

**Village of Buckner, Illinois**  
**Annual Financial Report**  
**and Independent Auditors' Report**  
**For the Fiscal Year Ended April 30, 2018**

**Village of Buckner, Illinois**  
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**April 30, 2018**

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# BOTSCH AND ASSOCIATES, CPA'S, LLC

—AND—

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ARLYNNE STROMAN, CPA

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October 12, 2021

## Independent Auditors' Report

To the Village Officials  
Village of Buckner, IL 62819

### Report on the Financial Statements

We have audited the accompanying 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, 2018, 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.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



## **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; 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 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 deficit 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 this uncertainty. Our opinion is not modified with respect to that matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 28-29 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 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. 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 this missing information.



## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021, 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 on 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 Village of Buckner, Illinois' internal control over financial reporting and compliance.

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# BOTSCH AND ASSOCIATES, CPA'S, LLC

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October 12, 2021

## **Independent Auditors' 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 Officials  
Village of Buckner, IL 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, 2018, 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 October 12, 2021. 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 connection with our engagement to audit the financial statements of the Village of Buckner, Illinois, we considered the Village of Buckner, 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 opinions on the 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.

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 have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies that we consider to be material weaknesses and 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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2018-6 and 2018-7 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 2018-1 through 2018-5 to be significant deficiencies.

### **Compliance and Other Matters**

In connection with our engagement to audit the financial statements of the Village of Buckner, Illinois, 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*. If the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, instances of noncompliance or other matters may have been identified and reported herein.

### **Village of Buckner, Illinois Response to Findings**

The Village of Buckner, Illinois' response to the findings identified in our engagement is described in the accompanying schedule of findings and responses. The Village of Buckner, Illinois' response was not subjected to the auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on it.

### **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 engagement to perform an audit 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.

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## **Basic Financial Statements**

**Village of Buckner**  
**Franklin County, Illinois**  
**Statement of Net Position**  
**April 30, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 33,862	\$ 16,170	\$ 50,032
Receivables, net	19,797	13,565	33,362
Interfund balances	(114,889)	114,889	-
Restricted cash	2	345	347
Capital assets, net	-	420,417	420,417
Total assets	<u>(61,228)</u>	<u>565,386</u>	<u>504,158</u>
Total Assets	<u>\$ (61,228)</u>	<u>\$ 565,386</u>	<u>\$ 504,158</u>
Liabilities			
Accounts payable	\$ 55,712	\$ 23,050	\$ 78,762
Debt payable - due within one year	-	20,140	20,140
Debt payable - due in more than one year	-	386,331	386,331
Total liabilities	<u>55,712</u>	<u>429,521</u>	<u>485,233</u>
Total Liabilities	<u>55,712</u>	<u>429,521</u>	<u>485,233</u>
Net Position			
Net investment in capital assets	-	420,417	420,417
Restricted for:			
Transportation and public works	55,916	-	55,916
Economic development	2	-	2
Improvements	-	345	345
Unrestricted	<u>(172,858)</u>	<u>(284,897)</u>	<u>(457,755)</u>
Total net position	<u>\$ (116,940)</u>	<u>\$ 135,865</u>	<u>\$ 18,925</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Village of Buckner  
Franklin County, Illinois  
Statement of Activities**

General Revenues:

The accompanying Notes to Financial Statements are an integral part of this statement.



**Village of Buckner**  
**Franklin County, Illinois**  
**Balance Sheet**  
**Governmental Funds**  
**April 30, 2018**

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,493	\$ 29,369	\$ 33,862
Receivables	17,760	2,037	19,797
Due from other funds	-	24,510	24,510
Restricted cash	2	-	2
Total assets	<u>\$ 22,255</u>	<u>\$ 55,916</u>	<u>\$ 78,171</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 55,712	\$ -	\$ 55,712
Due to other funds	139,399	-	139,399
Total liabilities	<u>195,111</u>	<u>-</u>	<u>195,111</u>
<b>Fund Balances</b>			
Restricted for:			
Transportation and public works	-	55,916	55,916
Economic Development	2	-	2
Unassigned	<u>(172,858)</u>	<u>-</u>	<u>(172,858)</u>
Total fund balances	<u>(172,856)</u>	<u>55,916</u>	<u>(116,940)</u>
Total liabilities and fund balances	<u>\$ 22,255</u>	<u>\$ 55,916</u>	<u>\$ 78,171</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Village of Buckner**  
**Franklin County, Illinois**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended April 30, 2018**

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total</u>
Revenues			
Taxes	\$ 10,384	\$ -	\$ 10,384
Intergovernmental	119,953	11,750	131,703
Charges for services	28,894	-	28,894
Fines	4,960	-	4,960
Interest	1	7	8
Miscellaneous income	12,125	-	12,125
Total revenues	<u>176,317</u>	<u>11,757</u>	<u>188,074</u>
Expenditures			
Current:			
General government	194,973	-	194,973
Transportation and public works	13,631	28,196	41,827
Public safety	7,615	-	7,615
Debt service			
Principal	8,209	-	8,209
Interest	2,030	-	2,030
Total expenditures	<u>226,458</u>	<u>28,196</u>	<u>254,654</u>
Excess (deficiency) of revenues over expenditures	<u>(50,141)</u>	<u>(16,439)</u>	<u>(66,580)</u>
Other financing sources (uses)			
Transfers in	20,006	-	20,006
Transfers out	(15,412)	(1,400)	(16,812)
Total other financing sources (uses)	<u>4,594</u>	<u>(1,400)</u>	<u>3,194</u>
Net change in fund balances	(45,547)	(17,839)	(63,386)
Fund balance - beginning	(127,309)	73,755	(53,554)
Fund balance - ending	<u>\$ (172,856)</u>	<u>\$ 55,916</u>	<u>\$ (116,940)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Village of Buckner**  
**Franklin County, Illinois**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended April 30, 2018**

Net change in *fund balances* - total governmental funds. \$ (63,386)

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

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment consumes the financial resources of governmental funds. This is the amount by which payments \$8,209 exceeded proceeds (\$0) in the current period.

8,209

Change in net position of governmental activities

\$ (55,177)

The accompanying Notes to Financial Statements are an integral part of this statement.



**Village of Buckner**  
**Franklin County, Illinois**  
**Statement of Net Position**  
**Proprietary Funds**  
**April 30, 2018**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 163	\$ 16,007	\$ 16,170
Receivables	7,572	5,993	13,565
Due from other funds	33,698	81,191	114,889
Total current assets	<u>41,433</u>	<u>103,191</u>	<u>144,624</u>
Noncurrent assets:			
Restricted cash	345	-	345
Capital assets, net	420,417	-	420,417
Total noncurrent assets	<u>420,762</u>	<u>-</u>	<u>420,762</u>
Total assets	<u>\$ 462,195</u>	<u>\$ 103,191</u>	<u>\$ 565,386</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 18,344	\$ 4,706	\$ 23,050
Debt payable - current	12,140	8,000	20,140
Total current liabilities	<u>30,484</u>	<u>12,706</u>	<u>43,190</u>
Noncurrent liabilities:			
Debt payable - long-term	90,331	296,000	386,331
Total noncurrent liabilities	<u>90,331</u>	<u>296,000</u>	<u>386,331</u>
Total liabilities	<u>120,815</u>	<u>308,706</u>	<u>429,521</u>
<b>NET POSITION</b>			
Net investment in capital assets	420,417	-	420,417
Restricted for improvements	345	-	345
Unrestricted	(79,382)	(205,515)	(284,897)
Total net position	<u>\$ 341,380</u>	<u>\$ (205,515)</u>	<u>\$ 135,865</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Village of Buckner**  
**Franklin County, Illinois**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended April 30, 2018**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 78,184	\$ 62,888	\$ 141,072
Total operating revenues	<u>78,184</u>	<u>62,888</u>	<u>141,072</u>
Operating expenses:			
Purchase of utilities	32,800	-	32,800
Professional fees	9,800	-	9,800
Insurance	27,344	-	27,344
Salaries and benefits	8,612	1,504	10,116
Maintenance and repairs	3,228	14,450	17,678
Depreciation	11,063	-	11,063
Utilities	1,346	10,124	11,470
Other expense	5,898	1,161	7,059
Total operating expenses	<u>100,091</u>	<u>27,239</u>	<u>127,330</u>
Operating income (loss)	<u>(21,907)</u>	<u>35,649</u>	<u>13,742</u>
Nonoperating revenues (expenses)			
Interest income	1	22	23
Interest expense	<u>(3,648)</u>	<u>(13,860)</u>	<u>(17,508)</u>
Total non-operating revenues (expenses)	<u>(3,647)</u>	<u>(13,838)</u>	<u>(17,485)</u>
Income (loss) before transfers	(25,554)	21,811	(3,743)
Transfers in	5,499	42,012	47,511
Transfers out	<u>(49,955)</u>	<u>(750)</u>	<u>(50,705)</u>
Change in net position	(70,010)	63,073	(6,937)
Fund balance - beginning	411,390	(268,588)	142,802
Fund balance - ending	<u>\$ 341,380</u>	<u>\$ (205,515)</u>	<u>\$ 135,865</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Village of Buckner**  
**Franklin County, Illinois**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended April 30, 2018**

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Cash received from customers	\$ 79,207	\$ 63,601	\$ 142,808
Cash paid to suppliers	(69,932)	(21,029)	(90,961)
Cash paid to employees	(8,612)	(1,504)	(10,116)
Net cash provided (used) by operating activities	<u>663</u>	<u>41,068</u>	<u>41,731</u>
Cash Flows From Capital and Related Financing Activities:			
Principal payment on debt	(23,069)	(8,000)	(31,069)
Interest paid on debt	(3,648)	(13,860)	(17,508)
Net cash provided (used) by capital and related financing activities	<u>(26,717)</u>	<u>(21,860)</u>	<u>(48,577)</u>
Cash Flows From Noncapital Financing Activities:			
Interfund loan payments	61,948	(45,498)	16,450
Interfund transfers	(44,456)	41,262	(3,194)
Net cash provided (used) by noncapital financing activities	<u>17,492</u>	<u>(4,236)</u>	<u>13,256</u>
Cash Flows From Investing Activities:			
Interest earned	1	22	23
Net cash provided (used) by investing activities	<u>1</u>	<u>22</u>	<u>23</u>
Net increase (decrease) in cash and cash equivalents	(8,561)	14,994	6,433
Cash and cash equivalents at beginning of year	9,069	1,013	10,082
Cash and cash equivalents at end of year	<u>\$ 508</u>	<u>\$ 16,007</u>	<u>\$ 16,515</u>
Cash and cash equivalents per statement of net position:			
Unrestricted	\$ 163	\$ 16,007	\$ 16,170
Restricted	345	-	345
Cash and cash equivalents at end of year	<u>\$ 508</u>	<u>\$ 16,007</u>	<u>\$ 16,515</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:			
Operating income (loss)	\$ (21,907)	\$ 35,649	\$ 13,742
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	11,063	-	11,063
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	1,023	713	1,736
Increase (decrease) in accounts payable	10,484	4,706	15,190
Net cash provided (used) by operating activities	<u>\$ 663</u>	<u>\$ 41,068</u>	<u>\$ 41,731</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**

**Note 1. Summary of Significant Accounting Policies**

The accounting policies of the Village of Buckner, Franklin County, Illinois (the Village), as reflected in the accompanying financial statements for the year ended April 30, 2018, 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.

**A. Reporting Entity**

As required by GAAP, these financial statements present only the operations of the Village.

**B. 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 nonfiduciary activities of the Village. For the most part, 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported, instead, as general revenues.

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

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Cont'd)**

C. Fund Accounting

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three broad categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "Fund Types."

The Village has the following fund types and account groups:

*Governmental Funds* are used to account for the Village's general governmental activities. There are two of these types and they each use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

*The General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government not accounted for and reported in another fund.

*Special Revenue Funds* account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects. The Village's only special revenue fund is the Motor Fuel Tax Fund.

*Proprietary Funds* are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties by the enterprise fund. The Village maintains separate Water and Sewer Funds.



**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Cont'd)**

*Fiduciary Funds* account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Agency funds are used to report resources held by the reporting government in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to specific individuals, private organizations, or other governments. The Village maintains no fiduciary funds.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers property taxes as available if they are collected within 60 days of the end of the current fiscal period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, sales taxes, income taxes, motor fuel taxes, licenses, interest revenue, and charges for service revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Cont'd)**

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government not accounted for and reported in another fund. Revenues are derived from the property tax levy, non-property taxes, interest earned on investments, and miscellaneous sources.

The *Motor Fuel Tax Fund* is the special revenue fund that accounts for motor fuel tax revenue received from the Illinois Department of Transportation and may be used for approved street maintenance projects.

The Village reports the following major enterprise funds:

The *Water and Sewer Funds* account for provisions of water and sewer services to residents of the Village. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collections. Monies are provided from user charges and miscellaneous sources.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are fees for services. Operating expenses for the enterprise fund 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 nonoperating revenues and expenses.



**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Cont'd)**

**E. Budgets**

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, and enterprise funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

**F. Cash Equivalents**

For purposes of the statement of cash flows, all highly liquid investments with maturities of three months or less at the date of purchase are considered cash equivalents.

**G. Receivables**

GASB Statement No. 33 - *Accounting and Financial Reporting for Non-exchange Transactions* is used for recognition of receivables. The recognition of receivables associated with non-exchange transactions is as follows:

- Derived tax receivables (such as: sales, income, and motor fuel taxes) are recognized when the underlying exchanges have occurred.
- Imposed non-exchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary non-exchange transaction receivables (such as: mandates or grants) are recognized when all legal requirements have been met.

**H. Prepaid Items**

Prepaid items represent payments made to vendors for services that will benefit future periods at the end of the fiscal year and are accounted for using the consumption method.

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Cont'd)**

**I. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year. The Village does not have a capitalization policy.

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 acquired. 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
Buildings and improvements	40
Vehicles and equipment	5-10

**J. Compensated Absences**

The Village has no policy for compensated absences.

**K. 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 \$172,856, and the sewer fund has a deficit net position of \$205,515. In addition to losses, certain debt payments, payroll taxes, and other contractual agreements were not being paid. For the fiscal year ended April 30, 2018, the Village has not made all required payments. The outcome of these matters cannot be predicted at this time.

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Cont'd)**

**L. 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.

**M. 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.

*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.



**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Cont'd)**

*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 Village President have the authority to assign 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 balance 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.

**N. Interfund Transactions**

Quasi-external transactions 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.

**O. 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.

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**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 Illinois State Statutes. The Statutes authorize the Village to make deposits in commercial banks and savings and loan institutions.

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 returned to it. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2018, none of the Village's bank balance of \$50,523 was exposed to custodial credit risk.

**Note 3. Receivables - Taxes**

Property taxes attach as an enforceable lien on January 1st 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 uncollectible accounts is not necessary.

**Note 4. Capital Assets**

Capital asset activity for the year ended April 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets, being depreciated:				
Sewer department	\$ -	\$ -	\$ -	\$ -
Water department	442,544	-	-	442,544
Total capital assets being depreciated	<u>442,544</u>	<u>-</u>	<u>-</u>	<u>442,544</u>
Less accumulated depreciation for:				
Sewer department	-	-	-	-
Water department	11,064	11,063	-	22,127
Total accumulated depreciation	<u>11,064</u>	<u>11,063</u>	<u>-</u>	<u>22,127</u>
Total capital assets being depreciated, net	<u>\$ 431,480</u>	<u>\$ (11,063)</u>	<u>\$ -</u>	<u>\$ 420,417</u>

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 5. Long-Term Debt**

Business-type long-term debt activity for the year ended April 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-type Activities:				
Sewer Bonds Payable	\$ 312,000	\$ -	\$ 8,000	\$ 304,000
Water Line of Credit	113,114	7,082	17,725	102,471
Total	<u>\$ 425,114</u>	<u>\$ 7,082</u>	<u>\$ 25,725</u>	<u>\$ 406,471</u>

Revenue bonds payable at April 30, 2018 are comprised of the following:

\$312,000 Sewerage System revenue 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, 2018, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ending April 30:</u>			
2019	\$ 8,000	\$ 13,860	\$ 21,860
2020	8,000	13,500	21,500
2021	8,000	13,140	21,140
2022	12,000	12,780	24,780
2023	12,000	12,330	24,330
2024-2028	60,000	52,550	112,550
2029-2033	80,000	38,610	118,610
2034-2038	96,000	19,890	115,890
2039	20,000	1,800	21,800
Total	<u>\$ 304,000</u>	<u>\$ 178,460</u>	<u>\$ 482,460</u>

Maturity Date: May 1, 2038  
Interest Rate: 4.5%  
Interest Dates: May 1 and November 1



**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 5. Long-Term Debt (Cont'd)**

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

The annual requirements to amortize the loan as of April 30, 2018, including interest payments are as follows:

<b>Fiscal Year Ending April 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 12,140	\$ 3,452	\$ 15,592
2020	11,769	3,823	15,592
2021	12,309	3,283	15,592
2022	66,253	970	67,223
	<u>\$ 102,471</u>	<u>\$ 11,528</u>	<u>\$ 113,999</u>

Governmental long-term debt activity for the year ended April 30, 2018 was as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Police Car	\$ 2,059	\$ -	\$ 2,059	\$ -
IRS Lien	6,150	-	6,150	-
Total	<u>\$ 8,209</u>	<u>\$ -</u>	<u>\$ 8,209</u>	<u>\$ -</u>

The Village had a lease with Banterra Bank for the purchase of a police car. It was paid off in the current fiscal year.

The IRS lien has been resolved as well.

In prior years, all debt of the Village had not been recorded. It is estimated that the omission of this debt would be material to the financial statements.

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 6. 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; and natural disasters for which the Village carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past three 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, 2018, the Village had not met the requirements for cash in restricted bank accounts.

**Note 8. Deficit Fund Equity**

At April 30, 2018 the General Fund had a deficit fund balance of \$172,856 and the Sewer Fund had a deficit unrestricted net position of \$205,515.

**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 - 2017	<u>\$ 2,450,426</u>
Legal debt limit - 8.625% of assessed valuation	\$ 211,349
Amount of debt applicable to debt limit	<u>102,471</u>
Legal debt margin	<u>\$ 108,878</u>

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Continued)**

**Note 9. Restricted Cash**

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 10. Interfund Balances and Transfers**

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 two years.

	General	MFT	Water	Sewer	Total
Transfers In	\$ 20,006	\$ -	\$ 5,499	\$ 42,012	\$ 67,517
Transfers Out	\$ 15,412	\$ 1,400	\$ 49,955	\$ 750	\$ 67,517

Due From:      General

Due To:

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

**Note 11. 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 the maintenance of roads.

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



**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2018**  
**(Concluded)**

**Note 12. Accounts Receivable**

Accounts receivable at April 30, 2018 consisted of the following:

	<u>Governmental</u>	<u>Enterprise</u>	<u>Total</u>
Receivables			
Intergovernmental	\$ 17,091	\$ -	\$ 17,091
Accounts	<u>2,706</u>	<u>13,565</u>	<u>16,271</u>
Gross receivables	19,797	13,565	33,362
Allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u><u>\$ 19,797</u></u>	<u><u>\$ 13,565</u></u>	<u><u>\$ 33,362</u></u>

## **Required Supplementary Information**

**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, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Taxes	\$ -	\$ 10,384
Property tax		
Intergovernmental	-	1,466
Replacement tax	-	27,121
Sales tax	-	12,152
Use tax	-	12,142
Video gaming tax	-	42,039
Income tax	-	25,033
Utility tax	-	119,953
Total intergovernmental	-	28,894
Charges for services	-	4,960
Fines	-	12,125
Miscellaneous income	-	1
Interest	-	176,317
Total revenues	-	-
Expenditures		
Current:		
General government	15,152	92,751
Salaries and benefits	3,049	3,466
Office expense	12,000	34,959
Utilities	11,260	18,102
Maintenance and supplies	25,000	26,494
Insurance and bonding	10,600	6,173
Legal and professional	2,720	13,028
Miscellaneous expense	79,781	194,973
Total general government	5,000	-
Culture and recreation	27,182	13,631
Transportation and public works	48,270	7,615
Public safety	13,000	-
Capital outlay	4,800	10,239
Debt service	178,033	226,458
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	(178,033)	(50,141)
Other financing sources (uses)	-	20,006
Transfers in	-	(15,412)
Transfers out	-	4,594
Total other financing sources (uses)	-	-
Net change in fund balance	\$ (178,033)	(45,547)
Fund balance - beginning		(127,309)
Fund balance - ending		\$ (172,856)



**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, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Intergovernmental		
Motor fuel tax	\$ -	\$ 11,750
Interest	-	7
Total revenues	<u>-</u>	<u>11,757</u>
Expenditures		
Current:		
Transportation and public works		
Street maintenance	<u>22,000</u>	<u>28,196</u>
Total expenditures	<u>22,000</u>	<u>28,196</u>
Excess (deficiency) of revenues over expenditures	<u>(22,000)</u>	<u>(16,439)</u>
Other financing sources (uses)		
Transfers in	-	-
Transfers out	<u>-</u>	<u>(1,400)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,400)</u>
Net change in fund balance	<u>\$ (22,000)</u>	(17,839)
Fund balance - beginning		<u>73,755</u>
Fund balance - ending		<u>\$ 55,916</u>

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Required Supplementary Information**  
**April 30, 2018**

**Note A. Legal Compliance and Accountability**

**1. Budgetary Control**

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

- a) The Village Administrator submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds.
- e) Budgets for the governmental funds for which budgets have been adopted are adopted on a basis consistent with GAAP.
- f) Budgetary authority lapses at year end.
- g) State law requires that "expenditures be made in conformity with appropriations/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds require Village Board approval. The level of legal control is generally the fund budget in total.
- h) Budgeted amounts are as originally adopted, with the exceptions of Board approved transfers which were not material in relation to the budget taken as a whole.
- i) The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be communicated to the Village Board.

The budget was adopted on May 19, 2017 and was not amended.

**Village of Buckner**  
**Franklin County, Illinois**  
**Notes to the Required Supplementary Information**  
**April 30, 2018**  
**(Concluded)**

**Note A. Legal Compliance and Accountability – (Concluded)**

2. Excess of Expenditures/Expenses over Budget in Major Governmental Funds

The General and Motor Fuel Tax Funds had expenditures in excess of budget of \$48,425 and \$6,196, respectively, for the fiscal year ended April 30, 2018.



## **Supplementary Information**

**Village of Buckner**  
**Franklin County, Illinois**  
**Schedule of Findings and Responses**  
**April 30, 2018**

**2018-001**

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, regular 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.

**2018-002**

The Village lacks a written accounting policy and procedure 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 document, review, and periodically update a policy and procedure manual.

**Village of Buckner**  
**Franklin County, Illinois**  
**Schedule of Findings and Responses**  
**April 30, 2018**  
**(Continued)**

**2018-003**

The Village lacks proper segregation of duties in 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.

**2018-004**

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 Responses**  
**April 30, 2018**  
**(Continued)**

**2018-005**

The Village has not filed all required payroll returns nor paid required taxes at April 30, 2018.

Effect

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

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.

**2018-006**

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

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 expense.

Cause

All funds are maintained in a single QuickBooks company.

Recommendation

If continuing the use of 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 Responses**  
**April 30, 2018**  
**(Concluded)**

**2018-007**

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.