

VILLAGE OF WELDON, ILLINOIS

ANNUAL FINANCIAL REPORT

April 30, 2021

Floyd & Associates  
Certified Public Accountants  
Clinton, Illinois

VILLAGE OF WELDON, ILLINOIS  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended April 30, 2021

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### Independent Auditors' Report

The Honorable President and  
Board of Trustees  
Village of Weldon, Illinois

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

#### *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(c); 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.

#### *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 misstatement.

The Honorable President and  
Board of Trustees  
Village of Weldon, Illinois  
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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.

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

#### *Opinion*

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 Weldon, Illinois, as of April 30, 2021, 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 A.

#### *Basis of Accounting*

We draw attention to Note 1(c) 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.

The Honorable President and  
Board of Trustees  
Village of Weldon, Illinois  
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Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Weldon, Illinois' basic financial statements. The schedules presented in the other supplementary section are presented for purpose of additional analysis and are not a required part of the basic audit of 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Certified Public Accountants



Floyd & Associates

Clinton, Illinois  
September 30, 2021

## VILLAGE OF WELDON, ILLINOIS

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2021

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 189,771	180,322	370,093
Capital assets, net of accumulated depreciation	<u>14,198</u>	<u>1,882,370</u>	<u>1,896,568</u>
Total assets	<u>203,969</u>	<u>2,062,692</u>	<u>2,266,661</u>
<u>Liabilities</u>			
Current liabilities:			
Payroll taxes payable	<u>1,680</u>	<u>          </u>	<u>1,680</u>
Noncurrent liabilities			
Water system revenue bonds payable	<u>          </u>	<u>685,000</u>	<u>685,000</u>
Total liabilities	<u>1,680</u>	<u>685,000</u>	<u>686,680</u>
<u>Net Position</u>			
Invested in capital assets, net of related debt	14,198	1,882,370	1,896,568
Restricted for:			
Public safety	3,041		3,041
Streets	66,679		66,679
Unrestricted	<u>118,371</u>	<u>(504,678)</u>	<u>(386,307)</u>
Total net position	<u>\$ 202,289</u>	<u>1,377,692</u>	<u>1,579,981</u>

See accompanying notes to financial statements.

## VILLAGE OF WELDON, ILLINOIS

## STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Fiscal Year Ended April 30, 2021

Activities	Expenditures	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines and Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental:						
General government	\$ 103,105			(103,105)		(103,105)
Public Safety	13,900		10,375	(3,525)		(3,525)
Streets	1,477			(1,477)		(1,477)
Total governmental activities	118,482		10,375	(108,107)		(108,107)
Business-type:						
Water Enterprise Fund	179,867	184,373	9,000		13,506	13,506
Total primary government	\$ 298,349	184,373	19,375	(108,107)	13,506	(94,601)
General revenue received:						
Taxes:		Property tax		46,406		46,406
		Replacement tax		1,987		1,987
		Allotments-state		116,120		116,120
Other governmental not restricted to specific programs:		Interest income		238	41	279
		Miscellaneous income		794		794
		Total general revenues received		165,545	41	165,586
Changes in net position				57,438	13,547	70,985
Net position at beginning of year				144,851	1,364,145	1,508,996
Net position at end of year				\$ 202,289	1,377,692	1,579,981

See accompanying notes to financial statements.



VILLAGE OF WELDON, ILLINOIS  
GOVERNMENTAL FUNDS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - MODIFIED CASH BASIS

April 30, 2021

<u>Assets</u>	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Streets and Alleys Fund</u>	<u>ESDA Fund</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 120,051	58,365	8,314	3,041	189,771
Total assets	<u>120,051</u>	<u>58,365</u>	<u>8,314</u>	<u>3,041</u>	<u>189,771</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Payroll taxes payable	1,680				1,680
Fund balance:					
Restricted	118,371	58,365	8,314	3,041	69,720
Unassigned					118,371
Total fund balance	<u>118,371</u>	<u>58,365</u>	<u>8,314</u>	<u>3,041</u>	<u>188,091</u>
Total liabilities and fund balance	<u>\$ 120,051</u>	<u>58,365</u>	<u>8,314</u>	<u>3,041</u>	<u>189,771</u>

See accompanying notes to financial statements.

(continued)

VILLAGE OF WELDON, ILLINOIS  
GOVERNMENTAL FUNDS

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES

April 30, 2021

Total governmental fund balances	\$	188,091
Amounts reported for government activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities of \$159,141 are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$144,943		<u>14,198</u>
Net position of governmental activities	\$	<u><u>202,289</u></u>

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

Year ended April 30, 2021

	General Fund	Motor Fuel Tax Fund	Streets and Alleys Fund	ESDA Fund	Total Governmental Funds
Revenues received :					
Property taxes	\$ 43,921		2,485		46,406
Replacement taxes	1,987				1,987
Allotments-state	86,765	29,355			116,120
State grant				10,375	10,375
Interest income	174	63	1		238
Miscellaneous income	794				794
Total revenues received	<u>133,641</u>	<u>29,418</u>	<u>2,486</u>	<u>10,375</u>	<u>175,920</u>
Expenditures disbursed:					
Current:					
General administration	103,105				103,105
Street department			13,900		13,900
Public safety				1,229	1,229
Capital outlay				7,446	7,446
Total expenditures disbursed	<u>103,105</u>		<u>13,900</u>	<u>8,675</u>	<u>125,680</u>
Revenues over (under) expenditures disbursed	30,536	29,418	(11,414)	1,700	50,240
Fund balance at beginning of year	87,835	28,947	19,728	1,341	137,851
Fund balance at end of year	<u>\$ 118,371</u>	<u>58,365</u>	<u>8,314</u>	<u>3,041</u>	<u>188,091</u>

(Continued)

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

Year Ended April 30, 2021

Reconciliation to the Statement of Activities:

Net change in fund balances - total governmental funds \$ 50,240

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

Governmental funds report capital outlay as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.  
The following is the amount by which capital outlay exceeded  
depreciation in the current year:

Capital Outlay	7,446
Depreciation	<u>(248)</u>

Change in net position of governmental activities	\$ <u>57,438</u>
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VILLAGE OF WELDON, ILLINOIS  
PROPRIETARY FUND

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2021

<u>Assets</u>	Business-Type Activities <u>Water Enterprise Fund</u>
Cash and cash equivalents	\$ 180,322
Capital assets, net of accumulated depreciation	<u>1,882,370</u>
Total assets	<u>2,062,692</u>
 <u>Liabilities and Fund Equity</u>  	
Noncurrent liabilities	
Water System Revenue Bonds Payable	<u>685,000</u>
 <u>Net Position</u>  	
Invested in capital assets, net of related debt	1,882,370
Unrestricted	<u>(504,678)</u>
Total net position	<u>\$ 1,377,692</u>

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND NET POSITION - MODIFIED CASH BASIS

Year Ended April 30, 2021

Operating revenue:	
Water sales	\$ 182,223
Customer deposits	2,150
Total operating revenue	<u>184,373</u>
 Operating expenses:	
Personal services	40,134
Contractual services	55,907
Commodities	10,388
Depreciation	63,917
Total operating expenses	<u>170,346</u>
 Operating income (loss)	 14,027
 Nonoperating revenues (disbursements):	
USDA Grant	9,000
Interest income	41
Interest expense	<u>(9,521)</u>
 Change in net position	 13,547
 Net position at beginning of year	 <u>1,364,145</u>
 Net position at end of year	 \$ <u><u>1,377,692</u></u>

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
PROPRIETARY FUND

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

Year Ended April 30, 2021

Cash flows from operating activities:	
Cash received from customers	\$ 184,373
Cash payments to suppliers for goods and services	(66,198)
Cash payments to employees for services	(40,134)
Net cash provided by operating activities	<u>78,041</u>
Cash flows from investing activities:	
Interest received on investments	<u>41</u>
Cash flows from capital and related financing activities:	
Proceeds received on USDA Grant	9,000
Principal paid on notes payable	(15,000)
Interest paid on notes payable	(9,521)
Net cash provided by (used in) capital and related financing activities	<u>(15,521)</u>
Net increase (decrease) in cash and cash equivalents	62,561
Cash and cash equivalents at beginning of year	<u>117,761</u>
Cash and cash equivalents at end of year	<u><u>180,322</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	14,027
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	63,917
Changes in assets and liabilities:	
Prepaid items	<u>97</u>
Net cash provided by operating activities	<u><u>\$ 78,041</u></u>

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
April 30, 2021

(1) Summary of Significant Accounting Policies

As discussed further later in this Note, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP include all relevant Governmental Accounting Standards Board (GASB) pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 55, *The Hierarchy of GAAP for State and Local Governments*.

A. Reporting Entity

The Village is duly organized and existing under the provisions of the laws of the State of Illinois. The Village operates under a President-Trustee form of government. The Village's financial reporting entity is composed of a single primary government. In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*. Based on the operational and financial criteria of that statement, the Village does not have a component unit that should be reported as part of the reporting entity.

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

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues, include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.



VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

B. Basis of Presentation (cont.)

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. 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 ten 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 five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

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.

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 purposes or designated to finance particular functions or activities of the Village.

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

B. Basis of Presentation (cont.)

Proprietary Funds

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

Major Funds

All funds of the Village were determined to be major.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities governmental activities are presented using the economic resources measurement focus as defined in item b., following.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus 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.

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

C. Measurement Focus and Basis of Accounting (cont.)

Measurement Focus (cont.)

- b. The government-wide Statement of Net Position and the Statement of Activities utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or non-financial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of Accounting

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

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

C. Measurement Focus and Basis of Accounting (cont.)

Basis of Accounting (cont.)

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. All government-wide financials would be presented on the accrual basis of accounting.

D. Assets, Liabilities and Equity

Cash and Investments

For the purpose of the Statement of Net Position "cash, including time deposits" includes all demand, savings accounts, and certificates of deposit of the Village.

Investments are stated at cost, which approximates market. Gains or losses on the sale of investments are recognized upon realization.

For purposes of the statement of cash flows, the proprietary funds consider short-term highly liquid investments, including time deposits at financial institutions, to be cash equivalents.

Capital Assets

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.

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

D. Assets, Liabilities and Equity (cont.)

Government-Wide Statements

In the government-wide financial statements, capital assets 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, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004.

Prior to May 1, 2004 governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004 will be recorded at cost.

Depreciation of all exhaustible capital assets 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 minimum 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	40-50 years
Improvements other than buildings	10-25 years
Machinery, furniture, and equipment	3-20 years
Infrastructure	10-50 years

Fund Financial Statements

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Debt

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

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

D. Assets, Liabilities and Equity (cont.)

Long-Term Debt (cont.)

Long-term debt arising from cash transactions for 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 it is in the government-wide statements.

Compensated Absences

As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid. The amount of accrued compensated absences for accumulated, unpaid leave and compensatory time, along with related employer costs that would be due to employees upon termination was undetermined at April 30, 2021.

Fund Equity

The Village implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as of May 1, 2011. This new standard changed the overall definitions and classifications of governmental fund balances.

Governmental fund equity is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Governmental Fund Balances

Generally, governmental fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

- a. Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

D. Assets, Liabilities and Equity (cont.)

Governmental Fund Balances (cont.)

- b. Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- c. Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Village Board through the adoption of a resolution. Only the Village Board may modify or rescind the commitment.
- d. Assigned - Fund balances are reported as assigned when amounts are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed.
- e. Unassigned - Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The Village reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Fund Balance Flow Assumptions

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order:

Committed  
Assigned  
Unassigned

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

D. Assets, Liabilities and Equity (cont.)

Net Position

As noted previously, equity for government-wide and proprietary fund financial statements is classified as net position and displayed in three components:

- a. 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.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above.
- c. Unrestricted net position - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

The Village applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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 WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(1) Summary of Significant Accounting Policies (cont.)

E. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance covering each of those risks of loss. Management believes such a coverage is sufficient to preclude any significant uninsured losses to the village. During the year ended April 30, 2021, there were no significant reductions in coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

F. Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village on or before the last Tuesday in December. The 2020 levy was passed by the Board on December 21, 2020. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The Village receives significant distributions of tax receipts on approximately June 1 and October 1. The Village's property tax revenues are recognized in the period received. Taxes recorded in these financial statements are from the 2019 and prior tax levies. Equalized assessed valuations, tax rates, tax extensions and collections are presented in the supporting schedule.

(2) Deposits and Investments

Deposits

At April 30, 2021, the carrying amount of the Village's deposits totaled \$370,093 and the bank balance totaled \$371,772. At April 30, 2021 the Village's deposits were covered by FDIC insurance.

The Public Funds Investment Act of the State of Illinois limits deposits and investments to the following categories:

- Bonds, notes, certificates of indebtedness, treasury bills which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Interest-bearing savings, certificates of deposit, or time deposits of any bank as defined by the Illinois Banking Act.

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(2) Deposits and Investments ( cont.)

Deposits (cont.)

- Short term obligations of corporations organized in the U.S. with assets exceeding \$500,000,000 and other specified criteria.
- Money market mutual funds registered under the Investment Company Act of 1940 provided the portfolio is limited to obligations described in points 1 and 2 above.
- Federal National Mortgage Association.
- Public Treasurers' Investment Pools.
- Repurchase agreements of government securities within the meaning of the Government Securities Act of 1986.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village has no formal policy in regard to custodial credit risk. As of April 30, 2021, none of the Village's deposits with financial institutions are in excess of federal depository insurance limits or were held in uncollateralized accounts.

Disclosures Relating to 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. The Village manages its exposure to interest rate risk is by limiting its purchases of long-term investments.

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(3) Changes in Long-Term Debt

The Village's long-term debt arising from cash transactions is to be repaid from governmental-type and business-type activities.

	Balance May 1, 2020	Additions	Reductions	Balance April 30, 2021
Business-Type Activities				
Water System				
Revenue Bonds	\$ 700,000		150,000	685,000

A. Water System Revenue Bonds

The Village has entered into an agreement with the U.S. Department of Agriculture to borrow the sum of \$700,000 at 1.375 percent interest for 40 years. As of April 30, 2021, the Village has borrowed \$700,000 and made principal payments of \$15,000 and interest payments of \$9,522. The balance at April 30, 2021 was \$685,000.

B. Legal Debt Limit

The Village's legal debt margin is 8.625% of the most recent available equalized assessed valuation (EAV) of the Village per 65 ILCS 5/8-5-1.

2020 EAV	\$ 3,773,179
Debt Legal (%)	8.25 %
Debt Margin	311,287
Current Debt	
Remaining Debt Margin	\$ <u>311,287</u>

(4) Deficit Fund Balance

At April 30, 2021, no fund had a deficit balance

(5) Interfund Receivable and Payable

At April 30, 2021, there were no interfund receivable and payable balances.

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(6) Capital Assets

Capital asset activity resulting from modified cash basis transactions for the fiscal year ended April 30, 2021 was as follows:

	Balance at May 1, 2020	Additions	Deductions	Balance at April 30, 2021
Governmental activities:				
Land	\$ 7,000			7,000
Buildings	70,000			70,000
Furniture and fixtures	3,000			3,000
Machinery and equipment	71,695	7,446		79,141
Total	<u>151,695</u>	<u>7,446</u>		<u>159,141</u>
Less accumulated depreciation:				
Buildings	70,000			70,000
Furniture and fixtures	3,000			3,000
Machinery and equipment	71,695	248		71,943
Total	<u>144,695</u>	<u>248</u>		<u>144,943</u>
Net capital assets	<u>7,000</u>	<u>7,198</u>		<u>14,198</u>
Business-type activities				
Land	14,144			14,144
Utility property and improvements	2,530,837			2,530,837
Machinery and equipment	72,926			72,926
Total	<u>2,617,907</u>			<u>2,617,907</u>
Less accumulated depreciation:				
Utility property and improvements	598,694	63,917		662,611
Machinery and equipment	72,926			72,926
Total	<u>671,620</u>	<u>63,917</u>		<u>735,537</u>
Net capital assets	<u>\$ 1,946,287</u>	<u>(63,917)</u>		<u>1,882,370</u>

VILLAGE OF WELDON, ILLINOIS  
Notes to Financial Statements  
(Continued)  
April 30, 2021

(6) Capital Assets (cont.)

Depreciation expense was charged to functions as follows in the Statement of Activities:

Primary Government:

Governmental activities:

Public Safety	\$ <u>248</u>
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Business-type activities:

Water Enterprise Fund	\$ <u>63,917</u>
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(7) Retirement Fund Commitments

Illinois Municipal Retirement Fund

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 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 (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Funding Policy

As set by statute, the Village's Regular plan 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 Village's annual required contribution rate for calendar year 2020 was 25.49 percent. For calendar year 2020, the Village contributed \$13,322 to the plan. 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 the IMRF Board of Trustees, while the supplemental retirement benefit rate is set by statute.

## OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF WELDON, ILLINOIS  
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS

Year Ended April 30, 2021

	2021			Budget Over (Under)
	Budget	Amended Budget	Actual	
Revenues received:	\$ 120,820	120,820	133,641	12,821
Expenditures disbursed:				
General administration	163,780	163,780	103,105	60,675
Capital outlay	1,500	1,500		1,500
Total expenditures disbursed	165,280	165,280	103,105	62,175
Revenues over (under) expenditures	(44,460)	(44,460)	30,536	74,996
Other financing sources (uses):				
Transfer from/(to) Operations and Maintenance Water Fund	40,730	40,730		(40,730)
Net change in fund balance	(3,730)	(3,730)	30,536	34,266
Fund balance at beginning of year	83,311	83,311	87,835	4,524
Fund balance at end of year	\$ 79,581	79,581	118,371	38,790

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS

Year Ended April 30, 2021

	2021			Budget
		Amended		
	Budget	Budget	Actual	Over (Under)
Revenues received:				
Property tax	\$ 44,970	44,970	43,921	(1,049)
Replacement tax	1,500	1,500	1,987	487
Sales tax	1,000	1,000	1,598	598
Local use tax	14,000	14,000	19,180	5,180
Income tax	39,000	39,000	49,180	10,180
Electric tax	17,000	17,000	15,609	(1,391)
Telecommunications tax	850	850	847	(3)
Cannabis tax	200	200	351	151
Foreign Fire	500	500		(500)
Interest income	1,000	1,000	174	(826)
Miscellaneous income	500	500	644	144
Hall rent	300	300	150	(150)
Total revenues received	\$ <u>120,820</u>	<u>120,820</u>	<u>133,641</u>	<u>12,821</u>

See accompanying notes to financial statements.



VILLAGE OF WELDON, ILLINOIS  
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS

Year Ended April 30, 2021

	2021			Budget
	Budget	Amended Budget	Actual	Over (Under)
Expenditures disbursed:				
General administration				
Salaries	\$ 74,540	74,540	36,568	37,972
Accounting and audit	7,550	7,550	5,050	2,500
Attorney fees	5,000	5,000	2,089	2,911
Equipment & Facilities Maintenance	9,500	9,500	6,570	2,930
Foreign Tax	500	500		500
Clean up day	3,500	3,500	1,193	2,307
Insurance	12,500	12,500	12,245	255
Health Insurance	6,000	6,000	2,631	3,369
Office expense	3,000	3,000	2,830	170
Payroll taxes	4,700	4,700	5,886	(1,186)
Utilities	8,700	8,700	7,569	1,131
Dues	100	100	45	55
Telephone	2,000	2,000	2,129	(129)
Publishing	500	500		500
Repairs	800	800		800
Drainage assessments	250	250	257	(7)
Miscellaneous			151	(151)
Engineering	1,500	1,500	2,520	(1,020)
Truck expense	6,500	6,500	2,334	4,166
IMRF	15,140	15,140	13,038	2,102
Contingencies	1,500	1,500		1,500
Total general administration	163,780	163,780	103,105	60,675
Capital outlay	1,500	1,500		1,500
Total expenditures disbursed	\$ 165,280	165,280	103,105	62,175

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
MOTOR FUEL TAX SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS

Year Ended April 30, 2021

	<u>2021</u>			<u>Budget Over (Under)</u>
	<u>Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	
Revenues received:				
Motor fuel taxes	\$ 13,000	13,000	15,219	2,219
Rebuild Illinois			14,136	14,136
Interest income	500	500	63	(437)
Total revenues received	<u>13,500</u>	<u>13,500</u>	<u>29,418</u>	<u>15,918</u>
Expenditures disbursed:				
Street repair and maintenance	<u>11,500</u>	<u>11,500</u>		<u>11,500</u>
Revenues over (under) expenditures disbursed	2,000	2,000	29,418	27,418
Fund balance at beginning of year	<u>30,947</u>	<u>30,947</u>	<u>28,947</u>	<u>(2,000)</u>
Fund balance at end of year	<u>\$ 32,947</u>	<u>32,947</u>	<u>58,365</u>	<u>25,418</u>

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
STREETS AND ALLEYS SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS

Year Ended April 30, 2021

		2021		Budget
		Budget	Amended Budget	Actual
Revenues received:				
Real estate taxes	\$ 1,500	1,500	2,485	985
Interest			1	1
Total Revenue	<u>1,500</u>	<u>1,500</u>	<u>2,486</u>	<u>986</u>
Expenditures disbursed:				
Street and alley repair	2,500	2,500	8,900	(6,400)
Tree removal and planting	3,000	3,000	5,000	(2,000)
Drainage repair	8,000	8,000		8,000
Sidewalks	4,500	4,500		4,500
Total expenditures disbursed	<u>18,000</u>	<u>18,000</u>	<u>13,900</u>	<u>4,100</u>
Revenues over (under)				
expenditures disbursed	(16,500)	(16,500)	(11,414)	5,086
Fund balance at the beginning of the year	<u>3,228</u>	<u>3,228</u>	<u>19,728</u>	<u>16500</u>
Fund balance at end of year	<u>\$ (13,272)</u>	<u>(13,272)</u>	<u>8,314</u>	<u>21,586</u>

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
E.S.D.A. SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS

Year Ended April 30, 2021

	2021			Budget Over (Under)
	<u>Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	
Revenues received:				
Grant revenue	\$ <u>11,265</u>	<u>11,265</u>	<u>10,375</u>	<u>(890)</u>
Expenditures disbursed:				
EOC Telecom	2,280	2,280	1,229	1,051
Planning	250	250		250
Training	400	400		400
Exercise Drills	455	455		455
Special request items	7,580	7,580		7,580
Miscellaneous	300	300		300
Capital outlay			<u>7,446</u>	<u>(7,446)</u>
Total expenditures disbursed	<u>11,265</u>	<u>11,265</u>	<u>8,675</u>	<u>2,590</u>
Revenues over (under) expenditures disbursed			1,700	1,700
Fund balance at beginning of year	<u>1,341</u>	<u>1,341</u>	<u>1,341</u>	
Fund balance at end of year	\$ <u><u>1,341</u></u>	<u><u>1,341</u></u>	<u><u>3,041</u></u>	<u><u>1,700</u></u>

See accompanying notes to financial statements.

VILLAGE OF WELDON, ILLINOIS  
NOTES TO OTHER SUPPLEMENTARY INFORMATION  
Year Ended April 30, 2021

Budget Law

The board prepares its annual operating budget under the provisions of the Illinois Municipal Budget Law. In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to the end of the first quarter of the new fiscal year, the Board submits a proposed operating budget for the year commencing on May 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 30 days prior to final approval of the budget.
- c. Subsequent to the public hearing the budget is adopted by the board.

The legal level of control at which expenditures may not legally exceed appropriations is the fund.

Basis of Accounting

The budget is prepared on the modified cash basis of accounting.

Expenditures in Excess of Appropriations

In the fiscal year ending April 30, 2021, expenditures did not exceed appropriations in any of the individual funds.

## VILLAGE OF WELDON, ILLINOIS

SCHEDULE OF EQUALIZED ASSESSED VALUATION, PROPERTY TAX RATES,  
EXTENSIONS AND COLLECTIONS

Year Ended April 30, 2021

Equalized Assessed Valuation	2019				2018			
	Levy	Rate	Extension	Collection	Levy	Rate	Extension	Collection
	\$					\$		
General Fund	9,470	.2520	9,470	9,249	1,830	.0497	1,830	1,810
Liability insurance	12,500	.3327	12,500	12,208	20,000	.5430	20,000	19,784
Audit	5,500	.1464	5,500	5,372	8,500	.2308	8,500	8,409
IMRF	13,000	.3459	13,000	12,697	8,000	.2172	8,001	7,914
Social security	4,500	.1198	4,500	4,395	4,500	.1222	4,500	4,452
Total	\$ 44,970	1.1968	44,970	43,921	42,830	1.1628	42,831	42,369
Township road and bridge				2,485				2,540
				\$ 46,406				\$ 44,909