

VILLAGE OF BUCKNER, ILLINOIS
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2021

200 E. Main Street
Buckner, IL 62819
Phone: 618.724.7501
www.villageofbuckner.org



VILLAGE OF BUCKNER, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	<u>1</u>
-------------------------------------	--------------------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	<u>4</u>
Statement of Activities - Modified Cash Basis	<u>5</u>
Fund Financial Statements	
Balance Sheet - Governmental Funds - Modified Cash Basis	<u>6</u>
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position - Governmental Activities - Modified Cash Basis	<u>7</u>
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds - Modified Cash Basis	<u>8</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities - Governmental Activities - Modified Cash Basis	<u>9</u>
Statement of Net Position - Proprietary Funds - Modified Cash Basis	<u>10</u>
Statement of Revenues, Expenses, and Changes in	
Net Position - Proprietary Funds - Modified Cash Basis	<u>11</u>
Statement of Cash Flows - Proprietary Funds - Modified Cash Basis	<u>12</u>
Notes to the Financial Statements	<u>13</u>

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual - Modified Cash Basis	
General Fund	<u>29</u>
Motor Fuel Tax - Special Revenue Fund	<u>30</u>
Schedules of Revenues, Expenses and Changes in Net Position	
Budget and Actual - Modified Cash Basis	
Water - Enterprise Fund	<u>31</u>
Sewer - Enterprise Fund	<u>32</u>

FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Basic Financial Statements

Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

February 10, 2026

The Honorable Village Mayor
Members of the Board of Trustees
Village of Buckner, Illinois

Disclaimer of Opinion

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Buckner (the Village), Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Because of the significance of the matter described in the "Basis for Disclaimer 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.

Basis for Disclaimer of Opinion

Detailed 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 amount for capital assets, accumulated depreciation expense, liabilities, and long-term debt. These amounts are not completely recorded in the financial statements, and we would estimate them to be material.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Buckner, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements

 - Governmental Funds

 - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF BUCKNER, ILLINOIS

Statement of Net Position - Modified Cash Basis

April 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 85,129	28,428	113,557
Internal Balances	(246,497)	246,497	—
Total Current Assets	(161,368)	274,925	113,557
Noncurrent Assets			
Capital Assets			
Depreciable	1,622,192	442,544	2,064,736
Accumulated Depreciation	—	(55,356)	(55,356)
Total Noncurrent Assets	1,622,192	387,188	2,009,380
Total Assets	1,460,824	662,113	2,122,937
LIABILITIES			
Current Liabilities			
Current Portion of Long-Term Liabilities	—	83,764	83,764
Noncurrent Liabilities			
Revenue Bonds Payable	—	268,000	268,000
Total Liabilities	—	351,764	351,764
NET POSITION			
Net Investment in Capital Assets	1,622,192	315,424	1,937,616
Restricted			
Motor Fuel Tax	77,758	—	77,758
Unrestricted (Deficit)	(239,126)	(5,075)	(244,201)
Total Net Position	1,460,824	310,349	1,771,173

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

VILLAGE OF BUCKNER, ILLINOIS

Statement of Activities - Modified Cash Basis For the Fiscal Year Ended April 30, 2021

	Program Revenues				Net (Expenses)/Program Revenues and General Revenues		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Primary Government		Totals
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 280,194	1,965	—	—	(278,229)	—	(278,229)
Public Safety	783	434	—	—	(349)	—	(349)
Highways and Streets	105	—	16,390	15,224	31,509	—	31,509
Total Governmental Activities	281,082	2,399	16,390	15,224	(247,069)	—	(247,069)
Business-Type Activities							
Water	45,802	122,732	—	—	—	76,930	76,930
Sewer	12,602	50,855	—	—	—	38,253	38,253
Total Business-Type Activities	58,404	173,587	—	—	—	115,183	115,183
Total Primary Government	339,486	175,986	16,390	15,224	(247,069)	115,183	(131,886)
General Revenues							
Taxes							
Property Tax					11,176	—	11,176
Utility Tax					26,517	—	26,517
Intergovernmental - Unrestricted							
Sales Tax					23,390	—	23,390
Income Tax					52,142	—	52,142
Use Tax					21,854	—	21,854
Excise Tax					2,045	—	2,045
Replacement Tax					1,876	—	1,876
Video Gaming Tax					600	—	600
Investment Income					15	—	15
Miscellaneous					8,193	—	8,193
					147,808	—	147,808
Change in Net Position					(99,261)	115,183	15,922
Net Position - Beginning as Restated					1,560,085	195,166	1,755,251
Net Position - Ending					1,460,824	310,349	1,771,173

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

VILLAGE OF BUCKNER, ILLINOIS

Balance Sheet - Governmental Funds - Modified Cash Basis April 30, 2021

	General	Special Revenue Motor Fuel Tax	Totals
ASSETS			
Cash and Investments	\$ 46,874	38,255	85,129
Due from Other Funds	—	39,503	39,503
Total Assets	46,874	77,758	124,632
LIABILITIES			
Due to Other Funds	286,000	—	286,000
FUND BALANCES			
Restricted	—	77,758	77,758
Unassigned	(239,126)	—	(239,126)
Total Fund Balances	(239,126)	77,758	(161,368)
Total Liabilities and Fund Balances	46,874	77,758	124,632

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

VILLAGE OF BUCKNER, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities - Modified Cash Basis April 30, 2021

Total Governmental Fund Balances	\$ (161,368)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	<u>1,622,192</u>
Net Position of Governmental Activities	<u><u>1,460,824</u></u>

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

VILLAGE OF BUCKNER, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis

For the Fiscal Year Ended April 30, 2021

	General	Special Revenue Motor Fuel Tax	Totals
Revenues			
Taxes	\$ 37,693	—	37,693
Intergovernmental	101,907	31,614	133,521
Charges for Services	115	—	115
Licenses and Permits	1,850	—	1,850
Fines and Forfeitures	434	—	434
Investment Income	15	—	15
Miscellaneous	8,193	—	8,193
Total Revenues	150,207	31,614	181,821
Expenditures			
General Government	280,194	—	280,194
Public Safety	783	—	783
Highways and Streets	—	105	105
Total Expenditures	280,977	105	281,082
Net Change in Fund Balances	(130,770)	31,509	(99,261)
Fund Balances - Beginning as Restated	(108,356)	46,249	(62,107)
Fund Balances - Ending	(239,126)	77,758	(161,368)

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

VILLAGE OF BUCKNER, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities - Modified Cash Basis
For the Fiscal Year Ended April 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ (99,261)
---	--------------------

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

None

Changes in Net Position of Governmental Activities	(99,261)
---	-----------------

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

VILLAGE OF BUCKNER, ILLINOIS

Statement of Net Position - Proprietary Fund - Modified Cash Basis April 30, 2021

	Business-Type Activities		
	Water	Sewer	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 2,677	25,751	28,428
Due from Other Funds	91,847	154,650	246,497
Total Current Assets	94,524	180,401	274,925
Noncurrent Assets			
Capital Assets			
Depreciable	442,544	—	442,544
Accumulated Depreciation	(55,356)	—	(55,356)
Total Noncurrent Assets	387,188	—	387,188
Total Assets	481,712	180,401	662,113
LIABILITIES			
Current Liabilities			
Current Portion of Long-Term Liabilities	71,764	12,000	83,764
Noncurrent Liabilities			
Revenue Bonds Payable	—	268,000	268,000
Total Liabilities	71,764	280,000	351,764
NET POSITION			
Net Investment in Capital Assets	315,424	—	315,424
Unrestricted (Deficit)	94,524	(99,599)	(5,075)
Total Net Position	409,948	(99,599)	310,349

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

VILLAGE OF BUCKNER, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund - Modified Cash Basis For the Fiscal Year Ended April 30, 2021

	Business-Type Activities		
	Water	Sewer	Totals
Operating Revenues			
Charges for Services	\$ 120,599	50,855	171,454
Miscellaneous	2,133	—	2,133
Total Operating Revenues	122,732	50,855	173,587
Operating Expenses			
Operations	30,528	6,122	36,650
Depreciation	11,063	—	11,063
Total Operating Expenses	41,591	6,122	47,713
Operating Income	81,141	44,733	125,874
Nonoperating (Expenses)			
Interest Expense	(4,211)	(6,480)	(10,691)
Change in Net Position	76,930	38,253	115,183
Net Position - Beginning as Restated	333,018	(137,852)	195,166
Net Position - Ending	409,948	(99,599)	310,349

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

VILLAGE OF BUCKNER, ILLINOIS

Statement of Cash Flows - Proprietary Fund - Modified Cash Basis For the Fiscal Year Ended April 30, 2021

	Business-Type Activities		
	Water	Sewer	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 130,304	56,848	187,152
Payment to Employees	(3,900)	—	(3,900)
Payments to Suppliers	(34,200)	(12,114)	(46,314)
	92,204	44,734	136,938
Cash Flows from Noncapital Financing Activities			
Interfund Loans and Repayment	(78,087)	(18,907)	(96,994)
Cash Flows from Capital and Related Financing Activities			
Principal Paid on Debt	(11,381)	(8,000)	(19,381)
Interest Paid on Debt	(4,211)	(6,480)	(10,691)
	(15,592)	(14,480)	(30,072)
Net Change in Cash and Cash Equivalents	(1,475)	11,347	9,872
Cash and Cash Equivalents - Beginning	4,152	14,404	18,556
Cash and Cash Equivalents - Ending	2,677	25,751	28,428
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	81,141	44,733	125,874
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)			
Operating Activities			
Depreciation	11,063	—	11,063
(Increase) Decrease in Current Assets	7,572	5,993	13,565
Increase (Decrease) in Current Liabilities	(7,572)	(5,992)	(13,564)
Net Cash Provided by Operating Activities	92,204	44,734	136,938

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

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Buckner (the Village), Illinois is a municipal corporation governed by an elected Mayor and Board of Trustees.

The basic financial statements of the Village have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the Village's accounting policies are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the Village as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, highways and streets, and general administrative services are classified as governmental activities. The Village's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both governmental and business type activities column are: (a) presented on a consolidated basis by column, and (b) reported on a modified cash, economic resource basis, which recognizes some long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, highways and streets, etc.) The functions are supported by general government revenues (property tax, sales tax, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, highways and streets, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, 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

Total assets, liabilities, revenues, 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 various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major special revenue fund. The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major enterprise funds. The Water Fund is used to account for the revenues and expenses relative to the operation of the water utility. The Sewer Fund is used to account for the revenues and expenses relative to the operation of the sewer utility.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. Some assets, liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary funds equity is classified as net position.

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements are modified from the cash basis method because the Village records capital assets, depreciation, and long-term debt.

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 Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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 nonoperating revenues and expenses.

ASSETS, LIABILITIES, AND FUND BALANCE/NET POSITION

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Village has no investments at year-end.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND FUND BALANCE/NET POSITION - Continued

Capital Assets

Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

The Village does not maintain a formal capital asset policy, and capitalization thresholds and estimated useful lives are not available. The Village does not record depreciation on its capital assets, except for the water system.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

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

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND FUND BALANCE/NET POSITION - Continued

Net Position - Continued

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

The preparation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Village prepares an annual budget for its funds to support operational planning and financial management. The budget is developed and approved by the Board of Trustees and serves as a tool for monitoring and controlling financial activity throughout the year.

The budget for the Village is prepared on a basis consistent with generally accepted accounting principles. Budgetary control is maintained through internal review and monitoring procedures, and management evaluates performance against budgeted amounts on an ongoing basis.

A formal process is in place for amending the budget. Proposed changes are submitted by management and reviewed for operational and financial impact. Amendments are subject to approval by the Board of Trustees, and are incorporated into the revised budget once approved. This process ensures that the budget remains aligned with current priorities and available resources. During the year, no supplementary appropriations were necessary.

DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balance/net position as of the date of this report:

Fund	Deficit
General	\$ 239,126
Sewer	99,599

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$113,557 and the bank balances totaled \$120,827.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have an investment policy which specifically addresses interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village does not have an investment policy which further addresses credit risk.

Custodial Credit Risk - Deposits. In the case of deposits, this 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 an investment policy which specifically addresses custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village does not have an investment policy which specifically addresses custodial credit risk for investments.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village does not have an investment policy which specifically addresses concentration risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about July 1 and September 1. The County collects such taxes and remits them periodically.

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCES

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Motor Fuel Tax	General	\$ 39,503
Water	General	91,847
Sewer	General	154,650
		<u>286,000</u>

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the fiscal year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Buildings	\$ 668,039	—	—	668,039
Building Improvements	199,035	—	—	199,035
Vehicles	566,718	—	—	566,718
Machinery and Equipment	188,400	—	—	188,400
	<u>1,622,192</u>	<u>—</u>	<u>—</u>	<u>1,622,192</u>

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Water System	\$ 442,544	—	—	442,544
Less Accumulated Depreciation				
Water System	44,293	11,063	—	55,356
Total Net Capital Assets	398,251	(11,063)	—	387,188

Depreciation expense of \$11,063 was charged to the Water Fund.

LONG-TERM OBLIGATIONS

Loans Payable

The Village enters into loans payable to provide funds for acquisition of capital equipment. Loans payable have been issued for business-type activities. Loans payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Loan Payable: Peoples National Bank, due in monthly installments of \$1,299 including interest through August 25, 2021.	\$ 83,145	—	11,381	71,764

Revenue Bonds Payable

The Village issues revenue bonds payable for the operation and maintenance of the sewerage system. Revenue bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$288,000 Sewerage System Revenue Bonds, due in annual installments plus interest at 4.50% through May 1, 2038.	\$ 288,000	—	8,000	280,000

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Liability	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due Within One Year
Business-Type Activities					
Loans Payable	\$ 83,145	—	11,381	71,764	71,764
Revenue Bonds Payable	288,000	—	8,000	280,000	12,000
	371,145	—	19,381	351,764	83,764

For business-type activities, payments on the loans payable are being made by the Water Fund and payments on the revenue bonds payable are being made by the Sewer Fund.

Revenue Bond Compliance

The bond ordinance for the revenue bonds 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, 2021, the Village has not met the requirements for cash in restricted bank accounts.

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 - 2020	\$ 2,811,213
Legal Debt Limit - 8.625% of Assessed Value	242,467
Amount of Debt Applicable to Limit	—
Legal Debt Margin	242,467

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Business-Type Activities			
	Loans Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest
2022	\$ 71,764	956	12,000	12,780
2023	—	—	12,000	12,330
2024	—	—	12,000	11,880
2025	—	—	12,000	10,250
2026-2030	—	—	68,000	49,100
2031-2035	—	—	84,000	37,160
2036-End	—	—	80,000	7,070
Totals	71,764	956	280,000	140,570

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

		Special Revenue	
		Motor	
	General	Fuel Tax	Totals
Fund Balances			
Restricted			
Motor Fuel Tax	\$ —	77,758	77,758
Unassigned	(239,126)	—	(239,126)
Total Fund Balances	(239,126)	77,758	(161,368)

NET POSITION/FUND BALANCE RESTATEMENTS

Beginning net position/fund balances were restated to correct errors in the recording of accounts receivable, accounts payable, and capital assets. The following is a summary of the net position and fund balances as reported and as restated:

Net Position/Fund Balance	As Reported	As Restated	Increases (Decreases)
Governmental Activities	\$ (103,385)	1,560,085	1,663,470
Business-Type Activities	189,087	195,166	6,079
General	(150,759)	(108,356)	42,403
Motor Fuel Tax	47,374	46,249	(1,125)
Water	322,246	333,018	10,772
Sewer	(133,159)	(137,852)	(4,693)

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 1,622,192
Less Capital Related Debt:	<u>—</u>
Net Investment in Capital Assets	<u>1,622,192</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 387,188
Less Capital Related Debt:	
Loans Payable	<u>(71,764)</u>
Net Investment in Capital Assets	<u>315,424</u>

NOTE 4 - OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

From time to time, the Village is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

VILLAGE OF BUCKNER, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

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; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees are not eligible to retain their rights to health insurance through the Village. As the Village provides no explicit benefit and there is no allowed participation, there is no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2021.

RETIREMENT OBLIGATIONS

The Village does not participate in either the Illinois Municipal Retirement Fund or a deferred compensation plan. Instead, employees are covered by social security.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Budgetary Comparison Schedules - Enterprise Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund, a major fund, accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are created to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Fund

The Water Fund is used to account for the revenues and expenses relative to the operation of the water utility.

Sewer Fund

The Sewer Fund is used to account for the revenues and expenses relative to the operation of the sewer utility.

VILLAGE OF BUCKNER, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Taxes				
Property Tax	\$ 9,450	9,450	11,176	1,726
Utility Tax	—	—	26,517	26,517
Intergovernmental				
Sales Tax	—	—	23,390	23,390
Income Tax	—	—	52,142	52,142
Use Tax	—	—	21,854	21,854
Excise Tax	—	—	2,045	2,045
Replacement Tax	—	—	1,876	1,876
Video Gaming Tax	—	—	600	600
Charges for Services	—	—	115	115
Licenses and Permits	—	—	1,850	1,850
Fines and Forfeitures	—	—	434	434
Investment Income	—	—	15	15
Miscellaneous	—	—	8,193	8,193
Total Revenues	9,450	9,450	150,207	140,757
Expenditures				
General Government				
Salaries and Wages	176,680	176,680	85,868	(90,812)
Employee Benefits	6,100	6,100	43,095	36,995
Contractual Services	230,000	230,000	122,170	(107,830)
Supplies and Commodities	100,000	100,000	3,551	(96,449)
Other	5,000	5,000	25,510	20,510
Public Safety				
Contractual Services	13,000	13,000	266	(12,734)
Supplies and Commodities	—	—	517	517
Total Expenditures	530,780	530,780	280,977	(249,803)
Net Change in Fund Balance	(521,330)	(521,330)	(130,770)	390,560
Fund Balance - Beginning as Restated			(108,356)	
Fund Balance - Ending			(239,126)	

VILLAGE OF BUCKNER, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Revenues				
Intergovernmental				
Motor Fuel Tax	\$ —	—	16,390	16,390
Rebuild Illinois	—	—	15,224	15,224
Total Revenues	—	—	31,614	31,614
Expenditures				
Highways and Streets				
Contractual Services	62,000	62,000	105	(61,895)
Net Change in Fund Balance	(62,000)	(62,000)	31,509	93,509
Fund Balance - Beginning as Restated			46,249	
Fund Balance - Ending			77,758	

VILLAGE OF BUCKNER, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Modified Cash Basis For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Operating Revenues				
Charges for Services	\$ —	—	120,599	120,599
Miscellaneous	—	—	2,133	2,133
Total Operating Revenues	—	—	122,732	122,732
Operating Expenses				
Operations				
Salaries and Wages	—	—	3,900	3,900
Contractual Services	132,200	132,200	26,628	(105,572)
Depreciation	—	—	11,063	11,063
Total Operating Expenses	132,200	132,200	41,591	(90,609)
Operating Income (Loss)	(132,200)	(132,200)	81,141	213,341
Nonoperating (Expenses)				
Interest Expense	—	—	(4,211)	(4,211)
Change in Net Position	(132,200)	(132,200)	76,930	209,130
Net Position - Beginning as Restated			333,018	
Net Position - Ending			409,948	

VILLAGE OF BUCKNER, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Modified Cash Basis For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance Actual with Final
Operating Revenues				
Charges for Services	\$ —	—	50,855	50,855
Operating Expenses				
Operations				
Contractual Services	57,000	57,000	6,122	(50,878)
Operating Income (Loss)	(57,000)	(57,000)	44,733	101,733
Nonoperating (Expenses)				
Interest Expense	—	—	(6,480)	(6,480)
Change in Net Position	<u>(57,000)</u>	<u>(57,000)</u>	38,253	<u>95,253</u>
Net Position - Beginning as Restated			<u>(137,852)</u>	
Net Position - Ending			<u>(99,599)</u>	