

**VILLAGE OF ST. JACOB, ILLINOIS**

ANNUAL FINANCIAL REPORT  
YEAR ENDED MARCH 31, 2023

# **VILLAGE OF ST. JACOB, ILLINOIS**

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**LOY MILLER TALLEY, PC**

Certified Public Accountants

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Independent Auditor's Report  
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July 5, 2023

To the Honorable Mayor and  
Members of the Board of Trustees  
Village of St. Jacob, Illinois

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities each major fund, the business-type activities, and the aggregate remaining fund information of the Village of St. Jacob, Illinois, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Village of St. Jacob's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, the business-type activities, and the aggregate remaining fund information of the Village of St. Jacob, Illinois, as of March 31, 2023, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.D.

**Basis for Opinions**

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

**Emphasis of Matter- Basis of Accounting**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1.D; this includes 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 error or fraud.

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

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

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of St. Jacob, Illinois' basic financial statements. The supplementary information is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2023, on our consideration of the Village of St. Jacob, 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 solely 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 St. Jacob, 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 St. Jacob, Illinois' internal control over financial reporting and compliance.

*Loy Miller Talley, PC*

Certified Public Accountants  
Alton, Illinois





**LOY MILLER TALLEY, PC**

Certified Public Accountants

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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  
-----

July 5, 2023

To the Honorable Mayor and  
Members of the Board of Trustees  
Village of St. Jacob, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of St. Jacob, Illinois, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Village of St. Jacob, Illinois' basic financial statements, and have issued our report thereon dated July 5, 2023.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of St. Jacob, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Loy Miller Talley, PC*

Certified Public Accountants  
Alton, Illinois



**VILLAGE OF ST. JACOB, ILLINOIS**STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
MARCH 31, 2023

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
<b><u>ASSETS:</u></b>			
Cash and Cash Equivalents	\$ 686,098	\$ 894,239	\$ 1,580,337
Capital Assets, Net of Accumulated Depreciation	<u>1,107,682</u>	<u>717,463</u>	<u>1,825,145</u>
Total Assets	<u>\$ 1,793,780</u>	<u>\$ 1,611,702</u>	<u>\$ 3,405,482</u>
<b><u>LIABILITIES:</u></b>			
Current Liabilities:			
Overdraft	\$ 68,779		\$ 68,779
Customer Deposits	-	\$ 64,087	64,087
Payroll Withholdings	<u>7,486</u>	<u>-</u>	<u>7,486</u>
Total Current Liabilities	<u>\$ 76,265</u>	<u>\$ 64,087</u>	<u>\$ 140,352</u>
Noncurrent Liabilities:			
Due Within One Year	\$ 35,000		\$ 35,000
Due In More Than One Year	<u>548,088</u>	<u>-</u>	<u>548,088</u>
Total Non-Current Liabilities	<u>\$ 583,088</u>	<u>\$ -</u>	<u>\$ 583,088</u>
Total Liabilities	<u>\$ 659,353</u>	<u>\$ 64,087</u>	<u>\$ 723,440</u>
<b><u>NET POSITION:</u></b>			
Invested In Capital Assets, Net of Related Debt	\$ 524,594	\$ 717,463	\$ 1,242,057
Restricted	436,030	-	436,030
Unrestricted	<u>173,803</u>	<u>830,152</u>	<u>1,003,955</u>
Total Net Position	<u>\$ 1,134,427</u>	<u>\$ 1,547,615</u>	<u>\$ 2,682,042</u>

See Accompanying Notes to the Basic Financial Statements.

**VILLAGE OF ST JACOB, ILLINOIS**STATEMENT OF ACTIVITIES  
MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

Functions/Programs	Expenses	Program	Net (Expense) Revenue and Changes in Net Position				
		Revenues	Charges for Services	Grants	Primary Government		Total
					Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT:							
Governmental Activities --							
General Government	\$ 403,875	\$ 23,828	\$ 113,221	\$ (266,826)		\$ (266,826)	
Public Safety	162,367	15,133	19,208	(128,026)		(128,026)	
Highway & Streets	146,130	-	12,060	(134,070)		(134,070)	
Depreciation (Unallocated)	88,164	-	-	(88,164)	\$ -	(88,164)	
Total Governmental Activities	<u>\$ 800,536</u>	<u>\$ 38,961</u>	<u>\$ 144,489</u>	<u>\$ (617,086)</u>	<u>\$ -</u>	<u>\$ (617,086)</u>	
Business-Type Activities --							
Water	\$ 408,102	\$ 448,656			\$ 40,554	\$ 40,554	
Sewer	156,049	97,144			(58,905)	(58,905)	
Trash	136,122	132,558	\$ -	\$ -	(3,564)	(3,564)	
Total Business-Type Activities	<u>\$ 700,273</u>	<u>\$ 678,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,915)</u>	<u>\$ (21,915)</u>	
Total Primary Government	<u>\$ 1,500.809</u>	<u>\$ 717.319</u>	<u>\$ 144.489</u>	<u>\$ (617.086)</u>	<u>\$ (21.915)</u>	<u>\$ (639.001)</u>	
GENERAL REVENUES:							
Sales & Use Tax				\$ 155,592		\$ 155,592	
Gaming Tax				4,207		4,207	
Replacement Tax				3,389		3,389	
Income Tax				221,738		221,738	
Real Estate Tax				263,897		263,897	
Utility Tax				67,440		67,440	
Cannabis Tax				2,153		2,153	
Motor Fuel Tax				50,203		50,203	
Interest Income				1,381	\$ 852	2,233	
Miscellaneous				42,999	-	42,999	
Homecoming Income				51,540	-	51,540	
Total General Revenues				<u>\$ 864,539</u>	<u>\$ 852</u>	<u>\$ 865,391</u>	
CHANGE IN NET POSITION				\$ 247,453	\$ (21,063)	\$ 226,390	
NET POSITION, BEGINNING OF YEAR				<u>886,974</u>	<u>1,568,678</u>	<u>2,455,652</u>	
NET POSITION, END OF YEAR				<u>\$ 1,134,427</u>	<u>\$ 1,547,615</u>	<u>\$ 2,682,042</u>	

See Accompanying Notes to the Basic Financial Statements.

**VILLAGE OF ST. JACOB, ILLINOIS**STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
MARCH 31, 2023

	General Fund	Motor Fuel Tax Fund	Debt Fund	Liability Insurance Fund	Audit Fund	IMRF Fund	Social Security Fund (Non Major)	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 181,289	\$ -	\$ 104,297	\$ 171,095	\$ 102,149	\$ 125,230	\$ 2,038	\$ 686,098
Total Assets	\$ 181,289	\$ -	\$ 104,297	\$ 171,095	\$ 102,149	\$ 125,230	\$ 2,038	\$ 686,098
<b>LIABILITIES AND FUND EQUITY</b>								
<b>LIABILITIES:</b>								
Overdraft		\$ 68,779						\$ 68,779
Payroll Withholdings	\$ 7,486	-	-	-	-	-	-	7,486
Total Liabilities	\$ 7,486	\$ 68,779	-	-	-	-	-	\$ 76,265
<b>FUND EQUITY:</b>								
Fund Balance:								
Restricted		\$ (68,779)	\$ 104,297	\$ 171,095	\$ 102,149	\$ 125,230	\$ 2,038	\$ 436,030
Unassigned	\$ 173,803	-	-	-	-	-	-	173,803
Total Fund Balance	\$ 173,803	\$ (68,779)	\$ 104,297	\$ 171,095	\$ 102,149	\$ 125,230	\$ 2,038	\$ 609,833
TOTAL LIABILITIES AND FUND BALANCES	\$ 181,289	\$ -	\$ 104,297	\$ 171,095	\$ 102,149	\$ 125,230	\$ 2,038	\$ 686,098
<b>Reconciliation to Statement of Net Position:</b>								
Fund Balance - Total Governmental Funds								\$ 609,833
Capital assets used in governmental activities are not financial resources therefore, are not reported on the balance sheet of the governmental								1,107,682
Some Liabilities, including Capital Debt Obligations Payable, are not due and payable in the current period and, therefore, are not reported in the funds								(583,088)
Net position of governmental activities								\$ 1,134,427

**VILLAGE OF ST. JACOB, ILLINOIS**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

	General Fund	Motor Fuel Tax Fund	Debt Fund	Liability Insurance Fund	Audit Fund	IMRF Fund	Social Security Fund (Non Major)	Total Governmental Funds
<b>REVENUES RECEIVED:</b>								
Property Taxes	\$ 127,024			\$ 56,103	\$ 22,026	\$ 32,513	\$ 26,231	\$ 263,897
Replacement Tax	3,389			-	-	-	-	3,389
Sales Tax	100,555			-	-	-	-	100,555
State Income Tax	221,738			-	-	-	-	221,738
Local Use Tax	55,037			-	-	-	-	55,037
Motor Fuel Tax	-	\$ 50,203		-	-	-	-	50,203
Video Game Tax	4,207	-		-	-	-	-	4,207
Utility Tax	67,440	-		-	-	-	-	67,440
Cannabis Tax	2,153	-		-	-	-	-	2,153
Grants	132,429	12,060		-	-	-	-	144,489
Licenses and Permits	20,578	-		-	-	-	-	20,578
Fines and Penalties	15,133	-		-	-	-	-	15,133
Rental Income	3,250	-		-	-	-	-	3,250
Homecoming Income	51,540	-		-	-	-	-	51,540
Investment Earnings	50	1,331		-	-	-	-	1,381
Miscellaneous	42,999	-	\$ -	-	-	-	-	42,999
Total Revenues Received	\$ 847,522	\$ 63,594	\$ -	\$ 56,103	\$ 22,026	\$ 32,513	\$ 26,231	\$ 1,047,989
<b>EXPENDITURES DISBURSED:</b>								
General Government:								
Wages & Payroll Taxes	\$ 79,543						\$ 14,380	\$ 93,923
Retirement	-					\$ 8,562	-	8,562
Supplies	23,352					-	-	23,352
Repairs & Maintenance	35,256					-	-	35,256
Contract Labor	1,252					-	-	1,252
Advertising	3,132					-	-	3,132
Dues	665					-	-	665
Utilities	9,894					-	-	9,894
Interest	-		\$ 14,264			-	-	14,264
Professional Fees	42,580		-		\$ 7,190	-	-	49,770
Community Development	546		-		-	-	-	546
Equipment Rent	1,149		-		-	-	-	1,149
Insurance	61,922		-	\$ 36,854	-	-	-	98,776
Office Supplies	4,075		-	-	-	-	-	4,075
Miscellaneous	2,230	\$ -	-	-	-	-	-	2,230
Total General Government	\$ 265,596	\$ -	\$ 14,264	\$ 36,854	\$ 7,190	\$ 8,562	\$ 14,380	\$ 346,846

**VILLAGE OF ST. JACOB, ILLINOIS**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

EXPENDITURES DISBURSED (Continued):

Public Safety:																
Wages & Payroll Taxes	\$	114,109					\$	8,872	\$	122,981						
Retirement		-					\$	3,676	-	3,676						
Supplies		3,799					-	-	-	3,799						
Repairs & Maintenance		3,542					-	-	-	3,542						
Contract Labor		3,600					-	-	-	3,600						
Office Supplies		1,118					-	-	-	1,118						
Dues		190					-	-	-	190						
Utilities		2,092					-	-	-	2,092						
Fuel		8,394					-	-	-	8,394						
Professional Fees		7,675					-	-	-	7,675						
Miscellaneous		5,300	\$	-	\$	-	\$	-	\$	5,300						
Total Public Safety	\$	149,819	\$	-	\$	-	\$	3,676	\$	162,367						
Highway & Streets:																
Wages & Payroll Taxes	\$	69,781					\$	5,324	\$	75,105						
Supplies		16,744					-	-	-	16,744						
Road Maintenance		18,473	\$	3,748			-	-	-	22,221						
Contract Labor		2,077		1,846			-	-	-	3,923						
Professional Fees		7,788		-			-	-	-	7,788						
Equipment Rent		185		-			-	-	-	185						
Office Supplies		296		-			-	-	-	296						
Utilities		13,117		-			-	-	-	13,117						
Fuel		6,751		-	\$	-	\$	-	\$	6,751						
Total Highway & Streets	\$	135,212	\$	5,594	\$	-	\$	5,324	\$	146,130						
Homecoming Expenses:																
Homecoming Expense	\$	57,029	\$	-	\$	-	\$	-	\$	57,029						
Total Homecoming Expenses	\$	57,029	\$	-	\$	-	\$	-	\$	57,029						
Capital Outlay:																
Equipment	\$	17,829							\$	17,829						
Building		5,750	\$	-	\$	-	\$	-	\$	5,750						
Total Capital Outlay	\$	23,579	\$	-	\$	-	\$	-	\$	23,579						
TOTAL EXPENDITURES DISBURSED	\$	631,235	\$	5,594	\$	14,264	\$	36,854	\$	7,190	\$	12,238	\$	28,576	\$	735,951

**VILLAGE OF ST. JACOB, ILLINOIS**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 216,287	\$ 58,000	\$ (14,264)	\$ 19,249	\$ 14,836	\$ 20,275	\$ (2,345)	\$ 312,038
OTHER FINANCING SOURCES (USES):								
Payment of Long-Term Debt			\$ (35,000)					\$ (35,000)
Transfers In (Out)	\$ 31,482	\$ (85,482)	\$ 54,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	\$ 31,482	\$ (85,482)	\$ 19,000	\$ -	\$ -	\$ -	\$ -	\$ (35,000)
NET CHANGE IN FUND BALANCES	\$ 247,769	\$ (27,482)	\$ 4,736	\$ 19,249	\$ 14,836	\$ 20,275	\$ (2,345)	\$ 277,038
FUND BALANCES, BEGINNING OF YEAR	(73,966)	(41,297)	99,561	151,846	87,313	104,955	4,383	332,795
FUND BALANCES, END OF YEAR	\$ 173,803	\$ (68,779)	\$ 104,297	\$ 171,095	\$ 102,149	\$ 125,230	\$ 2,038	\$ 609,833

**Reconciliation to the Statement of Activities:**

Net Change in Fund Balance - Total Governmental Funds \$ 277,038

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

Loan Proceeds from Long-Term Liabilities are Recorded as  
Revenue in the Governmental Funds, but Increase Long-  
Term Liabilities in the Statement of Net Position:  
Payment of Long-Term Liabilities

35,000

Governmental funds report capital outlays as expenditures  
while governmental activities report depreciation expense  
to allocate those expenditures over the life of the assets:  
Capital Outlay  
Depreciation expense

23,579  
(88,164)

Change in Net Position of Governmental Activities

\$ 247,453

**VILLAGE OF ST. JACOB, ILLINOIS**STATEMENT OF ASSETS, LIABILITIES, AND  
FUND BALANCES - MODIFIED CASH BASIS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

	Water Enterprise Fund	Sewer Enterprise Fund	Trash Enterprise Fund	Total Enterprise Funds
<b>ASSETS:</b>				
Current Assets:				
Cash	\$ 769,678	\$ 79,603	\$ 44,958	\$ 894,239
Total Current Assets	\$ 769,678	\$ 79,603	\$ 44,958	\$ 894,239
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	\$ 589,681	\$ 127,782	\$ -	\$ 717,463
Total Assets	\$ 1,359,359	\$ 207,385	\$ 44,958	\$ 1,611,702
<b>LIABILITIES:</b>				
Current Liabilities:				
Customer Deposits	\$ 64,087	\$ -	\$ -	\$ 64,087
Total Current Liabilities	\$ 64,087	\$ -	\$ -	\$ 64,087
Total Liabilities	\$ 64,087	\$ -	\$ -	\$ 64,087
<b>NET POSITION:</b>				
Net Position Invested in Capital Assets, Net of Related Debt	\$ 589,681	\$ 127,782		\$ 717,463
Unrestricted Net Position	705,591	79,603	\$ 44,958	830,152
Total Net Position	\$ 1,295,272	\$ 207,385	\$ 44,958	\$ 1,547,615

See Accompanying Notes to the Basic Financial Statements.



**VILLAGE OF ST. JACOB, ILLINOIS**

**STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2023**

	<u>Water Enterprise Fund</u>	<u>Sewer Enterprise Fund</u>	<u>Trash Enterprise Fund</u>	<u>Total Enterprise Funds</u>
<b>OPERATING REVENUES:</b>				
Charges for Services --				
Water	\$ 448,656			\$ 448,656
Sewer	-	\$ 97,144		97,144
Trash	-	-	\$ 132,558	132,558
Total Operating Revenues	<u>\$ 448,656</u>	<u>\$ 97,144</u>	<u>\$ 132,558</u>	<u>\$ 678,358</u>
<b>OPERATING EXPENSES:</b>				
Water & Sewer Treatment & Maintenance	\$ 6,971	\$ 74,604		\$ 81,575
Water Purchases	197,419	-		197,419
Supplies	20,156	3,213		23,369
Equipment Rent	1,081	200		1,281
Wages & Payroll Taxes	89,073	25,370	\$ 2,366	116,809
Contract Labor	5,454	18,824	133,756	158,034
Insurance	4,434	-	-	4,434
Fuel	5,452	-	-	5,452
Office Supplies	12,350	731	-	13,081
Dues and Subscriptions	364	-	-	364
Utilities	22,438	3,648	-	26,086
EPA Fee	-	2,500	-	2,500
Miscellaneous	52	445	-	497
Professional Fees	8,255	7,456	-	15,711
Depreciation	34,603	19,058	-	53,661
Total Operating Expenses	<u>\$ 408,102</u>	<u>\$ 156,049</u>	<u>\$ 136,122</u>	<u>\$ 700,273</u>
OPERATING INCOME (LOSS)	<u>\$ 40,554</u>	<u>\$ (58,905)</u>	<u>\$ (3,564)</u>	<u>\$ (21,915)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment Income	\$ 852	\$ -	\$ -	\$ 852
Total Non-Operating Income	<u>\$ 852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852</u>
CHANGE IN NET POSITION	\$ 41,406	\$ (58,905)	\$ (3,564)	\$ (21,063)
TOTAL FUND NET POSITION, BEGINNING	<u>1,253,866</u>	<u>266,290</u>	<u>48,522</u>	<u>1,568,678</u>
TOTAL FUND NET POSITION, ENDING	<u>\$ 1,295,272</u>	<u>\$ 207,385</u>	<u>\$ 44,958</u>	<u>\$ 1,547,615</u>

See Accompanying Notes to the Basic Financial Statements.

**VILLAGE OF ST. JACOB, ILLINOIS**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

	Water Enterprise Fund	Sewer Enterprise Fund	Trash Enterprise Fund	Total Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 449,741	\$ 97,144	\$ 132,558	\$ 679,443
Payments to Suppliers	(284,426)	(111,621)	(133,756)	(529,803)
Payments to Employees	(89,073)	(25,370)	(2,366)	(116,809)
Net Cash Provided (Used) by Operating Activities	<u>\$ 76,242</u>	<u>\$ (39,847)</u>	<u>\$ (3,564)</u>	<u>\$ 32,831</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of Equipment	<u>\$ (31,575)</u>	<u>\$ (70,515)</u>	<u>\$ -</u>	<u>\$ (102,090)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (31,575)</u>	<u>\$ (70,515)</u>	<u>\$ -</u>	<u>\$ (102,090)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment Income	<u>\$ 852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852</u>
Net Cash Provided by Investing Activities	<u>\$ 852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 45,519</b>	<b>\$ (110,362)</b>	<b>\$ (3,564)</b>	<b>\$ (68,407)</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b><u>724,159</u></b>	<b><u>189,965</u></b>	<b><u>48,522</u></b>	<b><u>962,646</u></b>
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 769,678</u></b>	<b><u>\$ 79,603</u></b>	<b><u>\$ 44,958</u></b>	<b><u>\$ 894,239</u></b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating Income(Loss)	\$ 40,554	\$ (58,905)	\$ (3,564)	\$ (21,915)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	34,603	19,058	-	53,661
Deposits	<u>1,085</u>	<u>-</u>	<u>-</u>	<u>1,085</u>
Net Cash (Used) provided by Operating Activities	<u>\$ 76,242</u>	<u>\$ (39,847)</u>	<u>\$ (3,564)</u>	<u>\$ 32,831</u>

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

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

As discussed further in Note 1.D, these financial statements are presented on a modified cash basis of accounting. This modified 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.

#### **1.A Financial Reporting Entity**

As the governing authority, for reporting purposes, the Village is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a) The ability of the Village to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon application of these criteria, there were no potential component units and all of the Village's activities were included in the primary government reporting entity.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.B Basis of Presentation**

##### **Government-Wide Financial Statements --**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

##### **Fund Financial Statements --**

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

- a) Total assets, liabilities, 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
- b) 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 funds of the financial reporting entity are described below:

##### **Governmental Funds --**

- a) General Fund -- The General Fund is the primary operating fund of the Village and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.B Basis of Presentation (Continued)**

##### **Governmental Funds (Continued)**

- b) Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purpose or designated to financial particular functions or activities of the Village. The Village includes the following Special Revenue Fund, which is reported as a major fund:

<u>Fund</u>	<u>Brief Description</u>
Motor Fuel Tax	Accounts for gasoline excise and commercial vehicle taxes legally restricted for street and alley improvements.
Audit	Accounts for revenues received and expenditures disbursed for the Village Audits.
Social Security	Accounts for revenues received and expenditures disbursed for the Village employees subject to Social Security Taxes.
IMRF	Accounts for revenues received and expenditures disbursed for the Village employees who are members of the Illinois Municipal Retirement System.
Insurance	Accounts for revenues received and expenditures disbursed for the Village Liability Insurance.
Debt	Accounts for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

##### **Proprietary Funds --**

- a) Enterprise Funds -- Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The Village includes the following Enterprise Fund that is reported as a major fund:

<u>Fund</u>	<u>Brief Description</u>
Water & Sewer	Accounts for the activities of the public trust in providing water, wastewater, and sanitation services to the public.
Trash	Accounts for the activities providing the collection processes of trash services.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.C Fund Balance Reporting**

Effective May 1, 2011, the Village adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Fund balances are to be classified into the five major classifications:

Nonspendable Fund Balance -- The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the Village all such items are expensed at the time of purchase, so there is nothing to report for this classification.

Restricted Fund Balance -- The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

Committed Fund Balance -- The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Trustees). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The Board of Trustees commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. No committed fund balance exists at March 31, 2023.

Assigned Fund Balance -- The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Trustees itself or by the Mayor when the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. No assigned fund balance exists at March 31, 2023.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.C Fund Balance Reporting (Continued)**

Unassigned Fund Balance -- The unassigned fund balance classification is the residual classification for amounts in the General Fund and Non-Major Governmental Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances.

For the purposes of fund balance classification, the Village's policy is to have expenditures spent from the restricted fund balances first, followed in order by committed fund balance (if any), assigned fund balance (if any) and last unassigned fund balance.

#### **1.D Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "how" 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 --**

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting is used as appropriate:

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



# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.D Measurement Focus and Basis of Accounting (Continued)**

##### **Basis of Accounting --**

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

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

If the Village utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

#### **1.E Assets, Liabilities and Equity**

##### **Cash and Cash Equivalents --**

For the purpose of financial reporting "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

##### **Investments --**

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months, and money market accounts. Investments are carried at cost, which approximates fair value.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.E Assets, Liabilities and Equity (Continued)**

##### **Capital Assets --**

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

##### **a) Government-Wide Statements**

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	15-40 Years
Distribution and Collection Systems	15-50 Years
Vehicles and Equipment	5-10 Years
Infrastructure	40 Years

##### **b) Fund Financial Statements**

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

##### **Long-Term Debt --**

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.E Assets, Liabilities and Equity (Continued)**

##### **Long-Term Debt -- (Continued)**

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

##### **Equity Classification --**

#### **a) Government-Wide Statements --**

Equity is classified as net position and displayed in three components:

1. Invested in capital assets, net of related debt -- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted net position -- All other net position that do not meet the definition of "restricted: or "invested in capital assets, net of related debt".

#### **b) Fund Financial Statements --**

Governmental fund equity is classified as fund balance. Proprietary Fund Equity is classified the same as in the Government-Wide Statements.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.F Revenues, Expenditures and Expenses**

##### **Program Revenues --**

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Village's taxpayers are reported as program revenues. The Village has the following program revenues in each activity:

1. General Government -- Licenses and permits.
2. Public Safety -- Fine Revenue.
3. Streets and Public Works -- Commercial vehicle and gasoline excise tax shared by the State.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

##### **Operating Revenue and Expenses --**

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing or investing activities.

#### **1.G Internal and Interfund balance and Activities**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

##### **Fund Financial Statements --**

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund Loans -- Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund Services -- Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund Reimbursements -- Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund Transfers -- Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **1.G Internal and Interfund balance and Activities (Continued)**

##### **Government-Wide Financial Statements --**

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal Balances -- Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal Activities -- Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

#### **1.H Use of Estimates**

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the Village requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

### **NOTE 2. CASH AND CERTIFICATES OF DEPOSIT**

Cash and investments as of March 31, 2023 are classified in the accompanying financial statements as follows:

	<u>2023</u>
Cash	<u>\$ 1,580,337</u>
Total	<u>\$ 1,580,337</u>

Cash includes \$1,352,958 of deposits with financial institutions of which \$313,738 is insured by FDIC limits.

The Village's funds are required to be deposited and invested under the terms of a depository contract pursuant to Statute. The depository bank pledges for safekeeping and trust with the Village's third party agent, approved securities in an amount sufficient to protect Village funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation coverage.

Under the depository contract, the Village, at its own discretion, invests funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

## **VILLAGE OF ST. JACOB, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

#### **NOTE 2. CASH AND CERTIFICATES OF DEPOSIT (Continued)**

##### **A. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Village manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

##### **B. Cash and Cash Equivalents**

The carrying amount reported in the Statements of Assets, Liabilities and Net Position for cash and cash equivalents approximates its fair value.

##### **C. Investments**

Fair values, which are the amounts reported in the Statements of Assets, Liabilities and Net Position, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

##### **D. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Of the Village's total cash and investments, \$764,755 was uninsured.

#### **NOTE 3. PROPERTY TAXES**

Property tax revenues are recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date and the receipts of tax distributions from the County Collector, the property taxes are not "available" to finance current year expenditures. The current year tax levy is recorded as income when received.

The Village's property tax is levied each year on all taxable property located in the Village on or before the last Tuesday in December. The levy was passed on December 16, 2022 by the Trustees. Property taxes attach as an enforceable lien on property as of January 1 and are payable in four installments on or about July 1, September 1, October 1 and December 1. The Village receives significant distributions of tax receipts approximately one month after these due dates. Property taxes recorded in these financial statements are from the 2021 and prior levy.

## **VILLAGE OF ST. JACOB, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

#### **NOTE 3. PROPERTY TAXES (Continued)**

The following are the tax rates limits permitted by State Statute and by local referendum and the actual rates levied per \$100 of assessed valuation:

	Maximum	Levy Years		
	Rate	2022	2021	2020
<u>Tax Rates:</u>				
General	0.2500	0.2260	0.2359	0.2297
Police Protection	0.0750	0.0698	0.0728	0.0709
Audit	None	0.0823	0.0859	0.0836
Social Security	None	0.0980	0.1022	0.0996
Insurance	None	0.2096	0.2187	0.2130
IMRF	None	0.1215	0.1267	0.1234
Street Lighting	0.0500	0.0451	0.0470	0.0458
		<u>0.8523</u>	<u>0.8892</u>	<u>0.8660</u>
Assessed Valuation		<u>\$ 28,094,304</u>	<u>\$ 25,657,688</u>	<u>\$ 25,121,728</u>
<u>Tax Extensions:</u>				
General		\$ 63,493	\$ 60,552	\$ 57,705
Police Protection		19,610	18,679	17,811
Audit		23,122	22,040	21,002
Social Security		27,532	26,248	25,021
Insurance		58,886	56,139	53,509
IMRF		34,135	32,534	31,000
Street Lighting		<u>12,671</u>	<u>12,085</u>	<u>11,506</u>
Totals		<u>\$ 239,449</u>	<u>\$ 228,277</u>	<u>\$ 217,554</u>
Collections		<u>\$ -</u>	<u>\$ 228,129</u>	<u>\$ 217,350</u>
Percentage of Extensions Collected		0.00%	99.94%	99.91%

#### **NOTE 4. LIABILITY INSURANCE**

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. The Village was unable to obtain general comprehensive insurance at a cost it considered to be economically justifiable. Therefore the Village joined with other municipalities in the State in belonging to the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for Illinois municipalities.

The Village pays an annual premium to IMLRMA for its comprehensive insurance coverage. Settled claims for these risks have not exceeded the insurance coverage premiums in the past four fiscal years.



## **VILLAGE OF ST. JACOB, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

#### **NOTE 5. LONG-TERM DEBT (Continued)**

##### **Governmental Activities**

On May 1, 2017, the Village entered into a loan of \$790,000 with the USDA, Rural Development for a new Village Hall. The loan is to be repaid in 19 annual payments including interest at 2.375%, with a final payment due on May 1, 2037.

**\$ 583,088**

The following is a summary of changes in long-term debt for the year ended March 31, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b><u>Governmental Activities:</u></b>					
USDA, Rural Development	<b>\$ 618,088</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ 583,088</b>	<b>\$ 35,000</b>
Total Governmental	<b>\$ 618,088</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ 583,088</b>	<b>\$ 35,000</b>

##### **Debt Service Requirements to Maturity --**

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of March 31, 2023, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 35,000	\$ 13,848	\$ 48,848
2025	40,000	13,017	53,017
2026	40,000	12,067	52,067
2027	40,000	11,117	51,117
2028	40,000	10,167	50,167
2029	40,000	9,217	49,217
2030	40,000	8,267	48,267
2031	45,000	7,317	52,317
2032	45,000	6,248	51,248
2033	45,000	5,180	50,180
2034	45,000	4,111	49,111
2035	45,000	3,042	48,042
2036	50,000	1,973	51,973
2037	33,088	786	33,874
	<b>\$ 583,088</b>	<b>\$ 106,357</b>	<b>\$ 689,445</b>

The loan agreement requires that the Village establish a Reserve account. As of March 31, 2023 and 2022 this account is fully funded with a balance of \$53,000.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

### **NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>				
Capital Assets, Being Depreciated:				
Buildings and Systems	\$ 1,063,524	\$ 5,750		\$ 1,069,274
Vehicles and Equipment	539,455	17,829		557,284
Infrastructure	424,270	-	\$ -	424,270
Total Capital Assets being Depreciated	<u>\$ 2,027,249</u>	<u>\$ 23,579</u>	<u>\$ -</u>	<u>\$ 2,050,828</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 197,517	\$ 36,148		\$ 233,665
Vehicles and Equipment	452,765	37,014		489,779
Infrastructure	204,700	15,002	\$ -	219,702
Total Accumulated Depreciation	<u>\$ 854,982</u>	<u>\$ 88,164</u>	<u>\$ -</u>	<u>\$ 943,146</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,172,267</u>	<u>\$ (64,585)</u>	<u>\$ -</u>	<u>\$ 1,107,682</u>
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>				
Land	<u>\$ 76,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,122</u>
Capital Assets, Being Depreciated:				
Buildings and Systems	\$ 1,890,654	\$ 38,942		\$ 1,929,596
Vehicles and Equipment	418,099	63,148	\$ -	481,247
Total Capital Assets, Being Depreciated	<u>\$ 2,308,753</u>	<u>\$ 102,090</u>	<u>\$ -</u>	<u>\$ 2,410,843</u>
Less Accumulated Depreciation for:				
Buildings and Systems	\$ 1,376,525	\$ 26,801		\$ 1,403,326
Vehicles and Equipment	339,316	26,860	\$ -	366,176
Total Accumulated Depreciation	<u>\$ 1,715,841</u>	<u>\$ 53,661</u>	<u>\$ -</u>	<u>\$ 1,769,502</u>
Business-Type Activities Capital Assets, Net	<u>\$ 669,034</u>	<u>\$ 48,429</u>	<u>\$ -</u>	<u>\$ 717,463</u>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental Activities:	
General Government	\$ 39,780
Public Safety	17,042
Highways and Streets	31,342
Total Depreciation Expense - Governmental Activities	<u>\$ 88,164</u>
Business-Type Activities:	
Water	\$ 34,603
Sewer	19,058
Total	<u>\$ 53,661</u>

## **VILLAGE OF ST. JACOB, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

#### **NOTE 7. DEFINED BENEFIT PENSION PLAN**

##### **IMRF Plan Description**

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-District public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

##### **Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

##### **Employees Covered by Benefit Terms**

As of December 31, 2022, the following employees were covered by the benefit terms:

	<b><u>IMRF</u></b>
Inactive Plan Members or beneficiaries currently receiving benefits	7
Inactive Plan Members entitled to but not yet receiving benefits	11
Active Plan Members	<u>6</u>
Total	24

## **VILLAGE OF ST. JACOB, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

#### **NOTE 7. DEFINED BENEFIT PENSION PLAN (Continued)**

##### **Contributions**

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2022 was 3.93%. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

##### **Net Pension Liability**

The Village's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%, including inflation
Investment Rate of Return	7.25%
Retirement Age	

##### **Mortality**

Experienced-based table of rates that are specific to the type of eligibility condition; Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

There were no benefit changes during the year.

There were no changes in the investment rate of return since the December 31, 2021 valuation. There were no other changes to the methods and assumptions used to determine the Total Pension

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2022 Illinois Municipal Retirement Fund annual actuarial valuation report.

## **VILLAGE OF ST. JACOB, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

#### **NOTE 7. DEFINED BENEFIT PENSION PLAN (Continued)**

##### **Net Pension Liability (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.5%	6.50%
International Equity	18.0%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternative Investments	9.5%	6.25-9.90%
Cash Equivalents	<u>1.0%</u>	4.00%
Total	100%	

##### **Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

# **VILLAGE OF ST. JACOB, ILLINOIS**

## NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023

### **NOTE 7. DEFINED BENEFIT PENSION PLAN (Continued)**

#### **Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balance at December 31, 2021	\$ 1,022,498	\$ 1,328,308	\$ (305,810)
Change for the Year:			
Service Cost	27,696	-	27,696
Interest on the Total Pension Liability	72,296	-	72,296
Difference Between Expected and Actual Experience of the Total Pension Liability	48,440	-	48,440
Changes of Assumptions	-	-	-
Contributions - Employer	-	14,488	(14,488)
Contributions - Employees	-	16,541	(16,541)
Net Investment Income	-	(181,100)	181,100
Benefit Payments, Including Refunds of Employee Contributions	(78,314)	(78,314)	-
Other (Net Transfer)	-	24,573	(24,573)
Net Changes	<u>\$ 70,118</u>	<u>\$ (203,812)</u>	<u>\$ 273,930</u>
Balance at December 31, 2022	<u>\$ 1,092,616</u>	<u>\$ 1,124,496</u>	<u>\$ (31,880)</u>

#### **Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability/(Asset)	\$ 82,793	\$ (31,880)	\$ (124,141)

#### **Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources**

For the year ended March 31, 2023, the Village recognized pension expense (income) of \$2,120. At March 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,188	\$ 3,151
Changes of Assumptions	-	-
Net differences between projected and actual earnings on Plan investments	<u>221,263</u>	<u>127,790</u>
Total	<u>\$ 246,451</u>	<u>\$ 130,941</u>

## **VILLAGE OF ST. JACOB, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2023**

#### **NOTE 7. DEFINED BENEFIT PENSION PLAN (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31,		
2023	\$	12,006
2024		17,033
2025		31,156
2026		55,315
2027		-
Thereafter		-
Total	\$	<u>115,510</u>

#### **NOTE 8. STATEMENT OF LEGAL DEBT:**

The computation of legal debt margin is as follows:

Assessed Valuation as of December 31, 2022	<u>\$ 28,094,304</u>
Debt Limit - 5.75% of Assessed Valuation	\$ 1,615,422
Less: General Obligation of Assessed Valuation of Bonded Indebtedness	<u>583,088</u>
Legal Debt Margin	<u>\$ 1,032,334</u>

#### **NOTE 9. INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the year ended March 31, 2023:

General Fund Transfer To:	
Debt Service Fund	<u>\$ 54,000</u>
	<u>\$ 54,000</u>

The Village made transfers to move funds from the general fund to the Debt Service fund.

Motor Fuel Fund Transfer To:	
General Fund	<u>\$ 85,482</u>
	<u>\$ 85,482</u>

The Village made transfers to reimburse the general fund for previous road expenses paid.

#### **NOTE 10. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The following individual funds had a deficit fund balance or a deficit retained earnings balance as of March 31, 2023:

Motor Fuel Tax Fund, Special Revenue Fund had a deficit fund balance of (\$68,779).

**VILLAGE OF ST. JACOB, ILLINOIS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2023**

**NOTE 11. SUBSEQUENT EVENTS**

**Date of Management's Evaluation--**

Management has evaluated subsequent events through July 5, 2023, the date the financial statements were available to be issued.



**VILLAGE OF ST. JACOB, ILLINOIS**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>
<b>REVENUES RECEIVED:</b>			
Property Taxes	\$ 114,553	\$ 127,024	\$ 12,471
Replacement Tax	1,130	3,389	2,259
Sales Tax	43,800	100,555	56,755
State Income Tax	118,300	221,738	103,438
Local Use Tax	36,500	55,037	18,537
Video Game Tax	4,150	4,207	57
Utility Tax	5,900	67,440	61,540
Cannabis Tax	1,200	2,153	953
Grants	-	132,429	132,429
Licenses and Permits	23,925	20,578	(3,347)
Fines and Penalties	1,000	15,133	14,133
Rental Income	3,950	3,250	(700)
Homecoming Income	-	51,540	51,540
Investment Earnings	13	50	37
Miscellaneous	<u>28,671</u>	<u>42,999</u>	<u>14,328</u>
 Total Revenues Received	 <u>\$ 383,092</u>	 <u>\$ 847,522</u>	 <u>\$ 464,430</u>
<b>EXPENDITURES DISBURSED:</b>			
Current:			
General Government	\$ 240,800	\$ 265,596	\$ (24,796)
Public Safety	216,000	149,819	66,181
Highways and Streets	133,516	135,212	(1,696)
Homecoming Expenses	-	57,029	(57,029)
Capital Outlay	<u>262,000</u>	<u>23,579</u>	<u>238,421</u>
Total Expenditures Disbursed	<u>\$ 852,316</u>	<u>\$ 631,235</u>	<u>\$ 221,081</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>\$ (469,224)</u>	 <u>\$ 216,287</u>	 <u>\$ 685,511</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer In (Out)	\$ -	\$ 31,482	\$ 31,482
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 31,482</u>	<u>\$ 31,482</u>
 Net Change in Fund Balances	 <u>\$ (469,224)</u>	 <u>\$ 247,769</u>	 <u>\$ 716,993</u>
 FUND BALANCE, BEGINNING OF YEAR		<u>(73,966)</u>	
 FUND BALANCE, END OF YEAR		<u>\$ 173,803</u>	

**VILLAGE OF ST. JACOB, ILLINOIS**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN  
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Audit Fund</u>			<u>Social Security Fund</u>		
	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>
REVENUES RECEIVED:						
Property Taxes	\$ 20,995	\$ 22,026	\$ 1,031	\$ -	\$ 26,231	\$ 26,231
Total Revenues Received	\$ 20,995	\$ 22,026	\$ 1,031	\$ -	\$ 26,231	\$ 26,231
EXPENDITURES DISBURSED:						
General Government	\$ 7,500	\$ 7,190	\$ 310	\$ 9,500	\$ 14,380	\$ (4,880)
Public Safety	-	-	-	-	8,872	(8,872)
Highways & Streets	-	-	-	-	5,324	(5,324)
Total Expenditures Disbursed	\$ 7,500	\$ 7,190	\$ 310	\$ 9,500	\$ 28,576	\$ (19,076)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	\$ 13,495	\$ 14,836	\$ 1,341	\$ (9,500)	\$ (2,345)	\$ 7,155
FUND BALANCE, BEGINNING OF YEAR		87,313			4,383	
FUND BALANCE, END OF YEAR		\$ 102,149			\$ 2,038	

**VILLAGE OF ST. JACOB, ILLINOIS**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN  
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Motor Fuel Tax Fund</u>			<u>IMRF</u>		
	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>
REVENUES RECEIVED:						
MFT Allotments	\$ 40,750	\$ 50,203	\$ 9,453			
Grant Revenue	-	12,060	12,060			
Investment Income	-	1,331	1,331			
Property Taxes	-	-	-	\$ -	\$ 32,513	\$ 32,513
Total Revenues Received	\$ 40,750	\$ 63,594	\$ 22,844	\$ -	\$ 32,513	\$ 32,513
EXPENDITURES DISBURSED:						
General Government				\$ 4,000	\$ 8,562	\$ (4,562)
Public Safety				-	3,676	(3,676)
Highways & Streets	\$ 104,200	\$ 5,594	\$ 98,606	-	-	-
Total Expenditures Disbursed	\$ 104,200	\$ 5,594	\$ 98,606	\$ 4,000	\$ 12,238	\$ (8,238)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (63,450)	\$ 58,000	\$ 121,450	\$ (4,000)	\$ 20,275	\$ 24,275
OTHER FINANCING (USES)						
Transfers Out	\$ -	\$ (85,482)	\$ (85,482)	\$ -	\$ -	\$ -
Total Other Financing (Uses)	\$ -	\$ (85,482)	\$ (85,482)	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ (63,450)	\$ (27,482)	\$ 35,968	\$ (4,000)	\$ 20,275	\$ 24,275
FUND BALANCE, BEGINNING OF YEAR		(41,297)			104,955	
FUND BALANCE, END OF YEAR		\$ (68,779)			\$ 125,230	

**VILLAGE OF ST. JACOB, ILLINOIS**

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN  
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Liability Fund</u>			<u>Debt Service</u>		
	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>
REVENUES RECEIVED:						
Property Taxes	\$ 54,589	\$ 56,103	1,514	\$ -	\$ -	\$ -
Total Revenues Received	\$ 54,589	\$ 56,103	\$ 1,514	\$ -	\$ -	\$ -
EXPENDITURES DISBURSED:						
General Government	\$ 68,870	\$ 36,854	\$ 32,016	\$ -	\$ 14,264	\$ (14,264)
Total Expenditures Disbursed	\$ 68,870	\$ 36,854	\$ 32,016	\$ -	\$ 14,264	\$ (14,264)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (14,281)	\$ 19,249	\$ 33,530	\$ -	\$ (14,264)	\$ (14,264)
OTHER FINANCING SOURCES (USES)						
Transfers In					\$ 54,000	\$ 54,000
Payment of Long Term Debt	\$ -	\$ -	\$ -	\$ -	(35,000)	(35,000)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ 19,000	\$ 19,000
NET CHANGE IN FUND BALANCE	\$ (14,281)	\$ 19,249	\$ 33,530	\$ -	\$ 4,736	\$ 4,736
FUND BALANCE, BEGINNING OF YEAR		151,846			99,561	
FUND BALANCE, END OF YEAR		\$ 171,095			\$ 104,297	

**VILLAGE OF ST. JACOB, ILLINOIS**

STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN  
 FUND BALANCE - MODIFIED CASH BASIS - BUDGET TO ACTUAL -  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED MARCH 31, 2023

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>
<b>OPERATING REVENUES:</b>			
Charge for Services --			
Water	\$ 471,078	\$ 448,656	\$ (22,422)
Sewer	101,800	97,144	(4,656)
Trash	<u>122,981</u>	<u>132,558</u>	<u>9,577</u>
Total Operating Revenues	<u>\$ 695,859</u>	<u>\$ 678,358</u>	<u>\$ (17,501)</u>
<b>OPERATING EXPENSES:</b>			
Advertising	\$ 100		\$ 100
Water & Sewer Treatment & Maintenance	41,600	\$ 81,575	(39,975)
Water Purchases	250,000	197,419	52,581
Supplies	17,000	23,369	(6,369)
Equipment Rent	6,800	1,281	5,519
Wages & Payroll Taxes	159,275	116,809	42,466
Contract Labor	17,300	158,034	(140,734)
Insurance	17,200	4,434	12,766
Fuel	10,600	5,452	5,148
Office Expense	15,400	13,081	2,319
Dues and Subscriptions	380	364	16
Utilities	22,840	26,086	(3,246)
EPA Fee	2,800	2,500	300
Miscellaneous	5,350	497	4,853
Professional Fees	15,200	15,711	(511)
Depreciation	<u>405,850</u>	<u>53,661</u>	<u>352,189</u>
Total Operating Expenses	<u>\$ 987,695</u>	<u>\$ 700,273</u>	<u>\$ 287,422</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (291,836)</u>	<u>\$ (21,915)</u>	<u>\$ 269,921</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Investment Income	<u>\$ 4,300</u>	<u>\$ 852</u>	<u>\$ (3,448)</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 4,300</u>	<u>\$ 852</u>	<u>\$ (3,448)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (287,536)</u>	<u>\$ (21,063)</u>	<u>\$ 266,473</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>1,568,678</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 1,547,615</u>	

**VILLAGE OF ST. JACOB, ILLINOIS**

**NOTES TO BUDGETARY COMPARISON SCHEDULE  
MARCH 31, 2023**

**BUDGET LAW**

The Village prepares its annual operating budget under the provision of the Municipal Budget Act (the "Budget Act"). In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to June 1, the Mayor submits to the Village Trustees a proposed operating budget for the fiscal year commencing the following July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to July 1.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is adopted by resolution of the Village Trustees.
- d. The adopted budget is filed with the Office of State Auditor and Inspector.

The legal level of control at which expenditures may not legally exceed appropriations is the object category level by department within a fund. The Budget Act recognizes the following object categories as the minimum legal level of control by department within a fund:

- Personal Service
- Materials and Supplies
- Other Services and Charges
- Capital Outlay
- Debt Service
- Interfund Transfers

All transfers of appropriations between departments and supplemental appropriations require Village Trustees approval. The President may transfer appropriations between object categories within a department without Village Trustees approval. Supplemental appropriations must also be filed with Office of State Auditor and Inspector.

**BASIS OF ACCOUNTING**

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions.

**VILLAGE OF ST. JACOB, ILLINOIS**

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar Year Ended December 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>								
Service Cost	\$ 27,696	\$ 30,876	\$ 31,847	\$ 23,429	\$ 21,201	\$ 17,490	\$ 24,669	\$ 20,784
Interest on the Total Pension Liability	72,296	71,505	68,774	65,500	61,678	64,581	63,888	59,370
Difference Between Expected and Actual Experience of the Total Pension Liability	48,440	(12,585)	13,064	12,200	28,083	(35,772)	(13,121)	30,395
Changes of Assumptions	-	-	(7,041)	-	24,226	(27,885)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(78,314)	(76,269)	(60,724)	(59,633)	(50,810)	(67,143)	(58,076)	(46,431)
Net Change in Total Pension Liability	\$ 70,118	\$ 13,527	\$ 45,920	\$ 41,496	\$ 84,378	\$ (48,729)	\$ 17,360	\$ 64,118
Total Pension Liability - Beginning	1,022,498	1,008,971	963,051	921,555	837,177	885,906	868,546	804,428
Total Pension Liability - Ending (A)	<u>\$ 1,092,616</u>	<u>\$ 1,022,498</u>	<u>\$ 1,008,971</u>	<u>\$ 963,051</u>	<u>\$ 921,555</u>	<u>\$ 837,177</u>	<u>\$ 885,906</u>	<u>\$ 868,546</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 14,488	\$ 18,051	\$ 19,132	\$ 11,294	\$ 21,126	\$ 15,689	\$ 15,925	\$ 21,999
Contributions - Employee	16,541	15,211	14,895	13,964	10,401	8,717	8,729	9,889
Net Investment Income	(181,100)	203,958	154,485	178,902	(61,763)	154,642	56,197	4,050
Benefit Payments, Including Refunds of Employee Contributions	(78,314)	(76,269)	(60,724)	(59,633)	(50,810)	(67,143)	(58,076)	(46,431)
Other (Net Transfers)	24,573	(2,304)	10,205	3,748	23,192	(20,436)	4,125	16,129
Net Change in Plan Fiduciary Net Position	\$ (203,812)	\$ 158,647	\$ 137,993	\$ 148,275	\$ (57,854)	\$ 91,469	\$ 26,900	\$ 5,636
Plan Fiduciary Net Position - Beginning	1,328,308	1,169,661	1,031,668	883,393	941,247	849,778	822,878	817,242
Plan Fiduciary Net Position - Ending (B)	<u>\$ 1,124,496</u>	<u>\$ 1,328,308</u>	<u>\$ 1,169,661</u>	<u>\$ 1,031,668</u>	<u>\$ 883,393</u>	<u>\$ 941,247</u>	<u>\$ 849,778</u>	<u>\$ 822,878</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ (31,880)</u>	<u>\$ (305,810)</u>	<u>\$ (160,690)</u>	<u>\$ (68,617)</u>	<u>\$ 38,162</u>	<u>\$ (104,070)</u>	<u>\$ 36,128</u>	<u>\$ 45,668</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	102.92%	129.91%	115.93%	107.12%	95.86%	112.43%	95.92%	94.74%
Covered Valuation Payroll	\$ 365,278	\$ 338,021	\$ 331,001	\$ 310,308	\$ 231,137	\$ 193,706	\$ 193,968	\$ 219,759
Net Pension Liability as a Percentage of Covered Valuation Payroll	-8.73%	-90.47%	-48.55%	-22.11%	16.51%	-53.73%	18.63%	20.78%

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**VILLAGE OF ST. JACOB, ILLINOIS**

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST 10 CALENDAR YEARS

Calendar Year Ended December <u>31,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered Valuation <u>Payroll</u>	Actual Contribution as a Percentage of Covered Valuation <u>Payroll</u>
2015	21,998	21,999	(1)	219,759	10.01%
2016	15,925	15,925	-	193,968	8.21%
2017	15,690	15,689	1	193,706	8.10%
2018	21,126	21,126	-	231,137	9.14%
2019	11,295	11,294	1	310,308	3.64%
2020	19,132	19,132	-	331,001	5.78%
2021	18,050	18,051	(1)	338,021	5.34%
2022	14,355	14,488	(133)	365,278	3.97%

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.



**VILLAGE OF ST. JACOB, ILLINOIS**

NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2022 CONTRIBUTION RATE

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2022 Contributions Rates:**

Actuarial Cost Method	Aggregate entry age = Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition; Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (Adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2020, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

***Other Information:***

*Notes:* There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2020, actuarial valuation.