

**Village of Buckner**  
Buckner, Illinois

Audited Financial Report  
And Independent Auditors' Report

For the Year Ended April 30, 2019

**Village of Buckner, Illinois**  
April 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Village Board  
Village of Buckner, IL 62819

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Buckner, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village of Buckner Illinois' basic financial statements as listed in the table of contents.

### **Basis for Disclaimer of Opinion**

Detailed property records have not been maintained and certain current and prior-year records and supporting data were not available for our audit; and therefore, we were not able to obtain sufficient audit evidence about the amounts for capital assets, accumulated depreciation and expense, liabilities, and long-term debt. These amounts are not completely recorded in the financial statements, and we would estimate them to be material.

### **Disclaimer of Opinion**

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

### **Going Concern**

The accompanying financial statements have not been prepared assuming that the Village will continue as a going concern. As discussed in Note 1 to the financial statements, the Village has suffered recurring losses and has deficient fund equity. These conditions raise substantial doubt about its ability to continue as a going concern. Management has no plans concerning those matters. The financial statements do not include any adjustments that might result from the outcome of the uncertainty. Our opinion is not modified with respect to that matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

### **Auditor's Responsibilities for the Audit of the Aggregate Discretely Presented Component Units**

Our responsibility is to conduct an audit of the Village of Buckner, Illinois' financial statements in accordance with generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units.

We are required to be independent of the Village of Buckner, Illinois' and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

### **Auditor's Responsibilities for the Audit of the Governmental Activities, the Business-type Activities, Each Major Fund, and the Aggregate Remaining Fund Information**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Buckner, 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 Buckner, State 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**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages **xx-xx** be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

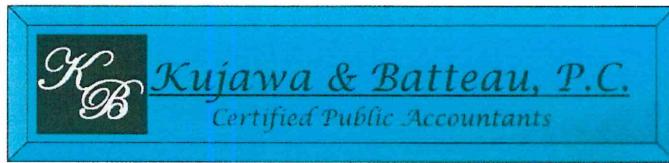
#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024, on our consideration of the Village of Buckner, 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 of the effectiveness of the Village of Buckner, Illinois' 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 the District's internal control over financial reporting and compliance.

Kujawa & Batteau, P.C.

*Kujawa and Batteau, PC*

April 22, 2024



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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**

To the Village of Officials  
Village of Buckner, Illinois 62819

We were engaged to audit, 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Buckner, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village of Buckner, Illinois' basic financial statements and have issued our report thereon dated April 22, 2024. Our report disclaims an opinion on such financial statements because detailed property records have not been maintained and certain current and prior year records and supporting data were not available for our audit.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2019-6 and 2019-7 to be material weaknesses.

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 as items 2019-1 through 2019-5 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Buckner, Illinois' financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Kujawa and Batteau, PC

*Kujawa and Batteau, PC*

April 22, 2024

## **BASIC FINANCIAL STATEMENTS**

# Village of Buckner

## Statement of Net Position - Modified Cash Basis

April 30, 2019

	<b>Primary Government</b>			
	Governmental Activities		Business - Type Activities	
	Activities	Activities	Activities	
<b>ASSETS</b>				
Cash	\$ 12,817	\$ 35,424	\$ 48,241	
Investments	-	-	-	
Taxes Receivable	-	-	-	
Accounts Receivable	19,797	13,565	33,362	
Interfund Receivable	(114,889)	114,889	-	
Restricted Assets:				
Cash and Cash Equivalents	16,354	345	16,699	
Investments	-	-	-	
Capital Assets:				
Non-Depreciable Assets	-	-	-	
Depreciable Assets	-	442,544	442,544	
(Less) Accumulated Depreciation	-	(33,190)	(33,190)	
<b>TOTAL ASSETS</b>	<b><u>\$ (65,921)</u></b>	<b><u>\$ 573,577</u></b>	<b><u>\$ 507,656</u></b>	
<b>LIABILITIES</b>				
Accounts Payable	\$ 62,040	\$ 19,643	\$ 81,683	
Debt Payable-due within one year	-	19,769	19,769	
Debt Payable-due in more than one year	-	366,562	366,562	
<b>Total Liabilities</b>	<b><u>62,040</u></b>	<b><u>405,974</u></b>	<b><u>468,014</u></b>	
<b>TOTAL LIABILITIES</b>	<b><u>62,040</u></b>	<b><u>405,974</u></b>	<b><u>468,014</u></b>	
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt		330,792	330,792	
Restricted (Deficit)	16,354	354	16,708	
Unrestricted (Deficit)	(170,862)	(163,543)	(334,405)	
<b>TOTAL NET POSITION</b>	<b><u>\$ (127,961)</u></b>	<b><u>\$ 167,603</u></b>	<b><u>\$ 13,095</u></b>	

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

**Village of Buckner**

Statement of Activities-Modified Cash Basis  
For the Year Ended April 30, 2019

Functions/Programs Primary Government	Program Revenues				Net (Expenses) Revenues and			
	Charges for Expenditures		Operating Services	Capital Grants and Contributions	Primary Government			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total	Reporting Entity		
General Government	\$ 136,031	\$ -	\$ -	\$ -	\$ (136,031)	\$ -	\$ -	\$ (136,031)
Public Safety	4,549	-	-	-	(4,549)	-	-	(4,549)
Transportation & Public Works	59,378	-	-	-	(59,378)	-	-	(59,378)
Interest	304	-	-	-	(304)	-	-	(304)
<b>Total Governmental Activities</b>	<b>200,262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(200,262)</b>	<b>-</b>	<b>-</b>	<b>(200,262)</b>
Business-Type Activities								
Sewer	53,820	55,586	-	-	-	1,766	1,766	
Water	70,399	125,265	-	-	-	54,866	54,866	
<b>Total Business-Type Activities</b>	<b>124,219</b>	<b>180,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,632</b>	<b>56,632</b>	
<b>Total Primary Government</b>	<b>\$ 324,481</b>	<b>\$ 180,851</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (200,262)</b>	<b>\$ 56,632</b>	<b>\$ -</b>	<b>\$ (143,630)</b>
General Revenues:								
Taxes:								
Property Taxes					\$ 10,209	\$ -	\$ -	\$ 10,209
Utility Taxes					28,198	-	-	28,198
Other					3,091	-	-	3,091
Intergovernment:								
Sales and Use Taxes					41,618	-	-	41,618
State Income Taxes					41,022	-	-	41,022
Replacement Taxes					1,513	-	-	1,513
Motor Fuel Taxes					11,763	-	-	11,763
Gaming Revenue					12,916	-	-	12,916
Fines and Penalties					-	-	-	-
Rental Income					-	-	-	-
Investment Income					5	3	8	
Miscellaneous					9,902	-	-	9,902
Transfers, Net					29,004	(29,004)	-	-
Total General Revenues and Transfers					189,241	(29,001)	-	160,240
Change in Net Position					(11,021)	27,631	-	16,610
Net Position - Beginning					(116,940)	135,865	-	18,925
Prior Period Adjustment					-	4,107	-	4,107
Net Position - Ending					\$ (127,961)	\$ 167,603	-	\$ 39,642

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

## Village of Buckner

Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis

### GOVERNMENTAL FUNDS

April 30, 2019

	General Fund	DCEO Housing Rehab Fund	Motor Fuel Tax Fund	Total Government Funds
<b>ASSETS</b>				
Cash	\$ 12,817	\$ -	\$ -	\$ 12,817
Receivable from Other Funds	-	-	24,510	24,510
Receivable from Governments	-	-	-	-
Receivable from Others	17,760	-	2,037	19,797
Restricted Assets:	-	-	-	-
Cash & Cash Equivalents	-	2	16,352	16,354
Investments, Net of Debt	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 30,577</b>	<b>\$ 2</b>	<b>\$ 42,899</b>	<b>\$ 73,478</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 62,040	\$ -	\$ -	\$ 62,040
Retirement Payable	-	-	-	-
Payables to Other Funds	139,399	-	-	139,399
Loans Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 201,439</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 201,439</b>
<b>FUND BALANCES</b>				
Fund Balances (Restricted)	\$ -	\$ 2	\$ 42,899	\$ 42,901
Fund Balances (Unrestricted)	(170,862)	-	-	(170,862)
<b>TOTAL FUND BALANCES</b>	<b>\$ (170,862)</b>	<b>\$ 2</b>	<b>\$ 42,899</b>	<b>\$ (127,961)</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 30,577</b>	<b>\$ 2</b>	<b>\$ 42,899</b>	<b>\$ 73,478</b>

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

## **Village of Buckner**

Reconciliation of Fund Balances of the Governmental Funds  
to the Governmental Activities in the Statement of Net Position  
April 30, 2019

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ (127,961)
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Amounts reported from governmental activities in the statement of net assets differs  
due to the following:

Capital assets used in the governmental activities are not financial  
resources and are reported in the fund balances.

Other long term assets are not available to pay for current period  
expenditures; hence are not available and deferred in the funds.

Long term liabilities, including bond payable, are not due and payable in the  
current period and therefore are not reported in the funds.

<b>NET POSITION OF GOVERNMENT ACTIVITIES</b>	<u>\$ (127,961)</u>
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The accompanying notes to the financial statements are an integral part of this statement.

**Village of Buckner**  
 Statement of Revenue, Expenditures, and Changes in Fund Balances  
**GOVERNMENTAL FUNDS - Modified Cash Basis**  
 For the Year Ended April 30, 2019

	General Fund	Motor Fuel Tax Fund	Non-Major Governmental Funds	Total Government Funds
<b>REVENUE</b>				
Taxes	\$ 41,498	\$ -	\$ -	\$ 41,498
Intergovernmental	97,069	11,763	-	108,832
Fines and Penalties	-	-	-	-
Rental Income	-	-	-	-
Revenue from Services	-	-	-	-
Interest Income from Investments	1	4	-	5
Other Miscellaneous Income	11,681	-	-	11,681
<b>TOTAL REVENUE</b>	<b>\$ 150,249</b>	<b>\$ 11,767</b>	<b>\$ -</b>	<b>\$ 162,016</b>
<b>EXPENDITURES</b>				
General Government	\$ 136,031	\$ -	\$ -	\$ 136,031
Public Safety	4,549	-	-	4,549
Transportation & Public Works	34,594	24,784	-	59,378
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	304	-	-	304
<b>TOTAL EXPENDITURES</b>	<b>\$ 175,478</b>	<b>\$ 24,784</b>	<b>\$ -</b>	<b>\$ 200,262</b>
Excess (Deficiency) of Revenue over Expenditures	(25,229)	(13,017)	-	(38,246)
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In	\$ 29,445	\$ -	\$ -	\$ 29,445
Operating Transfers Out	(2,220)	-	-	(2,220)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 27,225</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,225</b>
Excess (Deficiency) of Revenue over Expenditures with Other Financing Sources	1,996	(13,017)	-	(11,021)
<b>Fund Balance - Beginning</b>	(172,858)	55,916	2	(116,940)
<b>Prior Period Adjustment</b>	-	-	-	-
<b>Fund Balance - Ending</b>	<b>\$ (170,862)</b>	<b>\$ 42,899</b>	<b>\$ 2</b>	<b>\$ (127,961)</b>

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

## **Village of Buckner**

Reconciliation of the Statement of Revenue, Expenditures, and  
Changes in Fund Balances to the Statement of Activities in  
in Governmental Funds  
April 30, 2019

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENT FUNDS</b>	\$ (11,021)
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Prior Period Adjustment

Bond proceeds provide current financial resources to the governmental funds; however issuing debt increases long term liabilities in the statement of net assets. Repayment of the bond principal is an expenditure in the governmental fund, but reduces long term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.

<b>CHANGES IN NET POSITION OF THE GOVERNMENTAL ACTIVITIES</b>	<u>\$ (11,021)</u>
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**Village of Buckner**  
 Statement of Net Position - Modified Cash Basis  
**PROPRIETARY FUNDS**  
 April 30, 2019

	<b>Business Type - Enterprise Funds</b>			
	Water Fund	Sewer Fund	Total	
<b>ASSETS</b>				
Cash	\$ 11,989	\$ 23,435	\$ 35,424	
Investments	-	-	-	
Accounts Receivable	7,572	5,993	13,565	
Interfund Receivable	33,698	81,191	114,889	
Restricted Assets:				
Cash and Cash Equivalents	345	-	345	
Investments	-	-	-	
Capital Assets:				
Non-Depreciable Assets	-	-	-	
Property, Plant and Equipment	442,544	-	442,544	
(Less) Accumulated Depreciation	(33,190)	-	(33,190)	
<b>TOTAL ASSETS</b>	<b>\$ 462,958</b>	<b>\$ 110,619</b>	<b>\$ 573,577</b>	
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 18,344	\$ 1,299	\$ 19,643	
Payroll Tax Liabilities	-	-	-	
Interfund Payable	-	-	-	
Due to Customer (Deposits)	-	-	-	
Debt payable-current	11,769	8,000	19,769	
<b>Total Current Liabilities</b>	<b>30,113</b>	<b>9,299</b>	<b>39,412</b>	
Long-Term Liabilities				
Due In More Than One Year:				
Loans and Leases Payable	78,562	-	78,562	
Bonds Payable	-	288,000	288,000	
<b>Total Long-Term Liabilities</b>	<b>78,562</b>	<b>288,000</b>	<b>366,562</b>	
<b>TOTAL LIABILITIES</b>	<b>108,675</b>	<b>297,299</b>	<b>405,974</b>	
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	330,792	-	330,792	
Restricted (Deficit)	354	-	354	
Unrestricted (Deficit)	23,137	(186,680)	(163,543)	
<b>TOTAL NET POSITION</b>	<b>\$ 354,283</b>	<b>\$ (186,680)</b>	<b>\$ 167,603</b>	

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

## Village of Buckner

Statement of Revenues, Expenditures, and Changes in Net Position - Modified Cash Basis  
**PROPRIETARY FUNDS**  
For the Year Ended April 30, 2019

	Water Fund	Sewer Fund	Enterprise Funds	Total
<b>OPERATING REVENUE</b>				
Business Service Revenue				
Charges for Services	\$ 125,265	\$ 55,585	\$ 180,850	\$ 180,850
Tap Fees	-	-	-	-
Grant Income	-	-	-	-
Miscellaneous Income	-	-	-	-
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 125,265</b>	<b>\$ 55,585</b>	<b>\$ 180,850</b>	<b>\$ 180,850</b>
<b>OPERATING EXPENSES</b>				
Purchase of utilities	\$ 26,160	\$ -	\$ 26,160	\$ 26,160
Professional Fees	2,750	2,250	5,000	5,000
Insurance	16,403	11,233	27,636	27,636
Salaries and benefits	2,491	-	2,491	2,491
Maintenance & Repairs	878	5,811	6,689	6,689
Depreciation Expense	11,063	-	11,063	11,063
Utilities	2,869	16,826	19,695	19,695
Other Expense	2,969	4,200	7,169	7,169
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 65,583</b>	<b>\$ 40,320</b>	<b>\$ 105,903</b>	<b>\$ 105,903</b>
Operating Income or (Loss)	<b>59,682</b>	<b>15,265</b>	<b>74,947</b>	<b>74,947</b>
<b>NON-OPERATING ACTIVITIES</b>				
Interest Income	\$ 2	\$ 1	\$ 3	\$ 3
Interest Expense	(4,816)	(13,500)	(18,316)	(18,316)
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<b>\$ (4,814)</b>	<b>\$ (13,499)</b>	<b>\$ (18,313)</b>	<b>\$ (18,313)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	\$ 406	\$ 14,440	\$ 14,846	\$ 14,846
Transfers Out	(43,444)	(406)	(43,850)	(43,850)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ (43,038)</b>	<b>\$ 14,034</b>	<b>\$ (29,004)</b>	<b>\$ (29,004)</b>
Change in Net Position	<b>11,830</b>	<b>15,801</b>	<b>27,631</b>	<b>27,631</b>
<b>Fund Balance - beginning</b>	<b>341,380</b>	<b>(205,515)</b>	<b>135,865</b>	<b>135,865</b>
Prior Period Adjustment	-	-	-	-
<b>Fund Balance - ending</b>	<b>\$ 353,210</b>	<b>\$ (189,714)</b>	<b>\$ 163,496</b>	<b>\$ 163,496</b>

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

**Village of Buckner**  
 Statement of Cash Flows - Modified Cash Basis  
**PROPRIETARY FUNDS**  
 For the Year Ended April 30, 2019

	Water Fund	Sewer Fund	Enterprise Funds	Total
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 125,265	\$ 55,585	\$ 180,850	
Payments to suppliers	(50,956)	(40,692)	(91,648)	
Payments to employees	(2,491)	-	(2,491)	
Other Receipts (payments)	-	-	-	
<b>Net cash provided by operating activities</b>	<b>\$ 71,818</b>	<b>\$ 14,893</b>	<b>\$ 86,711</b>	
<b>Cash flows from non-capital financing activities:</b>				
Transfers in	406	14,440	14,846	
Transfers out	(43,444)	(406)	(43,850)	
<b>Net cash provided by non-capital financing activities</b>	<b>\$ (43,038)</b>	<b>\$ 14,034</b>	<b>\$ (29,004)</b>	
<b>Cash flows from capital and related financing activities:</b>				
Purchase of capital assets	-	-	-	
Principal paid on Long Term Notes	(12,140)	-	(12,140)	
Interest paid on Long Term Notes	(4,816)	-	(4,816)	
Other	-	-	-	
Principal paid on revenue bonds	-	(8,000)	(8,000)	
Interest paid on revenue bonds	-	(13,500)	(13,500)	
<b>Net cash flow from capital and related financing activities</b>	<b>\$ (16,956)</b>	<b>\$ (21,500)</b>	<b>\$ (38,456)</b>	
<b>Cash flows from investing activities:</b>				
Interest received on investments	2	1	3	
Interest received on loan	-	-	-	
Redeemed Investment at Maturity	-	-	-	
<b>Net cash provided by investing activities</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 3</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ 11,826</b>	<b>\$ 7,428</b>	<b>\$ 19,254</b>	
<b>Cash and cash equivalents, beginning of year 2013</b>	<b>508</b>	<b>16,007</b>	<b>16,515</b>	
<b>Cash and cash equivalents, End of year 2013</b>	<b>\$ 12,334</b>	<b>\$ 23,435</b>	<b>\$ 35,769</b>	

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

## Village of Buckner

Statement of Cash Flows - Reconciliation of Operating Activities to Net Cash - Modified Cash Basis

### PROPRIETARY FUNDS

For the Year Ended April 30, 2019

	Water Fund	Sewer Fund	Enterprise Funds	Total
<b>Reconciliation of operating income or (loss) to net cash provided by or (used) by the operation activities of the proprietary funds</b>				
Operating Income (Loss)	\$ 59,682	\$ 15,265	\$ -	\$ 74,947
Adjustments to reconcile operating loss to cash flows from operating activities:				
Depreciation	11,063	-	-	11,063
Decrease (increase) in:				
Accounts receivable	-	-	-	-
Other receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Increase (decrease) in:				
Accounts payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	1,073	(372)	701	701
Prior period correction	-	-	-	-
<b>Net cash provided by operating activities</b>				
	<b>\$ 71,818</b>	<b>\$ 14,893</b>	<b>\$ 86,711</b>	

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

# Village of Buckner

## Notes to the Financial Statements

April 30, 2019

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Buckner is located in Franklin County, Illinois as reflected in the accompanying financial statements for the year ended April 30, 2019, conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies.

#### **1. DESCRIPTION OF REPORTING ENTITY:**

The financial statements include only the financial information of the Village of Buckner. The reporting entity includes the Village governing board and all related organizations for which it exercises oversight. No other entities are considered to be controlled by and/or dependent on the Village. The Village has developed criteria which determine whether an outside agency or entity should be included within its financial reporting of the Village. The criteria includes, but is not limited to, the basis of budget adoption, taxing authority, funding, designation of management, ability to significantly influence the operations of the entity financially or administratively, or any other specific binding relationship. In addition, the Village of Buckner is not aware of any entity which it would exercise oversight and would be considered part of the reporting components of the Village of Buckner, Illinois.

#### **2. BASIS OF PRESENTATION:**

##### *Government-wide and Fund Financial Statements:*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activities are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and 2) grants and

# Village of Buckner

Notes to the Financial Statements  
April 30, 2019

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

### Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenue, and expenditures/expenses. Funds are organized into three major categories: *governmental, proprietary, and fiduciary*. The Village of Buckner has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenue, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenue, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Village reports the following major governmental fund:

The **General Fund** is the Village's primary operating fund. It accounts for all resources of the general government, except those required to be accounted for in other funds.

### Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either legally restricted to expenditures for special purposes or designated to finance particular functions or activities. The Village maintains one Special Revenue Fund, which is the Motor Fuel Tax Fund.

# Village of Buckner

## Notes to the Financial Statements

April 30, 2019

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The **Motor Fuel Tax Fund** is used to account for the repair of the Village's streets and highways.

The Village reports the following major proprietary funds:

The **Water Department Fund** is used to account for revenue and expenses associated with providing water services to the village residents.

The **Sewer and O & M Fund** is used to account for revenue and expenses associated with providing waste collection services to the village's residents.

### **3. MEASUREMENT FOCUS:**

The government-wide financial statements are reported using the *economic resources measurement focus within the limitations of the modified cash basis of accounting*.

#### *Governmental Funds:*

Governmental fund financial statements are reported using the current *financial resources measurement focus* of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available financial resources during a given period. These funds use fund balance as their measure of available financial resources at the end of the period.

#### *Proprietary Funds:*

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Water Department and Sewer Department Funds are charges for water and sewer service. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether

# Village of Buckner

## Notes to the Financial Statements

April 30, 2019

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

current or non-current, financial or non-financial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

#### **4. BASIS OF ACCOUNTING**

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-like activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide financial statements, proprietary fund statement, and the similar discretely presented component unit 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 this 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 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.

If the Village utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting.

#### **5. ASSETS AND LIABILITIES:**

##### *Cash and Cash Equivalents:*

For purposes of financial reporting, cash and cash equivalents are considered to be cash on hand, demand deposits and short- term investments.

The Village maintains one primary depository. The depository maintains pledged collateral for those periods when the total deposits exceed the F.D.I.C. limitation. All funds in the Village are allowed to invest excess funds. Each investment is accounted for in the balance sheet of the

# Village of Buckner

Notes to the Financial Statements  
April 30, 2019

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

individual investing fund. Various restrictions on investments are imposed by statutes and ordinances. These restrictions are summarized in the notes to follow.

### Capital Assets:

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements using the modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation.

Prior to the fiscal year ended April 30, 2017, capital asset records had not been maintained or recorded on the financial statements. The financial effect of this omission is unknown but considered to be material. Beginning May 1, 2017, the Village will record fixed assets required. Such assets are recorded at cost. Donated capital assets are recorded at estimated fair market value on the date of the donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Sewer System	30
Water System	40
Building and Improvements	40
Vehicle and Equipment	5-10

# Village of Buckner

Notes to the Financial Statements  
April 30, 2019

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### **6. COMPENSATED ABSENCES**

The Village has no policy for compensated absences.

### **7. GOING CONCERN**

There is substantial doubt about the Village of Buckner, Illinois' ability to continue as a going concern for a reasonable period of time due to continued losses incurred in the Village. Currently, the general fund has a deficit net position of \$170,862, and the sewer fund has a deficit net position of \$186,680. In addition to losses, certain debt payments, payroll taxes, and other contractual agreements were not being paid. For the fiscal year ended April 30, 2019, the Village has not made all required payments. The outcome of these matters cannot be predicted at this time.

### **8. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position.

### **9. FUND EQUITY**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

## Village of Buckner

Notes to the Financial Statements  
April 30, 2019

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village Board-the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Village Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Village has no committed funds.

Assigned fund balance: This classification reflects the amounts constrained by the Village's "intent" to be used for specific purposes, but are neither restricted nor committed. The Village Board and the Village President have the authority to assigned amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. The Village maintains no assigned funds.

Unassigned fund balance: This fund is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use externally restricted resources first, then unrestricted resources-committed, assigned, and unassigned-in order as needed.

### 10. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expense

# **Village of Buckner**

Notes to the Financial Statements  
April 30, 2019

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

initially made from it that are properly applicable to another fund are recorded as expenditures/expenditures in the reimbursing fund, and as reductions of expenditures/expenses in the fund reimbursed.

### **11. USE OF ESTIMATES**

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **NOTE 2 – DEPOSITS AND INVESTMENTS**

The Village's deposit policy is to establish cash management and investment guidelines for the Village officials responsible for the stewardship of public funds. The Village has established specific objectives to meet these guidelines.

The Village deposits and invests all its monies in investments allowed by the Illinois State Statutes. The Statutes authorize the Village to make deposits in commercial banks and savings and loan institutions.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2019, none of the Village's bank balance of \$64,940 was exposed to custodial risk.

## **NOTE 3 – RECEIVABLES – TAXES**

Property taxes as an enforceable lien on January 1<sup>st</sup> each year. Taxes are levied by December for collection in the subsequent calendar year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments, in July and September. The Village collects the majority of their portion of such taxes approximately one month after due dates. Management has determined that an allowance for uncollectable accounts is not necessary.

**Village of Buckner**  
 Notes to the Financial Statements  
 April 30, 2019

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2019 was as follows:

Business Type	Balance April 30, 2018	Additions	Reductions	Balance April 30, 2019
Capital assets, being depreciated:				
Sewer department	\$ 0	\$ -	\$ -	\$ 0
Water department	442,544	-	-	442,544
Total capital assets being depreciated:	442,544	-	-	442,544
Less accumulated depreciation for:				
Sewer department	-	-	-	-
Water department	22,127	11,063	-	33,230
Total accumulated depreciation:	22,127	11,063	-	33,230
Total capital assets being depreciated, net:				\$ 409,314

**Village of Buckner**  
 Notes to the Financial Statements  
 April 30, 2019

**NOTE 5 – LONG-TERM DEBT**

Business-type long-term debt activity for the year ended April 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Business-type Activities:</b>				
Sewer Bonds Payable	\$ 304,000	\$ -	\$ 8,000	\$ 296,000
Water Line of Credit	102,471	-	12,140	90,331
<b>Total</b>	<b>\$ 406,471</b>	<b>\$ -</b>	<b>\$ 20,140</b>	<b>\$ 386,331</b>

Revenue bonds payable at April 30, 2019 are comprised of the following:

\$304,000 Sewerage System bonds outstanding due in annual installments of \$4,000 to \$20,000.

The annual requirements to amortize Sewer System Revenue Bonds outstanding as of April 30, 2019, including interest payments are as follows:

Fiscal Year <u>Ending April 30:</u>	Interest	Principal	Total Yearly Payments
2020	\$ 13,500	\$ 8,000	\$ 21,500
2021	13,140	8,000	21,140
2022	12,780	12,000	24,780
2023	12,330	12,000	24,330
2024	11,880	12,000	23,880
2025-2029	52,100	64,000	116,100
2030-2034	38,160	80,000	118,160
2035-2039	<u>11,070</u>	<u>100,000</u>	<u>111,070</u>
<b>Total</b>	<b>\$ 164,960</b>	<b>\$ 296,000</b>	<b>\$ 460,960</b>

Maturity Date: May 1, 2038

Interest Rate: 4.5%

Interest Dates: May 1 and November 1

# Village of Buckner

Notes to the Financial Statements  
April 30, 2019

## **NOTE 5 – LONG-TERM DEBT - CONCLUDED**

The Village also has a line of credit with Peoples National Bank with monthly installments of \$1,299.30 including interest though August 25, 2021.

The annual requirements to amortize the loan as of April 30, 2019, including interest payments are as follows:

Fiscal Year <u>Ending April 30:</u>	<u>Principal</u>	<u>Interest</u>	Total Yearly <u>Payments</u>
2020	\$ 11,769	\$ 3,852	\$ 15,621
2021	12,309	3,283	15,592
2022	<u>66,253</u>	<u>970</u>	<u>67,223</u>
Total	<u>\$ 90,331</u>	<u>\$ 8,105</u>	<u>\$ 98,436</u>

## **NOTE 6 – RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters for which the Village purchases insurance.

During the year ended April 30, 2019, the Village did not reduce insurance coverage from coverage levels in place as of April 30, 2018. No settlements have exceeded coverage levels in place during the past three fiscal years.

## **NOTE 7 – BOND COMPLIANCE**

The bond ordinance for the bonds described in Note 5 provides restrictions on the use of cash and investments of the Enterprise Funds. Accounts must be maintained and used exclusively for (1) the payment of expenses for the operation and maintenance of the system, (2) the payment of bond principal and interest, and (3) the cost of repairs and replacements to the system. At April 30, 2019, the Village has not met the requirements for cash in restricted bank accounts.

**Village of Buckner**  
Notes to the Financial Statements  
April 30, 2019

**NOTE 8 – DEFICIT FUND EQUITY**

At April 30, 2019, the General Fund had a deficit fund balance of \$170,862 and the Sewer Fund had a deficit unrestricted net position of \$186,680.

**NOTE 9 – LEGAL DEBT MARGIN**

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, “no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality’s 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.”

Assessed valuation – 2018	<u>\$ 2,585,596</u>
Legal Debt limit – 8.625% of assessed valuation	\$ 223,008
Amount of debt applicable to debt limit	<u>90,331</u>
Legal debt margin	<u>\$ 132,677</u>

**NOTE 10 – RESTRICTED ASSETS**

The Village maintains two grant fund accounts which are restricted for grant purposes only. The general fund maintains a balance and restriction of \$2, and the Water Department maintains a balance and restriction of \$345.

**NOTE 11 – RETIREMENT FUND COMMITMENTS – PENSION PLAN**

The Village does not participate in a pension plan; however the employees are eligible for social security benefits.

**Village of Buckner**  
Notes to the Financial Statements  
April 30, 2019

**NOTE 12 – INTERFUND RECEIVABLE AND PAYABLES**

The Village regularly transfers funds to cover temporary operating deficits in other funds. In addition, some funds may pay for expenses incurred in other funds. In prior years, this activity has been shown as due to/from other funds on the financial statements. Since it is unlikely that funds will pay back other funds, much of this activity has been shown as transfers in the last three years.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 29,445	\$ 75
Motor Fuel Tax Fund	-	-
Water Fund	40	43,444
Sewer Fund	<u>14,440</u>	<u>406</u>
Total	<u>\$ 43,925</u>	<u>\$ 43,925</u>

Due From: General

Due To:

MFT	\$ 24,510
Water	33,698
Sewer	<u>81,191</u>
Total	<u>\$ 139,399</u>

**NOTE 13 – RESTRICTED FUND BALANCES**

The Village's restricted governmental fund balances are restricted by enabling legislation as follows:

The Motor Fuel Tax Fund is restricted by the Illinois Department of Transportation for maintenance of roads.

The Road, Fire, Audit, Insurance, Parks, and Social Security Funds are accounted for in the General Fund and are restricted by their tax levies as well.

**Required Supplementary Information**

**Village of Buckner  
Franklin County, Illinois**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance-  
Budget and Actual Motor Fuel Tax Fund  
For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor fuel tax	\$            -	\$    11,763
Interest	-            -	4
Total Revenues	-            -	11,767
Expenditures		
Current:		
Transportation and public works		
Street Maintenance	22,000	24,784
Total Expenditures	22,000	24,784
Excess (deficiency) of revenues over expenditures	(22,000)	(13,017)
Other financing sources (uses)		
Transfers in	-            -	-
Transfers out	-            -	-
Total other financing sources (uses)	-            -	-
Net Change in fund balance	\$    (22,000)	(13,017)
Fund balance -beginning		55,916
Fund balane - ending	\$    42,899	

**Village of Buckner  
Franklin County, Illinois**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-**  
**Budget and Actual General Fund**  
**For the Fiscal Year Ended April 30, 2019**

	<u>Original and Final Budget</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes		
Property tax	\$        -	\$    10,209
Intergovernmental		
Replacement tax	-	1,513
Sales tax	-	27,958
Use tax	-	13,660
Video gaming tax	-	12,916
Income tax	-	41,022
Utility tax	-	28,198
Total intergovernmental	<u>-       </u>	<u>125,267</u>
Charges for services	-	-
Fines	-	-
Miscellaneous income	-	14,772
Interest	-	1
<b>Total Revenues</b>	<u>-       </u>	<u>150,249</u>
 <b>Expenditures</b>		
<b>Current:</b>		
General government		
Salaries and benefits	15,152	74,740
Office expense	3,049	4,139
Utilities	12,000	18,027
Maintenance and supplies	11,260	19,089
Insurance and bonding	25,000	13,733
Legal and professional	10,600	4,529
Miscellaneous expense	2,720	1,774
Total general government	<u>79,781</u>	<u>136,031</u>
Culture and recreation	5,000	-
Transportation and public works	27,182	34,594
Public Safety	48,270	4,549
Capital Outlay	13,000	-
Debt Service	4,800	304
<b>Total Expenditures</b>	<u>178,033</u>	<u>175,478</u>
 Excess (deficiency) of revenues over expenditures	<u>(178,033)</u>	<u>(25,229)</u>
 Other financing sources (uses)		
Transfers in	-	29,445
Transfers out	-	(2,220)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>27,225</u>
 Net Change in fund balance	<u>\$    (178,033)</u>	<u>1,996</u>
 Fund balance -beginning		<u>(172,858)</u>
 Fund balance - ending	<u>\$    (170,862)</u>	

**Village of Buckner**  
**Schedule of Findings and Recommendations**  
**April 30, 2019**

**2019-001**

The entity lacks the expertise to make all adjusting entries and prepare financial statements, including disclosures, in accordance with accounting principles generally accepted in the United States of America.

**Effect**

Management only receives complete, accurate GAAP prepared financial statements once annually, when the audited financial statements are received, and thus do not have a complete picture of the organization's financial situation on a timely basis.

**Cause**

Accounting personnel do not have the requisite training to prepare GAAP basis financial statements and footnotes.

**Recommendation**

We recommend personnel take some training in order to be able to perform the above or consult with an accountant who is knowledgeable in preparing GAAP basis financial statements.

**Response**

Management acknowledges that it does not have personnel capable of drafting the financial statements and footnotes; however, it accepts full responsibility for the financial statements, which are drafted by the auditor, and acknowledges such in writing. Management is comfortable with the auditor drafting the financial statements and footnotes.

**2019-002**

The Village lacks a written accounting policy and procedural manual.

**Effect**

There is risk of discontinuity of operations and increased potential of improper or inconsistent accounting for transactions.

**Cause**

There is no written accounting policy and procedure manual. Current procedures are based primarily on knowledge of experienced staff.

**Recommendation**

We recommend an accounting policy and procedure manual be written and implemented.

**Response**

Management will review current procedures and update a policy and procedure manual.

**Village of Buckner  
Franklin County, Illinois  
Schedule of Findings and Recommendations  
April 30, 2019**

**2019-003**

The Village lacks proper segregation of duties in the revenue collection process.

**Effect**

Risk of improper accounting, theft, and revenue recognition is significantly increased when there is a lack of segregation of duties.

**Cause**

Minimal Employees

**Recommendation**

Assign another employee, elected official, or appointed official to assist in the receipt, accounting and depositing of revenues.

**Response**

The Village will appoint someone to assist in this activity.

**2019-004**

Invoices are not paid in a timely manner

**Effect**

Late payments result in unnecessary fees and undue hardship to the Village.

**Cause**

Lack of proper oversight.

**Recommendation**

Ensure the person responsible for bill paying recognizes the importance of timely payment of invoices unless other arrangements have been made to avoid late charges.

**Response**

The Village acknowledges this issue and has taken steps to avoid this in the future.

**Village of Buckner  
Franklin County, Illinois**

**Schedule of Findings and Recommendations**

**April 30, 2019**

**2019-005**

The Village has not filed all required payroll returns nor paid required taxes at April 30, 2019.

**Effect**

The Village has not paid and continues to pay significant amounts of penalties and interest which are not budgeted and may cause financial hardships.

**Cause**

Lack of responsible individual and oversight in compliance with payroll reporting.

**Recommendation**

Ensure the person responsible for filing and payment of payroll is in compliance with requirements.

**Response**

The Village acknowledges these issues and has taken steps to ensure this does not happen in the future.

**2019-006**

The Village's bookkeeping is not separated by independent funds. The four main funds are currently co-mingled and do not self-bal.

**Effect**

Expenses are often paid from one fund's bank account and posted to a different fund's expense account. Similarly, revenues may be deposited in one account and posted to a different fund's revenue account. This results in improper accounting of individual fund revenue and expenses.

**Cause**

All funds are maintained in a single QuickBooks, each fund should be set up as an individual company in order to segregate all activity.

**Response**

The Village intends to hire an outside accountant to assist in the setup of additional QuickBooks companies.

**Village of Buckner  
Franklin County, Illinois  
Schedule of Findings and Recommendations  
April 30, 2019**

**2019-007**

The Village does not have a capitalization policy nor maintain fixed asset records.

**Effect**

Financial statements may not be reasonably stated without proper recording of fixed assets and related depreciation.

**Cause**

Lack of records, accounting, and recording of prior purchases of fixed assets.

**Recommendation**

The Village should make every effort to determine assets owned by the Village and approximate acquisition dates to be able to record assets in the financial statements.

**Response**

The Village acknowledges the lack of these records and is in the process of trying to obtain relevant information.