

VILLAGE OF ST. JACOB, ILLINOIS

ANNUAL FINANCIAL REPORT
YEAR ENDED MARCH 31, 2022

VILLAGE OF ST. JACOB, ILLINOIS

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LOY MILLER TALLEY, PC

Certified Public Accountants

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Independent Auditor's Report

July 26, 2022

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of St. Jacob, Illinois, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of St. Jacob, Illinois, as of March 31, 2022, and the respective changes in financial position - modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.D.

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 opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2022, on our consideration of the Village of St. Jacob, Illinois, internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Village of 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 Village of St. Jacob, Illinois, internal control over financial reporting and compliance.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Village of St. Jacob, Illinois' basic financial statements. The budgetary comparison and other information on pages 34-39 and 40-42, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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 26, 2022

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, 2022, 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 26, 2022.

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, ILLINOISSTATEMENT OF NET POSITION
MODIFIED CASH BASIS
MARCH 31, 2022

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 448,058	\$ 962,646	\$ 1,410,704
Capital Assets, Net of Accumulated Depreciation	<u>1,172,267</u>	<u>669,034</u>	<u>1,841,301</u>
Total Assets	<u>\$ 1,620,325</u>	<u>\$ 1,631,680</u>	<u>\$ 3,252,005</u>
<u>LIABILITIES:</u>			
Overdraft	\$ 104,504		\$ 104,504
Customer Deposits	-	\$ 63,002	63,002
Payroll Withholdings	10,759	-	10,759
Noncurrent Liabilities:			
Due Within One Year	35,000	-	35,000
Due In More Than One Year	<u>583,088</u>	<u>-</u>	<u>583,088</u>
Total Liabilities	<u>\$ 733,351</u>	<u>\$ 63,002</u>	<u>\$ 796,353</u>
<u>NET POSITION:</u>			
Invested In Capital Assets, Net of Related Debt	\$ 554,179	\$ 669,034	\$ 1,223,213
Restricted	406,761	-	406,761
Unrestricted	<u>(73,966)</u>	<u>899,644</u>	<u>825,678</u>
Total Net Position	<u>\$ 886,974</u>	<u>\$ 1,568,678</u>	<u>\$ 2,455,652</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, 2022

Functions/Programs	Expenses	Program Revenues	Charges for Services	Grants	Net (Expense) Revenue and Changes in Net Position		
					Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental Activities --							
General Government	\$ 345,989	\$	21,544	\$ 89,748	\$ (234,697)	\$	\$ (234,697)
Public Safety	178,426	\$	10,642	815	(166,969)		(166,969)
Highway & Streets	220,149		-	24,121	(196,028)		(196,028)
Depreciation (Unallocated)	85,846		-	-	(85,846)		(85,846)
Total Governmental Activities	\$ 830,410	\$	32,186	\$ 114,684	\$ (683,540)	\$	\$ (683,540)
Business-Type Activities --							
Water	\$ 402,921	\$	439,960		\$	37,039	\$ 37,039
Sewer	75,381		99,235			23,854	23,854
Trash	133,564		132,801			(763)	(763)
Total Business-Type Activities	\$ 611,866	\$	671,996	\$	\$	60,130	\$ 60,130
Total Primary Government	\$ 1,442,276	\$	704,182	\$ 114,684	\$ (683,540)	\$ 60,130	\$ (623,410)
GENERAL REVENUES:							
Sales & Use Tax					\$ 134,947	\$	\$ 134,947
Gaming Tax					3,923		3,923
Replacement Tax					2,244		2,244
Income Tax					166,167		166,167
Real Estate Tax					254,196		254,196
Utility Tax					62,427		62,427
Cannabis Tax					1,818		1,818
Motor Fuel Tax					43,158		43,158
Interest Income					67	1,074	1,141
Miscellaneous					54,810		54,810
Homecoming Income					60,925		60,925
Total General Revenues					\$ 784,582	\$ 1,074	\$ 785,756
CHANGE IN NET POSITION					\$ 101,142	\$ 61,204	\$ 162,346
NET POSITION, BEGINNING OF YEAR					785,832	1,507,474	2,293,306
NET POSITION, END OF YEAR					886,974	1,568,678	2,455,652

See Accompanying Notes to the Basic Financial Statements.

VILLAGE OF ST. JACOB, ILLINOISSTATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
MARCH 31, 2022

	General Fund	Motor Fuel Tax Fund	Debt Fund	Liability Insurance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 99,561	\$ 151,846	\$ 196,651	\$ 448,058
Total Assets	\$ -	\$ -	\$ 99,561	\$ 151,846	\$ 196,651	\$ 448,058
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
Overdraft	\$ 63,207	\$ 41,297	\$ -	\$ -	\$ -	\$ 104,504
Payroll Withholdings	10,759	-	-	-	-	10,759
Total Liabilities	\$ 73,966	\$ 41,297	\$ -	\$ -	\$ -	\$ 115,263
FUND EQUITY:						
Fund Balance:						
Restricted	\$ -	\$ (41,297)	\$ 99,561	\$ 151,846	\$ 196,651	\$ 406,761
Unassigned	\$ (73,966)	\$ -	\$ -	\$ -	\$ -	\$ (73,966)
Total Fund Balance	\$ (73,966)	\$ (41,297)	\$ 99,561	\$ 151,846	\$ 196,651	\$ 332,795
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 99,561	\$ 151,846	\$ 196,651	\$ 448,058

Reconciliation to Statement of Net Position:

Fund Balance - Total Governmental Funds

\$ 332,795

Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.

1,172,267

Some Liabilities, including Capital Debt Obligations Payable, are not due and payable in the current period and, therefore, are not reported in the funds

(618,088)

Net position of governmental activities

\$ 686,974

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, 2022

	General Fund	Motor Fuel Tax Fund	Debt Fund	Liability Insurance Fund	Other Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:						
Property Taxes	\$ 123,786			\$ 53,459	\$ 76,951	\$ 254,196
Replacement Tax	2,244			-	-	2,244
Sales Tax	89,081			-	-	89,081
State Income Tax	166,167			-	-	166,167
Local Use Tax	45,866			-	-	45,866
Motor Fuel Tax	-	43,158		-	-	43,158
Video Game Tax	3,923			-	-	3,923
Utility Tax	62,427			-	-	62,427
Cannabis Tax	1,818			-	-	1,818
Grants	90,563	24,121		-	-	114,684
Licenses and Permits	19,894			-	-	19,894
Fines and Penalties	10,642			-	-	10,642
Rental Income	1,650			-	-	1,650
Homecoming Income	60,925			-	-	60,925
Investment Earnings	14	51		1	1	67
Miscellaneous	54,810					54,810
Total Revenues Received	\$ 733,810	\$ 67,330	\$ -	\$ 53,460	\$ 76,952	\$ 931,552

EXPENDITURES DISBURSED:

General Government:						
Wages & Payroll Taxes	\$ 83,623				\$ 15,491	\$ 99,114
Retirement					12,596	12,596
Supplies	9,896					9,896
Repairs & Maintenance	8,356					8,356
Contract Labor	1,681					1,681
Advertising	125					125
Dues	393					393
Utilities	8,482					8,482
Interest						
Professional Fees	37,436			15,095		52,531
Community Development	653				6,550	7,203
Equipment Rent	946					946
Insurance	50,344					50,344
Office Supplies	5,118			35,445		40,563
Miscellaneous	1,848					1,848
Total General Government	\$ 208,901	\$ -	\$ 15,095	\$ 35,445	\$ 34,637	\$ 294,078

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, 2022

EXPENDITURES DISBURSED (Continued):

Public Safety:					
Wages & Payroll Taxes	\$ 127,934			\$ 9,746	\$ 137,680
Retirement	24			5,339	5,363
Supplies	6,179			-	6,179
Repairs & Maintenance	1,565			-	1,565
Contract Labor	3,600			-	3,600
Office Supplies	785			-	785
Dues	190			-	190
Utilities	2,489			-	2,489
Fuel	8,933			-	8,933
Professional Fees	10,951			-	10,951
Miscellaneous	691	\$ -	\$ -	-	691
Total Public Safety	\$ 163,341	\$ -	\$ -	\$ 15,085	\$ 178,426
Highway & Streets:					
Wages & Payroll Taxes	\$ 64,821			\$ 4,937	\$ 69,758
Supplies	9,617			-	9,617
Road Maintenance	27,290	\$ 43,137		-	70,427
Contract Labor	14,687	39,050		-	53,737
Professional Fees	467	-		-	467
Equipment Rent	666	-		-	666
Office Supplies	19	-		-	19
Utilities	8,470	-		-	8,470
Fuel	6,988	\$ -	\$ -	-	6,988
Total Highway & Streets	\$ 133,025	\$ 82,187	\$ -	\$ 4,937	\$ 220,149
Homecoming Expenses:					
Homecoming Expense	\$ 51,911	\$ -	\$ -	-	\$ 51,911
Total Homecoming Expenses	\$ 51,911	\$ -	\$ -	-	\$ 51,911
Capital Outlay:					
Equipment	\$ 36,958	\$ -	\$ -	-	\$ 36,958
Building	-	-	-	-	-
Total Capital Outlay	\$ 36,958	\$ -	\$ -	-	\$ 36,958
TOTAL EXPENDITURES DISBURSED	\$ 594,136	\$ 82,187	\$ 15,095	\$ 54,659	\$ 781,522

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, 2022

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 139,674	\$ (14,857)	\$ (15,095)	\$ 18,015	\$ 22,293	\$ 150,030
OTHER FINANCING SOURCES (USES):						
Payment of Long-Term Debt						
Transfers In (Out)	\$ (67,200)	\$ -	\$ 67,200	\$ -	\$ -	\$ (35,000)
Total Other Financing Sources (Uses)	\$ (67,200)	\$ -	\$ 32,200	\$ -	\$ -	\$ (35,000)
NET CHANGE IN FUND BALANCES	\$ 72,474	\$ (14,857)	\$ 17,105	\$ 18,015	\$ 22,293	\$ 115,030
FUND BALANCES, BEGINNING OF YEAR	(146,440)	(26,440)	82,456	133,831	174,358	217,765
FUND BALANCES, END OF YEAR	\$ (73,966)	\$ (41,297)	\$ 99,561	\$ 151,846	\$ 196,651	\$ 332,795

Reconciliation to the Statement of Activities:

Net Change in Fund Balance - Total Governmental Funds

\$ 115,030

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

36,958
(85,846)

Change in Net Position of Governmental Activities

\$ 101,142

VILLAGE OF ST. JACOB, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND
 FUND BALANCES - MODIFIED CASH BASIS - PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2022

	Water Enterprise Fund	Sewer Enterprise Fund	Trash Enterprise Fund	Total Enterprise Funds
ASSETS:				
Current Assets:				
Cash	\$ 724,159	\$ 189,965	\$ 48,522	\$ 962,646
Total Current Assets	\$ 724,159	\$ 189,965	\$ 48,522	\$ 962,646
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	\$ 592,709	\$ 76,325	-	\$ 669,034
Total Assets	\$ 1,316,868	\$ 266,290	\$ 48,522	\$ 1,631,680
LIABILITIES:				
Current Liabilities:				
Customer Deposits	\$ 63,002	-	-	\$ 63,002
Total Current Liabilities	\$ 63,002	-	-	\$ 63,002
Total Liabilities	\$ 63,002	-	-	\$ 63,002
NET POSITION:				
Net Position Invested in Capital Assets, Net of Related Debt	\$ 592,709	\$ 76,325		\$ 669,034
Unrestricted Net Position	661,157	189,965	48,522	899,644
Total Net Position	\$ 1,253,866	\$ 266,290	\$ 48,522	\$ 1,568,678

See Accompanying Notes to the Basic Financial Statements.

VILLAGE OF ST. JACOB, ILLINOISSTATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2022

	Water Enterprise Fund	Sewer Enterprise Fund	Trash Enterprise Fund	Total Enterprise Funds
OPERATING REVENUES:				
Charges for Services --				
Water	\$ 439,960			\$ 439,960
Sewer	--	\$ 99,235		99,235
Trash	--	--	\$ 132,801	132,801
Total Operating Revenues	<u>\$ 439,960</u>	<u>\$ 99,235</u>	<u>\$ 132,801</u>	<u>\$ 671,996</u>
OPERATING EXPENSES:				
Water & Sewer Treatment & Maintenance	\$ 6,467	\$ 22,134		\$ 28,601
Water Purchases	206,446	--		206,446
Supplies	11,909	1,160		13,069
Equipment Rent	1,082	--		1,082
Wages & Payroll Taxes	94,792	25,374	\$ 1,945	122,111
Contract Labor	2,772	3,570	131,619	137,961
Insurance	9,520	--	--	9,520
Fuel	4,349	--	--	4,349
Office Supplies	11,141	--	--	11,141
Dues and Subscriptions	356	--	--	356
Utilities	15,798	3,054	--	18,852
EPA Fee	--	2,500	--	2,500
Miscellaneous	119	70	--	189
Professional Fees	6,509	2,913	--	9,422
Depreciation	31,661	14,606	--	46,267
Total Operating Expenses	<u>\$ 402,921</u>	<u>\$ 75,381</u>	<u>\$ 133,564</u>	<u>\$ 611,866</u>
OPERATING INCOME (LOSS)	<u>\$ 37,039</u>	<u>\$ 23,854</u>	<u>\$ (763)</u>	<u>\$ 60,130</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment Income	\$ 1,074	\$ --	\$ --	\$ 1,074
Total Non-Operating Income	<u>\$ 1,074</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,074</u>
CHANGE IN NET POSITION	\$ 38,113	\$ 23,854	\$ (763)	\$ 61,204
TOTAL FUND NET POSITION, BEGINNING	<u>1,215,753</u>	<u>242,436</u>	<u>49,285</u>	<u>1,507,474</u>
TOTAL FUND NET POSITION, ENDING	<u>\$ 1,253,866</u>	<u>\$ 266,290</u>	<u>\$ 48,522</u>	<u>\$ 1,568,678</u>

VILLAGE OF ST. JACOB, ILLINOISSTATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2022**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers	\$ 441,380	\$ 99,235	\$ 132,801	\$ 673,416
Payments to Suppliers	(276,468)	(35,401)	(131,619)	(443,488)
Payments to Employees	(94,792)	(25,374)	(1,945)	(122,111)
Net Cash Provided by Operating Activities	\$ 70,120	\$ 38,460	\$ (763)	\$ 107,817

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of Equipment	\$ (39,271)	\$ -	\$ -	\$ (39,271)
Net Cash (Used) by Capital and Related Financing Activities	\$ (39,271)	\$ -	\$ -	\$ (39,271)

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment Income	\$ 1,074	\$ -	\$ -	\$ 1,074
Net Cash Provided by Investing Activities	\$ 1,074	\$ -	\$ -	\$ 1,074

NET INCREASE IN CASH AND CASH EQUIVALENTS

	\$ 31,923	\$ 38,460	\$ (763)	\$ 69,620
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BALANCE, BEGINNING OF YEAR

	692,236	151,505	49,285	893,026
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BALANCE, END OF YEAR

	\$ 724,159	\$ 189,965	\$ 48,522	\$ 962,646
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RECONCILIATION OF OPERATING INCOME**TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income	\$ 37,039	\$ 23,854	\$ (763)	\$ 60,130
Adjustments to Reconcile Operating Income to				
Net Cash Provided by Operating Activities:				
Depreciation Expense	31,661	14,606	-	46,267
Deposits	1,420	-	-	1,420
Net Cash provided by Operating Activities	\$ 70,120	\$ 38,460	\$ (763)	\$ 107,817

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2022

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. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

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, 2022

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, 2022

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, 2022

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, 2022.

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, 2022.

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2022

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, 2022

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, 2022

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 Assets. 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, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.E Assets, Liabilities and Equity (Continued)

b) Fund Financial Statements (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 assets 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. Restricted net position -- Consists of net assets with constraints placed on the use 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 assets 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, 2022

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, 2022

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, 2022 are classified in the accompanying financial statements as follows:

	<u>2022</u>
Cash	\$ 1,410,704
Total	<u>\$ 1,410,704</u>

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2022

NOTE 2. CASH AND CERTIFICATES OF DEPOSIT (Continued)

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.

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.

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, 2021 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 2020 and prior levy.

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2022

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	2021	2020	2019
<u>Tax Rates:</u>				
General	0.2500	0.2359	0.2297	0.2319
Police Protection	0.0750	0.0728	0.0709	0.0687
Audit	None	0.0859	0.0836	0.0859
Social Security	None	0.1022	0.0996	0.1031
Insurance	None	0.2187	0.2130	0.2254
IMRF	None	0.1267	0.1234	0.1288
Street Lighting	0.0500	0.0470	0.0458	0.0473
		<u>0.8892</u>	<u>0.8660</u>	<u>0.8911</u>
Assessed Valuation		<u>\$ 25,657,688</u>	<u>\$ 25,121,728</u>	<u>\$ 23,294,092</u>
<u>Tax Extensions:</u>				
General		\$ 60,552	\$ 57,705	\$ 54,019
Police Protection		18,679	17,811	16,003
Audit		22,040	21,002	20,010
Social Security		26,248	25,021	24,016
Insurance		56,139	53,509	52,505
IMRF		32,534	31,000	30,003
Street Lighting		<u>12,085</u>	<u>11,506</u>	<u>11,018</u>
Totals		<u>\$ 228,277</u>	<u>\$ 217,554</u>	<u>\$ 207,574</u>
Collections		<u>\$ -</u>	<u>\$ 217,350</u>	<u>\$ 206,076</u>
Percentage of Extensions Collected		0.00%	99.91%	99.28%

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, 2022

NOTE 5. LONG-TERM DEBT

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.

\$ 618,088

Annual debt service requirements to maturity for long-term debt are as follows:

<u>Year Ended</u> <u>March 31,</u>	<u>Governmental</u> <u>Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 35,000	\$ 14,680
2024	35,000	13,848
2025	40,000	13,017
2026	40,000	12,067
2027	40,000	11,117
2028	40,000	10,167
2029	40,000	9,217
2030	40,000	8,267
2031	45,000	7,317
2032	45,000	6,248
2033	45,000	5,180
2034	45,000	4,111
2035	45,000	3,042
2036	50,000	1,973
2037	33,088	786
	<u>\$ 618,088</u>	<u>\$ 121,037</u>

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2022

NOTE 5. LONG-TERM DEBT (Continued)

The following is a summary of changes in long-term debt for the year ended March 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
USDA, Rural Development	\$ 653,088	\$ -	\$ 35,000	\$ 618,088	\$ 35,000
Total Governmental	<u>\$ 653,088</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 618,088</u>	<u>\$ 35,000</u>

Debt Service Requirements to Maturity --

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of March 31, 2022, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 35,000	\$ 14,680	\$ 49,680
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
	<u>\$ 618,088</u>	<u>\$ 121,037</u>	<u>\$ 739,125</u>

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2022

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				
Capital Assets, Being Depreciated:				
Buildings and Systems	\$ 1,063,524	\$ -		\$ 1,063,524
Vehicles and Equipment	502,497	36,958		539,455
Infrastructure	<u>424,270</u>	<u>-</u>	<u>\$ -</u>	<u>424,270</u>
Total Capital Assets being Depreciated	<u>\$ 1,990,291</u>	<u>\$ 36,958</u>	<u>\$ -</u>	<u>\$ 2,027,249</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 161,465	\$ 36,052		\$ 197,517
Vehicles and Equipment	417,973	34,792		452,765
Infrastructure	<u>189,698</u>	<u>15,002</u>	<u>\$ -</u>	<u>204,700</u>
Total Accumulated Depreciation	<u>\$ 769,136</u>	<u>\$ 85,846</u>	<u>\$ -</u>	<u>\$ 854,982</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,221,155</u>	<u>\$ (48,888)</u>	<u>\$ -</u>	<u>\$ 1,172,267</u>
<u>BUSINESS-TYPE ACTIVITIES:</u>				
Land	<u>\$ 76,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,122</u>
Capital Assets, Being Depreciated:				
Buildings and Systems	\$ 1,887,427	\$ 3,227		\$ 1,890,654
Vehicles and Equipment	<u>382,055</u>	<u>36,044</u>	<u>\$ -</u>	<u>418,099</u>
Total Capital Assets, Being Depreciated	<u>\$ 2,269,482</u>	<u>\$ 39,271</u>	<u>\$ -</u>	<u>\$ 2,308,753</u>
Less Accumulated Depreciation for:				
Buildings and Systems	\$ 1,349,345	\$ 27,180		\$ 1,376,525
Vehicles and Equipment	<u>320,229</u>	<u>19,087</u>	<u>\$ -</u>	<u>339,316</u>
Total Accumulated Depreciation	<u>\$ 1,669,574</u>	<u>\$ 46,267</u>	<u>\$ -</u>	<u>\$ 1,715,841</u>
Business-Type Activities Capital Assets, Net	<u>\$ 676,030</u>	<u>\$ (6,996)</u>	<u>\$ -</u>	<u>\$ 669,034</u>

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

Governmental Activities:		
General Government		\$ 38,485
Public Safety		16,711
Highways and Streets		<u>30,650</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 85,846</u>
Business-Type Activities - Water and Sewer		<u>\$ 46,267</u>

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2022

NOTE 7. PENSION PLAN

A. Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, members are required to contribute 4.50 percent 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 employer contribution rate for calendar year 2021 was 5.34 percent of annual covered payroll. The employer 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2021 was \$18,050.

Three-Year Trend Information for IMRF

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
3/31/2021	\$ 18,050	100%	\$ -
3/31/2020	19,132	100%	-
3/31/2019	11,295	100%	-

The required contribution for 2021 was determined as part of the December 31, 2019 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2019 included (a) 7.25% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with 20% corridor between the actuarial and market value of assets. The Village plan's unfunded actuarial accrued liability at December 31, 2019 is being amortized as a level percentage of projected payroll on an open 22 year basis.

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2022

NOTE 7. PENSION PLAN (Continued)

Funded Status and Funding Progress. As of December 31, 2021, the most recent actuarial valuation date, the plan was 136.58 percent funded. The actuarial accrued liability for benefits was \$371,491 and the actuarial value of assets was \$507,370, resulting in a overfunded actuarial accrued liability (UAAL) of \$135,879. The covered payroll for calendar year 2021 (annual payroll of active employees covered by the plan) was \$338,020 because the plan is over funded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

REQUIRED SUPPLEMENTARY INFORMATION **SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) --Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/21	\$ 507,370	\$ 371,491	\$ (135,879)	136.58%	\$ 338,020	0.00%
12/31/20	409,467	356,103	(53,364)	114.99%	331,001	0.00%
12/31/19	322,070	306,688	(15,382)	105.02%	310,308	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2021 is \$675,188. On a market basis, the funded ratio would be 181.75%.

The actuarial value of assets and accrued liability cover active and inactive members have service credit with Village of St. Jacob. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2022

NOTE 7. PENSION PLAN (Continued)

GASB Statement No. 68 requires the notes of the Village's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows of resources and inflows of resources related to pensions, and certain additional information. The following summarizes the changes in net pension liability and related ratios for the calendar year ended December 31, 2021.

Actuarial valuation Date	December 31, 2021
Measurement Date of the Net Pension Liability	December 31, 2021
Fiscal Year End	March 31, 2022
Membership	
Number of	
-Retirees and Beneficiaries	6
-Inactive, Non-Retired Members	12
-Active Members	<u>6</u>
-Total	24
Total pension liability	
Service Cost	\$ 30,876
Interest on the Total Pension Liability	71,505
Difference between expected and actual experience of the Total Pension Liability	(12,585)
Change of Assumptions	-
Benefit payments, including refunds of employee contributions	<u>(76,269)</u>
Net change in total pension liability	\$ 13,527
Total pension liability - beginning	<u>1,008,971</u>
Total pension liability - ending	<u>\$ 1,022,498</u>
Plan fiduciary net position	
Contributions - employer	\$ 18,051
Contributions - employee	15,211
Net investment income	203,958
Benefit payments, including refunds of employee contributions	(76,269)
Other (Net Transfer)	<u>(2,304)</u>
Net change in plan fiduciary net position	\$ 158,647
Plan fiduciary net position - beginning	<u>1,169,661</u>
Plan fiduciary net position - ending	<u>\$ 1,328,308</u>
Net pension liability/(asset)	\$ (305,810)
Plan fiduciary net position as a percentage of total pension liability	129.91%
Covered Valuation payroll	\$ 338,021
Net pension liability as a percentage of covered valuation payroll	-90.47%

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2022

NOTE 7. PENSION PLAN (Continued)

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5 - year smoothed market, 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% 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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information	There were no benefit changes during the year.

Discount Rate

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.00%; and the resulting single discount rate is 7.25%.

Sensitivity of net pension liability/(asset) to the single discount rate assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension liability	\$ 1,129,622	\$ 1,022,498	\$ 934,815
Plan Fiduciary Net Position	<u>1,328,308</u>	<u>1,328,308</u>	<u>1,328,308</u>
Net Pension Liability/(Asset)	<u>\$ (198,686)</u>	<u>\$ (305,810)</u>	<u>\$ (393,493)</u>

VILLAGE OF ST. JACOB, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2022

NOTE 7. PENSION PLAN (Continued)

B. Social Security

All Village employees are covered under Social Security. The Village reported \$48,909, the total required contribution for the current fiscal year.

NOTE 8. STATEMENT OF LEGAL DEBT:

The computation of legal debt margin is as follows:

Assessed Valuation as of December 31, 2021	\$ 25,657,688
Debt Limit - 5.75% of Assessed Valuation	\$ 1,475,317
Less: General Obligation of Assessed Valuation of Bonded Indebtedness	<u>618,088</u>
Legal Debt Margin	\$ <u>857,229</u>

NOTE 9. INTERFUND TRANSFERS

The following is a summary of interfund transfers for the year ended March 31, 2022:

General Fund Transfer To:	
Debt Service Fund	\$ 67,200
	<u>\$ 67,200</u>

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

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, 2022:

General Fund, had a deficit fund balance of (\$73,966).
Motor Fuel Tax Fund, Special Revenue Fund had a deficit fund balance of (\$41,297).

NOTE 11. SIGNIFICANT EVENTS

Since February 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including the United States of America, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

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, 2022

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>
REVENUES RECEIVED:			
Property Taxes	\$ 114,553	\$ 123,786	\$ 9,233
Replacement Tax	1,130	2,244	1,114
Sales Tax	43,800	89,081	45,281
State Income Tax	118,300	166,167	47,867
Local Use Tax	36,500	45,866	9,366
Video Game Tax	4,150	3,923	(227)
Utility Tax	5,900	62,427	56,527
Cannabis Tax	1,200	1,818	618
Grants	-	90,563	90,563
Licenses and Permits	23,925	19,894	(4,031)
Fines and Penalties	1,000	10,642	9,642
Rental Income	3,950	1,650	(2,300)
Homecoming Income	-	60,925	60,925
Investment Earnings	13	14	1
Miscellaneous	<u>28,671</u>	<u>54,810</u>	<u>26,139</u>
Total Revenues Received	<u>\$ 383,092</u>	<u>\$ 733,810</u>	<u>\$ 350,718</u>
EXPENDITURES DISBURSED:			
Current:			
General Government	\$ 201,801	\$ 208,901	\$ (7,100)
Public Safety	219,600	163,341	56,259
Highways and Streets	95,684	133,025	(37,341)
Homecoming Expenses	-	51,911	(51,911)
Capital Outlay	<u>45,000</u>	<u>36,958</u>	<u>8,042</u>
Total Expenditures Disbursed	<u>\$ 562,085</u>	<u>\$ 594,136</u>	<u>\$ (32,051)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (178,993)</u>	<u>\$ 139,674</u>	<u>\$ 318,667</u>
OTHER FINANCING SOURCES (USES):			
Transfer In (Out)	<u>\$ -</u>	<u>\$ (67,200)</u>	<u>\$ (67,200)</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ (67,200)</u>	<u>\$ (67,200)</u>
Net Change in Fund Balances	<u>\$ (178,993)</u>	<u>\$ 72,474</u>	<u>\$ 251,467</u>
FUND BALANCE, BEGINNING OF YEAR		<u>(146,440)</u>	
FUND BALANCE, END OF YEAR		<u>\$ (73,966)</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, 2022

	Audit Fund			Social Security Fund		
	Original and Final Budget	Actual Amounts	Over (Under) Budget	Original and Final Budget	Actual Amounts	Over (Under) Budget
REVENUES RECEIVED:						
Property Taxes	\$ 20,995	\$ 20,982	\$ (13)	\$ -	\$ 24,998	\$ 24,998
Investment Income	-	1	1	-	-	-
Total Revenues Received	\$ 20,995	\$ 20,983	\$ (12)	\$ -	\$ 24,998	\$ 24,998
EXPENDITURES DISBURSED:						
General Government	\$ 20,995	\$ 6,550	\$ 14,445	\$ 9,500	\$ 15,491	\$ (5,991)
Public Safety	-	-	-	-	9,746	(9,746)
Highways & Streets	-	-	-	-	4,937	(4,937)
Total Expenditures Disbursed	\$ 20,995	\$ 6,550	\$ 14,445	\$ 9,500	\$ 30,174	\$ (20,674)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	\$ -	\$ 14,433	\$ 14,433	\$ (9,500)	\$ (5,176)	\$ 4,324
FUND BALANCE, BEGINNING OF YEAR		72,880			9,559	
FUND BALANCE, END OF YEAR		\$ 87,313			\$ 4,383	

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, 2022

	Motor Fuel Tax Fund			IMRF		
	<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	\$ 43,158	\$ 2,408			
Grant Revenue	-	24,121	24,121			
Investment Income	-	51	51			
Property Taxes	-	-	-	\$ -	\$ 30,971	\$ 30,971
Total Revenues Received	\$ 40,750	\$ 67,330	\$ 26,580	\$ -	\$ 30,971	\$ 30,971
EXPENDITURES DISBURSED:						
General Government				\$ 4,000	\$ 12,596	\$ (8,596)
Public Safety				-	5,339	(5,339)
Highways & Streets	\$ 80,500	\$ 82,187	\$ (1,687)	-	-	-
Total Expenditures Disbursed	\$ 80,500	\$ 82,187	\$ (1,687)	\$ 4,000	\$ 17,935	\$ (13,935)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (39,750)	\$ (14,857)	\$ 24,893	\$ (4,000)	\$ 13,036	\$ 17,036
NET CHANGE IN FUND BALANCE	\$ (39,750)	\$ (14,857)	\$ 24,893	\$ (4,000)	\$ 13,036	\$ 17,036
FUND BALANCE, BEGINNING OF YEAR		(26,440)			91,919	
FUND BALANCE, END OF YEAR		\$ (41,297)			\$ 104,955	

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, 2022

	Liability Fund			Debt Service		
	<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:						
Investment Income		\$ 1	\$ 1			
Property Taxes	\$ 54,589	53,459	(1,130)	\$ -	\$ -	\$ -
Total Revenues Received	\$ 54,589	\$ 53,460	\$ (1,129)	\$ -	\$ -	\$ -
EXPENDITURES DISBURSED:						
General Government	\$ 54,590	\$ 35,445	\$ 19,145	\$ -	\$ 15,095	\$ (15,095)
Total Expenditures Disbursed	\$ 54,590	\$ 35,445	\$ 19,145	\$ -	\$ 15,095	\$ (15,095)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1)	\$ 18,015	\$ 18,016	\$ -	\$ (15,095)	\$ (15,095)
OTHER FINANCING SOURCES (USES)						
Transfers In					\$ 67,200	\$ 67,200
Payment of Long Term Debt	\$ -	\$ -	\$ -	\$ -	(35,000)	(35,000)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ 32,200	\$ 32,200
NET CHANGE IN FUND BALANCE	\$ (1)	\$ 18,015	\$ 18,016	\$ -	\$ 17,105	\$ 17,105
FUND BALANCE, BEGINNING OF YEAR		133,831			82,456	
FUND BALANCE, END OF YEAR		\$ 151,846			\$ 99,561	

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, 2022

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Budget</u>
OPERATING REVENUES:			
Charge for Services --			
Water	\$ 451,572	\$ 439,960	\$ (11,612)
Sewer	94,699	99,235	4,536
Trash	122,981	132,801	9,820
Total Operating Revenues	<u>\$ 669,252</u>	<u>\$ 671,996</u>	<u>\$ 2,744</u>
OPERATING EXPENSES:			
Advertising	\$ 802	\$ -	\$ 802
Water & Sewer Treatment & Maintenance	60,895	28,601	32,294
Water Purchases	189,704	206,446	(16,742)
Supplies	13,031	13,069	(38)
Equipment Rent	733	1,082	(349)
Wages & Payroll Taxes	122,003	122,111	(108)
Contract Labor	151,981	137,961	14,020
Insurance	510	9,520	(9,010)
Fuel	2,657	4,349	(1,692)
Office Expense	17,291	11,141	6,150
Dues and Subscriptions	365	356	9
Utilities	19,120	18,852	268
EPA Fee	2,623	2,500	123
Miscellaneous	58	189	(131)
Professional Fees	6,743	9,422	(2,679)
Depreciation	70,448	46,267	24,181
Total Operating Expenses	<u>\$ 658,964</u>	<u>\$ 611,866</u>	<u>\$ 47,098</u>
OPERATING INCOME (LOSS)	<u>\$ 10,288</u>	<u>\$ 60,130</u>	<u>\$ 49,842</u>
NON-OPERATING REVENUES (EXPENSES):			
Investment Income	\$ 4,303	\$ 1,074	\$ (3,229)
Total Non-Operating Revenues (Expenses)	<u>\$ 4,303</u>	<u>\$ 1,074</u>	<u>\$ (3,229)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 14,591</u>	<u>\$ 61,204</u>	<u>\$ 46,613</u>
FUND BALANCE, BEGINNING OF YEAR		<u>1,507,474</u>	
FUND BALANCE, END OF YEAR		<u>\$ 1,568,678</u>	

VILLAGE OF ST. JACOB, ILLINOIS**NOTES TO BUDGETARY COMPARISON SCHEDULE
MARCH 31, 2022****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 ILLINOIS MUNICIPAL RETIREMENT
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
MARCH 31, 2022

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarial Value of Assets	507,370	409,467	322,070	264,677	359,244	304,712
Actuarial Accrued Liability (AAL)	371,491	356,103	306,688	264,612	311,433	335,598
Unfunded AAL (UAAL)	(135,879)	(53,364)	(15,382)	(65)	(47,811)	30,886
Funded Ratio	136.58%	114.99%	105.02%	100.02%	115.35%	90.80%
Covered Payroll	338,020	331,001	310,308	231,137	193,706	193,968
UAAL as a % of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	15.92%
Employer Contributions:						
Required	18,050	19,132	11,294	21,126	15,690	15,925
Made	18,050	19,132	11,294	21,126	15,690	15,925
Percentage of Employer Contributions Made to Required Contributions	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2021 is \$675,188. On a market basis, the funded ratio would be 181.75%.

The actuarial valuations presented are prepared by the Illinois Municipal Retirement Fund using the following parameters:

Actuarial Cost Method:	Entry Age Normal Actuarial Cost
Amortization Method:	Level Percentage of Projected Payroll
Remaining Amortization Period:	22 Years
Asset Valuation Method:	Market value with techniques that smooth the effect of short-term volatility
Actuarial Assumptions:	
Interest Rate	7.25%
Salary Progression	3.35 - 14.25%
Cost of Living Adjustments	2.5%

VILLAGE OF ST. JACOB, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS -
NONMAJOR GOVERNMENTAL FUNDS
FOR TAX YEAR ENDED MARCH 31, 2022

	Audit	Social Security	IMRF	Total Nonmajor Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 87,313	\$ 4,383	\$ 104,955	\$ 196,651
Total Assets	\$ 87,313	\$ 4,383	\$ 104,955	\$ 196,651
<u>Liabilities</u>				
Overdraft	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -
<u>Fund Balance</u>				
Fund Balance: Restricted	\$ 87,313	\$ 4,383	\$ 104,955	\$ 196,651
Total Fund Balance	\$ 87,313	\$ 4,383	\$ 104,955	\$ 196,651

VILLAGE OF ST. JACOB, ILLINOIS

COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Audit</u>	<u>Social Security</u>	<u>IMRF</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES RECEIVED:				
Property Tax	\$ 20,982	\$ 24,998	\$ 30,971	\$ 76,951
Investment Earnings	1	-	-	1
Total Revenues Received	\$ 20,983	\$ 24,998	\$ 30,971	\$ 76,952
EXPENDITURES DISBURSED:				
Current:				
General Government	\$ 6,550	\$ 15,491	\$ 12,596	\$ 34,637
Public Safety	-	9,746	5,339	15,085
Highways & Streets	-	4,937	-	4,937
Total Expenditures Disbursed	\$ 6,550	\$ 30,174	\$ 17,935	\$ 54,659
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	\$ 14,433	\$ (5,176)	\$ 13,036	\$ 22,293
OTHER FINANCING SOURCES (USES):				
PAYMENT OF LONG TERM DEBT	-	-	-	-
TRANSFER IN (OUT)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ 14,433	\$ (5,176)	\$ 13,036	\$ 22,293
FUND BALANCE, BEGINNING OF YEAR	72,880	9,559	91,919	174,358
FUND BALANCE, END OF YEAR	\$ 87,313	\$ 4,383	\$ 104,955	\$ 196,651