, 2015, the Village had accessed \$1,130,000 of the Series A bonds and \$5,000 of the Series B bonds. During the fiscal year ended April 30, 2016, the Village accessed the remainder of the Series A bond proceeds in the amount of \$35,000 and Series B bond proceeds in the amount of \$280,000.

Future revenues of the system have been pledged to service the debt. The water treatment plant serves as collateral to secure the bonds payable. The agreement requires the Village to maintain the system in good working order.

VILLAGE OF WARRENSBURG, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

The Series A bonds bear interest at 2.750% for thirty years with one-year deferred principal. The Revenue Bonds, Series B bear interest at 3.25% for thirty years with one-year deferred principal. Principal payments are due annually on May 1 and interest payments are due semiannually. The final payment is due on May 1, 2044.

	Balance			Balance	Due
	May 1, 2021	Additions	Deletions	April 30, 2022	Within
					One Year
Series A Revenue Bonds	\$ 1,030,000	\$ -	\$ 30,000	\$ 1,000,000	\$ 30,000
Series B Revenue Bonds	\$ 260,000	\$ -	\$ 5,000	\$ 255,000	\$ 5,000

The annual requirements to amortize the Series A bonds as of April 30, 2022, are as follows:

Fiscal year ending April 30,	Principal	Interest	Total
2023	\$ 30,000	\$ 27,088	\$ 57,088
2024	35,000	26,194	61,194
2025	35,000	25,231	60,231
2026	35,000	24,269	59,269
2027	35,000	23,306	58,306
2028 – 2032	190,000	101,475	291,475
2033 – 2037	220,000	73,150	293,150
2038 – 2042	250,000	40,563	290,563
2043 – 2045	170,000	7,150	177,150
TOTALS	\$ 1,000,000	\$ 348,426	\$ 1,348,426

The annual requirements to amortize the Series B bonds as of April 30, 2022, are as follows:

Fiscal year ending April 30,	Principal	Interest	Total
2023	\$ 5,000	\$ 8,206	\$ 13,206
2024	5,000	8,044	13,044
2025	10,000	7,800	17,800
2026	10,000	7,475	17,475
2027	10,000	7,150	17,150
2028 – 2032	50,000	30,875	80,875
2033 – 2037	50,000	22,750	72,750
2038 – 2042	70,000	13,325	83,325
2043 – 2045	45,000	2,194	47,194
TOTALS	\$ 255,000	\$ 107,819	\$ 362,819

6. RESTRICTED ASSETS

National Pollutant Discharge Elimination System (NPDES)

The Village reports restricted cash and cash equivalents as of April 30, 2022, in the Sewer Fund due to accumulation of money required by law to be used to pay the annual NPDES fee.

U.S. Department of Agriculture Rural Development Bonds

The Village reports restricted cash and cash equivalents as of April 30, 2022, in the Water Fund due to the issuance of U.S. Department of Agriculture Rural Development Bonds, Series A and B. The Village's ordinance related to issuance of these bonds establishes various accounts, which have specific funding requirements, as outlined in the ordinance. The funding requirements of these accounts are outlined as follows:

Construction Account – Established for the purpose of depositing proceeds of the sale of the bonds and for the payment of all expenses related to the project.

Operation and Maintenance Account – Established for the purpose of depositing sufficient water revenues for the purpose of paying the monthly reasonable expenses of the operation, maintenance and repair of the system, including without limiting the generality of the foregoing salaries, wages, taxes, costs of materials and supplies, insurance, power, fuel, reasonable repairs and extensions necessary to render efficient service. Amounts shall be paid into the Operation and Maintenance Account on the first business day of each month.

Bond and Interest Account – Established for the purpose of depositing water revenues for the purpose of making payments of principal of and interest on the bonds. Amounts shall be paid into the Bond and Interest Account on the first business day of each month for a fractional amount of the principal and interest due on the next succeeding principal and interest due date(s) until the account balance has sufficient funds to pay the total principal and interest requirements for all bond and additional obligations then outstanding for the pertinent fiscal year. Such payments shall again be resumed at the beginning of the next fiscal year.

Reserve Account – Established for the purpose of depositing water revenues to provide funds for emergency maintenance and repairs or to prevent or remedy a default in the payment of interest on or principal of any bonds of the Village. The total amount of \$623 (\$491 related to Series A and \$132 related to Series B) shall be paid into the Reserve Account on the first day of each month until such account accumulates a total amount of \$74,760. After \$74,760 has accumulated in such Reserve Account, no further deposits need to be made therein except to replace withdrawals at such \$623 monthly rate.

Depreciation Account – Established for the purpose of depositing water revenues to be used to make any needful repairs or replacements to the System, constituting short-lived assets, and, although not reasonably expected, to prevent or remedy a default in the payment of interest on or principal of any bonds or obligations of the Village. The total amount of \$1,325 shall be paid into the Depreciation Account on the first day of each month.

VILLAGE OF WARRENSBURG, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RESTRICTED ASSETS (Continued)

U.S. Department of Agriculture Rural Development Bonds (Continued)

Cash:

Meter Replacement Fee Account	\$ 48,105
Escrow Security Deposits	10,800
NPDES Fee Account	9,960
Bond and Interest Account	89,999
Reserve Account	56,758
Depreciation Account	<u>120,715</u>
Total	<u>\$ 336,337</u>

Restricted cash and cash equivalents reported in the Water Fund at April 30, 2022 \$ 326,377

Restricted cash and cash equivalents reported in the Sewer Fund at April 30, 2022 \$ 9,960

As of April 30, 2022, the Village has established all accounts as required by the bond ordinance.

7. PLEDGED REVENUES

The Village has pledged all revenue from the Village's Water operations to repay the \$1,450,000 Waterworks System Revenue Bonds, Series A and B. Annual principal and interest payments on the bonds are expected to require less than 30 percent of revenues. The total principal remaining to be paid on the bonds is \$1,255,000. Principal and interest paid for the current year and total revenues were \$71,281 and \$314,613, respectively. The revenue coverage was 4.20 times principal and interest.

8. RETIREMENT PLAN

The Village maintains a single employer defined contribution simplified employee retirement plan for all of its full-time employees. Full-time employees become eligible to enter the plan after one full year of employment and are 100% vested on all contributions made on their behalf. The Village has the authority to amend plan provisions including contribution amounts. The Village makes annual contributions to the plan based on a percentage, determined annually, of eligible calendar year compensation. The Village amended the pay date to align with the fiscal year. The percentage applied to 2022 covered payroll was five percent. The contribution paid for the year ended April 30, 2022, was \$10,397.

VILLAGE OF WARRENSBURG, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. 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; employee’s health; and natural disasters. The Village has joined together with other municipalities in the State of Illinois to form the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for its member municipalities. The Village pays an annual premium to IMLRMA for its general insurance coverage which includes workers’ compensation, comprehensive general liability, inland marine, automobile physical damage, and property loss. Each area of coverage is subject to limitations that would be comparable to commercial insurance coverage. The agreement for formation of the IMLRMA provides that IMLRMA will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of \$15 million for each insured event. Settled claims in the past three years have not exceeded coverage. Health insurance is purchased from Health Alliance.

10. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

(a) A summary of interfund transfers during the year ended April 30, 2022, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Social Security Fund	\$ 128	\$ -
Water Fund	5,500	1,793
Sewer Fund	5,501	2,889
Safe Route to School	-	12,426
Total	<u>11,129</u>	<u>17,108</u>
Safe Route to School Fund		
General Fund	<u>12,426</u>	<u>-</u>
Social Security Fund		
General Fund	<u>-</u>	<u>128</u>
Sewer Fund		
General Fund	<u>2,889</u>	<u>5,501</u>
Water Fund		
General Fund	<u>1,793</u>	<u>5,500</u>
Total	<u>\$ 28,237</u>	<u>\$ 28,237</u>

The transfers from the General Fund to Sewer and Water fund were to cover payroll costs.

The transfers from Sewer and Water funds to General fund were related to proceeds from sale of an asset.

The transfer from the General fund to the Safe Route to School fund for \$12,426 was to cover engineering costs for the year.

SUPPLEMENTARY INFORMATION

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2022

	Original and Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES COLLECTED				
Property taxes	\$ -	\$ 145,500	\$ 160,471	\$ 14,971
Sales and use tax	-	90,000	122,935	32,935
Personal property replacement tax	-	7,000	20,086	13,086
State income tax	-	110,000	168,037	58,037
Fines and fees	-	9,395	10,609	1,214
Licenses and permits	-	3,500	4,745	1,245
Grants	-	3,000	76,616	73,616
Other revenue	-	71,090	120,513	49,423
Investment income	-	130	273	143
Total revenue collected	<u>-</u>	<u>439,615</u>	<u>684,285</u>	<u>244,670</u>
EXPENDITURES PAID				
Current				
General government	211,778	154,155	136,383	(17,772)
Public safety	236,360	185,530	158,949	(26,581)
Streets and alleys	180,740	82,165	69,324	(12,841)
Total expenditures paid	<u>628,878</u>	<u>421,850</u>	<u>364,656</u>	<u>(57,194)</u>
Excess (deficiency) of revenue over (under) expenditures paid	<u>(628,878)</u>	<u>17,765</u>	<u>319,629</u>	<u>301,864</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(17,108)	(17,108)
Transfer in	-	-	11,129	11,129
Total Transfers	<u>-</u>	<u>-</u>	<u>(5,979)</u>	<u>(5,979)</u>
Net change in fund balance	<u>\$ (628,878)</u>	<u>\$ 17,765</u>	<u>313,650</u>	<u>\$ 295,885</u>
FUND BALANCE, BEGINNING OF YEAR			<u>267,628</u>	
FUND BALANCE, END OF YEAR			<u>\$ 581,278</u>	

See accompanying Independent Auditor's Report.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

MOTOR FUEL TAX FUND

For the Year Ended April 30, 2022

	<u>Original and Final Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES COLLECTED				
Motor fuel tax allotments	\$ -	\$ 35,000	\$ 48,162	\$ 13,162
Rebuild Illinois Grant		26,581	26,581	-
Investment Income	-	75	83	8
Total revenue collected	-	61,656	74,826	13,170
EXPENDITURES PAID				
Streets and alleys	74,605	64,874	59,752	(5,122)
Net change in fund balance	<u>\$ (74,605)</u>	<u>\$ (3,218)</u>	15,074	<u>\$ 18,292</u>
FUND BALANCE, BEGINNING OF YEAR			89,067	
FUND BALANCE, END OF YEAR			<u>\$ 104,141</u>	

See accompanying Independent Auditor's Report.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

TORT LIABILITY FUND

For the Year Ended April 30, 2022

	Original and Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUE COLLECTED				
Property taxes	\$ -	\$ 39,000	\$ 37,971	\$ (1,029)
Investment income	-	-	7	7
Total revenue collected	-	39,000	37,978	(1,022)
EXPENDITURES PAID				
General government	46,000	40,000	33,423	(6,577)
Total expenditures paid	46,000	40,000	33,423	(6,577)
Net change in fund balance	\$ (46,000)	\$ (1,000)	4,555	\$ 5,555
FUND BALANCE, BEGINNING OF YEAR			15,102	
FUND BALANCE, END OF YEAR			\$ 19,657	

See accompanying Independent Auditor's Report.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

SOCIAL SECURITY FUND

For the Year Ended April 30, 2022

	Original and Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUE COLLECTED				
Property taxes	\$ -	\$ 22,000	\$ 22,982	\$ 982
Investment income	-	-	2	2
Total revenue collected	-	22,000	22,984	984
EXPENDITURES PAID				
General government	25,300	22,000	18,401	(3,599)
Total expenditures paid	25,300	22,000	18,401	(3,599)
Excess (deficiency) of revenue over (under) expenditures paid	(25,300)	-	4,583	4,583
OTHER FINANCING SOURCES				
Transfer in (out)	-	-	(128)	(128)
Net change in fund balance	\$ (25,300)	\$ -	4,455	\$ 4,455
FUND BALANCE, BEGINNING OF YEAR			8,255	
FUND BALANCE, END OF YEAR			\$ 12,710	

See accompanying Independent Auditor's Report.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

DRUG AND ALCOHOL FUND

For the Year Ended April 30, 2022

	<u>Original and Final Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUE COLLECTED				
Fines and fees	\$ -	\$ 500	\$ 100	\$ (400)
Other Revenue	-	-	1,827	1,827
Total revenue collected	<u>-</u>	<u>500</u>	<u>1,927</u>	<u>1,427</u>
EXPENDITURES PAID				
Public safety	<u>9,200</u>	<u>500</u>	<u>188</u>	<u>(312)</u>
Total expenditures paid	<u>9,200</u>	<u>500</u>	<u>188</u>	<u>(312)</u>
Net change in fund balance	<u>\$ (9,200)</u>	<u>\$ -</u>	1,739	<u>\$ 1,739</u>
FUND BALANCE BEGINNING OF YEAR			<u>220</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,959</u>	

See accompanying Independent Auditor's Report.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

SAFE ROUTE TO SCHOOL FUND

For the Year Ended April 30, 2022

	<u>Original and Final Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUE COLLECTED				
None	\$ -	\$ -	\$ -	\$ -
Total revenue collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES PAID				
General Government	-	-	-	-
Street and alleys	460,000	200,000	20,301	(179,699)
Total expenditures paid	<u>460,000</u>	<u>200,000</u>	<u>20,301</u>	<u>(179,699)</u>
Excess (deficiency) of revenue over (under) expenditures paid	<u>(460,000)</u>	<u>(200,000)</u>	<u>(20,301)</u>	<u>179,699</u>
OTHER FINANCING SOURCES				
Transfer in (out)	-	-	12,426	12,426
Net change in fund balance	<u>\$ (460,000)</u>	<u>\$ (200,000)</u>	(7,875)	<u>\$ 192,125</u>
FUND BALANCE, BEGINNING OF YEAR			<u>7,875</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

See accompanying Independent Auditor's Report.

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

WATER FUND

April 30, 2022

(With Comparative Actual Amounts for April 30, 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 553,530	\$ 456,065
Cash and cash equivalents, restricted	326,377	298,505
Total current assets	<u>879,907</u>	<u>754,570</u>
NONCURRENT ASSETS		
Capital assets, net:		
Nondepreciable	28,570	28,570
Depreciable, net	1,623,870	1,683,203
Total noncurrent assets	<u>1,652,440</u>	<u>1,711,773</u>
Total assets	<u>2,532,347</u>	<u>2,466,343</u>
LIABILITIES		
CURRENT LIABILITIES		
Customer deposits	10,800	10,650
Bonds payable - current	35,000	35,000
Total current liabilities	<u>45,800</u>	<u>45,650</u>
NONCURRENT LIABILITIES		
Bonds payable	1,220,000	1,255,000
Total liabilities	<u>1,265,800</u>	<u>1,300,650</u>
NET POSITION		
Net investment in capital assets	397,440	421,773
Restricted	326,377	298,505
Unrestricted	542,730	445,415
TOTAL NET POSITION	<u>\$ 1,266,547</u>	<u>\$ 1,165,693</u>

See accompanying Independent Auditors' Report.

VILLAGE OF WARRENSBURG, ILLINOIS

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

WATER FUND

Year Ended April 30, 2022

(With Comparative Actual Amounts for April 30, 2021)

	<u>2022</u>	<u>2021</u>
OPERATING REVENUE		
User charges	\$ 314,613	\$ 303,925
Other fees	-	1,200
	<hr/>	<hr/>
Total operating revenues	314,613	305,125
	<hr/>	<hr/>
OPERATING EXPENSES		
Personnel services	46,657	46,956
Commodities and supplies	78,723	65,645
Depreciation	59,333	80,085
	<hr/>	<hr/>
Total operating expenses	184,713	192,686
	<hr/>	<hr/>
Net operating income (loss)	129,900	112,439
	<hr/>	<hr/>
NON-OPERATING REVENUE (EXPENSE)		
Disposal of assets	5,500	-
Miscellaneous income	4,997	1,793
Investment income	445	588
Interest Expense	(36,281)	(37,268)
	<hr/>	<hr/>
Total non-operating revenues (expenses)	(25,339)	(34,887)
	<hr/>	<hr/>
Income before transfers	104,561	77,552
	<hr/>	<hr/>
TRANSFERS		
Transfer in (out)	(3,707)	-
	<hr/>	<hr/>
Change in net position	100,854	77,552
	<hr/>	<hr/>
NET POSITION, BEGINNING OF YEAR	1,165,693	1,088,141
	<hr/>	<hr/>
NET POSITION, END OF YEAR	<u>\$ 1,266,547</u>	<u>\$ 1,165,693</u>

See accompanying Independent Auditors' Report

VILLAGE OF WARRENSBURG, ILLINOIS

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

WATER FUND

Year Ended April 30, 2022
(With Comparative Actual Amounts for April 30, 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 314,763	\$ 306,025
Payments to employees	(46,657)	(46,956)
Payment to suppliers	(78,723)	(65,645)
Miscellaneous income	4,997	1,793
Net cash from operating activities	<u>194,380</u>	<u>195,217</u>
CASH FLOWS FROM NON- CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for interfund transfer	(3,707)	-
Net cash from non-capital and related financing activities	<u>(3,707)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from the sale of assets	5,500	-
Principal payments	(35,000)	(35,000)
Interest expense paid	(36,281)	(37,268)
Net cash from capital and related financing activities	<u>(65,781)</u>	<u>(72,268)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	445	588
Net cash flows from investing activities	<u>445</u>	<u>588</u>
Net increase in cash and cash equivalents	125,337	123,537
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>754,570</u>	<u>631,033</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 879,907</u>	<u>\$ 754,570</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Operating (loss) income	\$ 129,900	\$ 112,439
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation	59,333	80,085
Miscellaneous income	4,997	1,793
Decrease in meter deposits	150	900
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 194,380</u>	<u>\$ 195,217</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents, unrestricted	\$ 553,530	\$ 456,065
Cash and cash equivalents, restricted	<u>326,377</u>	<u>298,505</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 879,907</u>	<u>\$ 754,570</u>

See accompanying Independent Auditors' Report.

VILLAGE OF WARRENSBURG, ILLINOIS

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2022

1. BUDGETS AND BUDGETARY ACCOUNTING

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

- a. Annually the expenditure budget for each governmental fund is legally enacted through the passage of an appropriation ordinance. The appropriation ordinance is prepared on the cash basis.
- b. The board must approve the Village appropriation ordinance on or before July 31 of the fiscal year of the Village.
- c. Except as to expenditures pending adoption of the appropriation ordinance for the new year, prior unexpended appropriations lapse.
- d. The Village board determines any amendments that may be made to the expenditure budget, and evaluation and financial control are determined at the fund level, which is the legal level of budgetary control. There were no amendments to the budget.
- e. In addition to the appropriations ordinance, the Village prepares a working budget. The working budget is prepared on the cash basis in a detailed manner to allow comparisons with balances of the Village's general ledger accounts. The working budget is presented in the financial statements to provide comparison with actual results. The final working budget includes all approved amendments.

SUPPLEMENTAL FINANCIAL INFORMATION

VILLAGE OF WARRENSBURG

SCHEDULE OF INSURANCE COVERAGE

April 30, 2022

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage	Liability Limits	Annual Premium
		From	To			
General Liability Illinois Municipal League Risk Management Association	1185A0611	1/1/2022	1/1/2023	Bodily Injury and Property Damage	General Aggregate Products/ Completed Operations, Advertising Injury, and Personal Injury - \$1,000,000 per occurrence Fire Damage - \$1,000,000 per occurrence Medical Expense - \$1,000,000 per occurrence	\$ 33,424
Excess Liability Illinois Municipal League Risk Management Association	1185A0611	1/1/2022	1/1/2023	Commercial Liability	\$7,000,000 per occurrence \$16,000,000 aggregate	
Automobile Liability Illinois Municipal League Risk Management Association	1185A0611	1/1/2022	1/1/2023	Automobile Liability	\$1,000,000 per occurrence	
Worker's Compensation Illinois Municipal League Risk Management Association	1185A0611	1/1/2022	1/1/2023	Worker's Compensation Employers Liability	\$3,000,000 per occurrence	
Property/Inland Marine/Auto Coverage Physical Damage Illinois Municipal League Risk Management Association	1185A0611	1/1/2022	1/1/2023	Property Liability	\$250,000,000 per occurrence	

See accompanying Independent Auditor's Report.

VILLAGE OF WARRENSBURG, ILLINOIS

SCHEDULE OF WATER RATES CHARGED

April 30, 2022

The Water System served 453 customers as of April 30, 2022. The Village provided 25,863,972 gallons of water to its customers during fiscal year 2022. The water rates charged by the Village are as follows:

Standard Residential Service Rates

- Minimum Rate: \$32.81 per 2,000 gallons used
- Excess of 2,000 gallons: \$0.40 cents per 100 gallons used
- Adjusted Base Rate (ABR): \$4.50 per meter per month
- Plant Maintenance Charge: \$2.24 per meter per month
- Infrastructure Charge: \$5.10 per meter per month

Commercial and Industrial Service Rates

- Minimum Rate: \$33.22 per 2,000 gallons used
- Excess of 2,000 gallons: \$0.40 cents per 100 gallons used
- Adjusted Base Rate (ABR): \$4.50 per meter per month
- Plant Maintenance Charge: \$4.32 per meter per month
- Infrastructure Charge: Based on size of the meter with charges set forth as below:

<u>Size Meter</u>	<u>Infrastructure Charge</u>
5/8"	\$ 5.00
1"	\$ 7.50
1.5"	\$ 15.00
2"	\$ 17.50
3"	\$ 20.00
3" Turbo	\$ 25.00

VILLAGE OF WARRESNBURG, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended April 20, 2022

Findings Relating to Internal Control over Financial Reporting

Significant Deficiencies:

2022-001 During the audit, we noted the Village Administrative Clerk is responsible for depositing cash receipts, paying cash disbursements, and recording transactions of the Village. In addition, the Clerk reconciles bank statements. We also noted the Clerk not only generates the water and sewer billings from the meter readings, but also makes the deposits for money received at the Village hall and records all payments in the computer software. As a result, the Village had inadequate segregation of duties over these processes.

Internal controls are designed to safeguard assets and help to detect or prevent material misstatements by employees whether from error or fraud. A fundamental concept in a good system of internal control is the segregation of duties. Although the size of the Village's accounting staff prohibits complete adherence to this concept, we believe that the following practices could be implemented to improve existing internal control without impairing efficiency:

While the Village has implemented a review process for bank reconciliations, we recommend the Village implement controls over the water and sewer billing and collection process. Bank statements, cancelled checks, water and sewer billing and applicable remittance advices should be received by someone other than employees maintaining the cash records. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.

Auditee Response:

The Village has not had sufficient funds to hire an additional person to minimize these control risks but the Village will further review if additional help is possible. However, the Finance Committee members are performing various reviews and checks that include reviewing original invoices when signing checks, reviewing the bank reconciliations that includes the original bank statement, and spot review of timecards and time sheets when signing payroll checks. The Village is currently addressing the implementation of controls over water and sewer billings and collection process.