

VILLAGE OF SIDNEY

Sidney, Illinois

Annual Financial Report

For the Year Ended April 30, 2022

Feller & Kuester CPAs LLP
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Village of Sidney
Sidney, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Sidney, Illinois (the Village), as of and for the year ended April 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter-Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design,

implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining non-major governmental funds financial statements and schedule of property tax levies, rates, extensions, and collections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major governmental funds financial statements and schedule of property tax levies, rates, extensions, and collections presented on pages 22 through 24 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major governmental funds financial statements and schedule of property tax levies, rates, extensions, and collections are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Feller & Kuester CPAs LLP

Feller & Kuester CPAs LLP
Champaign, Illinois

June 16, 2023

VILLAGE OF SIDNEY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 454,161	\$ 91,221	\$ 545,382	\$ 31,572
Investments	1,526,148	301,055	1,827,203	-
Funds Held by Gusto	1,216	-	1,216	-
Due from Employee	34	-	34	-
Total Assets	1,981,559	392,276	2,373,835	31,572
Liabilities				
Credit Card Payable	58	-	58	-
Total Liabilities	58	-	58	-
Net Position				
Restricted for:				
Unspent Motor Fuel Tax	110,300	-	110,300	-
Unspent ARPA Funds	162,076	-	162,076	-
Unrestricted	1,709,125	392,276	2,101,401	31,572
Total Net Position	\$ 1,981,501	\$ 392,276	\$ 2,373,777	\$ 31,572

See Accompanying Notes.

VILLAGE OF SIDNEY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 138,752	\$ 37,786	\$ -	\$ 81,038	\$ (19,928)	\$ -	\$ (19,928)	
Public Safety	8,595	-	-	-	(8,595)	-	(8,595)	
Highway and Streets	254,938	-	-	-	(254,938)	-	(254,938)	
Culture and Recreation	56,293	13,828	14,923	-	(27,542)	-	(27,542)	
Refuse	6,077	-	-	-	(6,077)	-	(6,077)	
Total Governmental Activities	464,655	51,614	14,923	81,038	(317,080)	-	(317,080)	
Business-Type Activities:								
Water	7,199	-	-	-	-	(7,199)	(7,199)	
Total Primary Government	<u>\$ 471,854</u>	<u>\$ 51,614</u>	<u>\$ 14,923</u>	<u>\$ 81,038</u>	<u>(317,080)</u>	<u>(7,199)</u>	<u>(324,279)</u>	
Component Unit								
Culture and Recreation	<u>\$ 25,111</u>	<u>\$ 616</u>	<u>\$ 3,593</u>	<u>\$ -</u>				<u>\$ (20,902)</u>
General Revenues:								
Taxes:								
Property Tax					61,651	-	61,651	24,901
Water Utilities Tax					8,727	-	8,727	-
Communications Utilities Tax					5,084	-	5,084	-
State Income Tax					175,950	-	175,950	-
State Sales Tax					66,822	-	66,822	-
State Use Tax					46,967	-	46,967	-
State Cannabis Use Tax					1,915	-	1,915	-
State Motor Fuel Tax					76,164	-	76,164	-
State Replacement Tax					5,356	-	5,356	-
State Video Gaming Tax					23,412	-	23,412	-
Interest Income					4,430	1,082	5,512	-
Total General Revenues and Transfers					476,478	1,082	477,560	24,901
Change in Net Position					159,398	(6,117)	153,281	3,999
Net Position - Beginning of Year, As Previously Stated					1,822,103	398,393	2,220,496	24,074
Prior Period Adjustment					-	-	-	3,499
Net Position - Beginning of Year, As Restated					1,822,103	398,393	2,220,496	27,573
Net Position - End of Year					<u>\$ 1,981,501</u>	<u>\$ 392,276</u>	<u>\$ 2,373,777</u>	<u>\$ 31,572</u>

See Accompanying Notes.

VILLAGE OF SIDNEY
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2022

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
Assets				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 343,861	\$ 110,300	\$ -	\$ 454,161
Investments	1,526,148	-	-	1,526,148
Funds Held by Gusto	1,216	-	-	1,216
Due from Employee	34	-	-	34
	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>
Total Assets	<u>\$ 1,871,259</u>	<u>\$ 110,300</u>	<u>\$ -</u>	<u>\$ 1,981,559</u>
Liabilities				
Credit Card Payable	\$ 58	\$ -	\$ -	\$ 58
Total Liabilities	<u>58</u>	<u>-</u>	<u>-</u>	<u>58</u>
Fund Balances				
Restricted	162,076	110,300	-	272,376
Committed	9,535	-	-	9,535
Unassigned	1,699,590	-	-	1,699,590
Total Fund Balances	<u>1,871,201</u>	<u>110,300</u>	<u>-</u>	<u>1,981,501</u>
Total Liabilities and Fund Balances	<u>\$ 1,871,259</u>	<u>\$ 110,300</u>	<u>\$ -</u>	<u>\$ 1,981,559</u>
Reconciliation to Statement of Net Position - Modified Cash Basis:				
Total Fund Balances of Governmental Funds				\$ 1,981,501
No Differences				-
Net Position of Governmental Activities				<u>\$ 1,981,501</u>

See Accompanying Notes.

VILLAGE OF SIDNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
Revenues				
<i>Local Taxes</i>				
Property Tax	\$ 41,037	\$ -	\$ 20,614	\$ 61,651
Water Utilities Tax	8,727	-	-	8,727
Communications Utilities Tax	5,084	-	-	5,084
<i>Intergovernmental Receipts & Grants</i>				
State Income Tax	175,950	-	-	175,950
State Sales Tax	66,822	-	-	66,822
State Use Tax	46,967	-	-	46,967
State Cannabis Use Tax	1,915	-	-	1,915
State Motor Fuel Tax	-	76,164	-	76,164
State Replacement Tax	5,356	-	-	5,356
State Video Gaming Tax	23,412	-	-	23,412
American Rescue Plan Act Funds	81,038	-	-	81,038
<i>Other Sources</i>				
Licenses and Permits	9,900	-	-	9,900
Ball Program and Concessions	13,828	-	-	13,828
Franchise Fees	25,494	-	-	25,494
Other Fees	2,392	-	-	2,392
Interest Income	4,331	99	-	4,430
Donations	14,923	-	-	14,923
Total Revenues	<u>527,176</u>	<u>76,263</u>	<u>20,614</u>	<u>624,053</u>
Expenditures				
<i>Current</i>				
General Government	116,771	-	21,981	138,752
Public Safety	8,595	-	-	8,595
Highway and Streets	180,500	52,594	-	233,094
Culture and Recreation	56,293	-	-	56,293
Refuse	6,077	-	-	6,077
<i>Capital Outlay</i>	21,844	-	-	21,844
Total Expenditures	<u>390,080</u>	<u>52,594</u>	<u>21,981</u>	<u>464,655</u>
Excess (Deficiency) of Revenue Over Expenditures	137,096	23,669	(1,367)	159,398
Other Financing Sources (Uses)				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	137,096	23,669	(1,367)	159,398
Fund Balances - Beginning of Year	1,734,105	86,631	1,367	1,822,103
Fund Balances - End of Year	<u>\$ 1,871,201</u>	<u>\$ 110,300</u>	<u>\$ -</u>	<u>\$ 1,981,501</u>
Reconciliation to the Statement of Activities - Modified Cash Basis:				
Net Change in Fund Balances of Governmental Funds				\$ 159,398
No Differences				-
Change in Net Position of Governmental Activities				<u>\$ 159,398</u>

See Accompanying Notes.

VILLAGE OF SIDNEY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2022

	Enterprise Funds		
		Waste	
	Water Fund	Water Fund	Total
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 71,608	\$ 19,613	\$ 91,221
Investments	301,055	-	301,055
Total Assets	372,663	19,613	392,276
Liabilities			
None	-	-	-
Total Liabilities	-	-	-
Net Position			
Unrestricted	372,663	19,613	392,276
Total Net Position	\$ 372,663	\$ 19,613	\$ 392,276

See Accompanying Notes.

VILLAGE OF SIDNEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Enterprise Funds		
		Waste	
	Water Fund	Water Fund	Total
Operating Revenues			
None	\$ -	\$ -	\$ -
Operating Expenses			
Wages	2,630	-	2,630
Payroll Taxes	206		206
Materials and Supplies	4,353	-	4,353
Other Expenses	10	-	10
Total Operating Expenses	7,199	-	7,199
Operating Income (Loss)	(7,199)	-	(7,199)
Non-Operating Revenue (Expenses)			
Interest Income	1,082	-	1,082
Income (Loss) Before Transfers	(6,117)	-	(6,117)
Contributions and Transfers			
Transfers Out	-	-	-
Change in Net Position	(6,117)	-	(6,117)
Net Position - Beginning of Year	378,780	19,613	398,393
Net Position - End of Year	\$ 372,663	\$ 19,613	\$ 392,276

See Accompanying Notes.

VILLAGE OF SIDNEY
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Cash Flows from Operating Activities			
Payments to Vendors for Goods and Services	\$ (4,569)	\$ -	\$ (4,569)
Payments to Employees	(2,630)	-	(2,630)
Net Cash Provided by (Used in) Operating Activities	<u>(7,199)</u>	<u>-</u>	<u>(7,199)</u>
Cash Flows from Non-Capital Financing Activities			
Advances from Other Funds	31,734	-	31,734
Repayments to Other Funds	(4,415)	-	(4,415)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>27,319</u>	<u>-</u>	<u>27,319</u>
Cash Flows from Capital and Related Financing Activities			
None	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities			
Interest Income	<u>1,082</u>	<u>-</u>	<u>1,082</u>
Net Increase in Cash and Cash Equivalents & Investments	21,202	-	21,202
Cash and Cash Equivalents & Investments - Beginning of Year	<u>351,461</u>	<u>19,613</u>	<u>371,074</u>
Cash and Cash Equivalents & Investments - End of Year	<u><u>\$ 372,663</u></u>	<u><u>\$ 19,613</u></u>	<u><u>\$ 392,276</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (7,199)	\$ -	\$ (7,199)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (7,199)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (7,199)</u></u>

See Accompanying Notes.

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1 – Summary of Significant Accounting Policies

The Village of Sidney, Illinois (the Village) operates under the Illinois Municipal Code, Chapter 65 of the Illinois Compiled Statutes. It provides the following services as authorized by statute: public safety and health; maintenance of highways and streets; recreation; economic development; zoning and planning; public utility services; and general administration. The accounting policies and presentation of the basic financial statements of the Village have been prepared in conformity with the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

Financial Reporting Entity

These financial statements include all organizations, activities, functions, funds and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the Village.

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

Sidney Community Library (the Library) is a discretely presented component unit because the nature and significance of the Library's relationship with the Village. The assets, liabilities, net position, revenues, and expenditures of the Library are included in the basic financial statements of the Village.

No other agencies or units of local government meet the criteria of Governmental Accounting Standards Board (GASB) Statement No. 61 for inclusion in the reporting entity as a component unit.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis 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.

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

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:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least ten percent of the corresponding total for all funds of that category or type.
- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or proprietary fund are at least five percent of the corresponding total for all governmental and proprietary 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 is 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 specific revenue sources that are either legally restricted to expenditures for specific purposes or designated to finance particular functions or activities of the Village. The reporting entity included the following special revenue fund that is reported as a major fund:

<u>Fund</u>	<u>Brief Description</u>
Motor Fuel Tax Fund	Accounts for motor fuel tax provided by the State of Illinois and expenditures paid for road repair and replacement.

The reporting entity included the following special revenue funds, which are non-major funds:

<u>Fund</u>	<u>Brief Description</u>
Audit Fund	Accounts for revenues received and expenditures paid for audit services.
Liability Insurance Fund	Accounts for revenues received and expenditures paid for liability insurance.

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

Social Security Fund	Accounts for revenues received and expenditures paid for social security and medicare.
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Proprietary Funds

Enterprise Fund – Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds that are reported as major funds:

<u>Fund</u>	<u>Brief Description</u>
Water Fund	Accounts for the activities of providing water services to be residents of the Village. (Note – the water system was sold in April of 2020, so there was minimal activity for this fund in the current fiscal year.)
Waste Water Fund	Accounts for fees received for sewer bond amortization. (Note – the sewer bond was fully repaid during the fiscal year ended April 30, 2027.)

The waste water fund does not meet the requirements of a major fund; however, management has elected to include this fund as a major fund of the reporting entity.

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 – Modified Cash Basis and the Statement of Activities – Modified Cash Basis, both governmental activities and business-type activities are presented using the “economic resources” measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as defined below.

- 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 SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

- All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current, financial or non-financial) associated with their activities are reported. These funds’ equities are classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis and the fund financial statements, activities and funds 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 and recording of long-term debt in the government-wide financial statements and proprietary funds financial 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 in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements and fund financial statements for proprietary funds would be presented on the accrual basis of accounting.

Cash and Cash Equivalents

For the purpose of these statements, cash and cash equivalents include all cash and highly liquid investments acquired with an original maturity date of three months or less.

Investments

Investments classified in these statements consist entirely of certificates of deposit acquired with cash whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

Capital Assets

The Village uses a capitalization threshold of \$1,000 for proprietary funds capital assets. The Village disposed of its proprietary funds capital assets in the year ended April 30, 2020,

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

through a sale of its water system to a third-party, a reclassification of certain equipment to the general fund for governmental activities use, or scrapping.

The governmental activities do not capitalize or depreciate property and equipment including infrastructure. The cost of the property and equipment is accounted for as an expense of the associated function.

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.

Long-Term Debt

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

Long-term debt arising from modified 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, which is the debt proceeds are reported as liabilities at the time of occurrence and payment of principal is reported as reduction in debt outstanding and interest is reported as an expense.

Equity Classification

Government-Wide Statements

In the government-wide statements, equity is classified as net position and displayed in three components. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first and then unrestricted.

- Net Investment in Capital Assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other debt that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position - consists of net position with constraints placed on their use either by external groups, by laws of other higher authority governments, or by constitutional provisions.
- Unrestricted Net Position - consists of all other net position that do not meet the definition of restricted or net investment in capital assets.

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

Fund Financial Statements

In the governmental fund statements, fund equity is classified as fund balance and displayed in five components in accordance with GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Proprietary fund equity is classified the same as in the government-wide statements. The five components of fund balance are:

- Nonspendable - consists of fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints require them to be maintained intact. At April 30, 2022, the Village did not report any amounts as nonspendable.
- Restricted - consists of fund balances with constraints placed on their use either by external groups, by laws of higher authority governments or by constitutional provisions, or enabling legislation. At April 30, 2022, the Village reported the total amount of \$272,376 as restricted in the following components:
 - \$110,300 restricted for unspent motor fuel tax. This amount can only be spent on street and alley improvements under state laws and procedures.
 - \$162,076 restricted for unspent American Rescue Plan Act (ARPA) funds. This amount can only be spent for purposes outlined by the grant.
- Committed - consists of fund balance amounts that are constrained for specific purposes that are internally imposed by formal action of the highest level of decision-making authority, the Village Trustees. These amounts are committed thru a resolution approved by the Village Trustees prior to year-end (actual amounts are determined after year-end). Any changes to the constraints imposed require amendment by the same type of Village Trustees resolution. At April 30, 2022, the Village reported the total amount of \$9,535 as committed for Sidney Improvement Group expenditures.
- Assigned - consists of fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned by financial management or official action of the Village Trustees and also includes all amounts in governmental funds, other than the general fund, that are not restricted or committed. Assignments may take place after the end of the reporting period. At April 30, 2022, the Village did not report any amounts as assigned.
- Unassigned - consists of residual positive fund balance within the general fund which has not been classified within the other above categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. At April 30, 2022, the Village reported the amount of \$1,699,590 as unassigned in the general fund.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

restricted funds are spent first unless there are legal documents or contracts that prohibit this (ex. grant agreements). Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

The Village does not maintain any rainy-day funds (amounts set aside for use in emergency situations or when a budgetary imbalance arises). The Village also does not utilize encumbrance accounting. Appropriations not spent at year-end lapse and may be acted upon as a supplemental appropriation, if required.

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. Program revenues include the following:

Governmental Activities

Charges for Services:

Licenses and Permits	Fees paid by the public for licenses and permits.
Ball Program and Concessions	Fees paid by the public related to the baseball / softball program.
Franchise Fees	Fees paid by the public for franchise fees.
Other Fees	Other fees paid by the public for various services or goods.

Operating Grants and Contributions:

Donations	Donations received from the public for support of the Village.
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Capital Grants and Contributions:

American Rescue Plan Act Funds	Funds received from the American Rescue Plan Act (ARPA).
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Component Unit

Charges for Services:

Fees and Sales	Amounts remitted to the component unit by entities and persons to pay for various fees and products.
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Operating Grants and Contributions:

Donations and Grants	Donations and grants received from the public to support general operations of the library.
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All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

Operating and Non-Operating Revenues and Expenses of the Proprietary Funds

Operating revenues and expenses for the proprietary funds are those that result from providing services. It also includes all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities.

Internal and Interfund Balances and Activities

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

Fund Financial Statements

Interfund activity resulting from cash transactions or events, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- Interfund Loans - Amounts provided with a requirement for repayment are reported as due to and due from other funds.
- Interfund Services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- 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.
- Interfund Transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements

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

- Internal Balances - Amounts reported in the fund financial statements as due to and due from other funds are eliminated in the governmental and business-type activities columns of the Statement of Net Position - Modified Cash Basis, except for the net residual amounts due between governmental and business-type activities which are reported as Internal Balances.
- Internal Activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities – Modified Cash Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities – Modified Cash Basis.

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting 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.

Subsequent Events

The Village has evaluated subsequent events through June 16, 2023, the date on which the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in the financial statements.

NOTE 2 – Legal Budget

Legal budgets are prepared in the form of appropriations for Village funds using the modified cash basis of accounting as outlined under Chapter 50, Section 330 of the Illinois Compiled Statutes. Unexpended appropriations lapse at the end of the fiscal year. Once a budget is approved, it can be amended at the function and fund level by approval of a majority of the members of the Village Trustees after a public notice and hearing. Appropriations transfers between budget line items may be presented to the Trustees at their regular meetings. Each transfer must have Trustees approval. Such transfers are made before the fact and are reflected in the official minutes of the Trustees. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level. There were no transfers made after fiscal year-end, as dictated by law.

NOTE 3 – 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 Board of Village Trustees passed the 2020 tax levy on November 2, 2020. The Board of Village Trustees passed the 2021 tax levy on November 1, 2021. Property taxes attach as an enforceable lien on property as of January 1st and are payable in two installments on or around June 1st and September 1st. The Village receives significant distributions of tax receipts approximately one month after these due dates. Property tax receipts in these financial statements are from the 2020 tax levy.

NOTE 4 – Cash and Cash Equivalents

The Village's cash deposits consist of non-interest-bearing and interest-bearing accounts at local financial institutions, certificate of deposits, and money markets. These deposits are stated at cost. The Village is authorized to invest excess funds in instruments outlined under Chapter 30, Section 235 of the Illinois Compiled Statutes. Such instructions include obligations of the U.S. Treasury, agencies, instrumentalities, commercial paper noted within the three highest classifications by at least two standard rating services, obligations of state and their political subdivision, saving accounts, credit union shares, and the Illinois Funds or such other officially recognized funds.

VILLAGE OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

Custodial Credit Risk – Bank Deposit

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits, including amounts in checking, savings, certificate of deposits, and money market accounts may not be returned. The table presented below is designed to disclose the level of custodial credit risk assumed by the Village based upon how its deposits were insured or secured with collateral at April 30, 2022. The categories of custodial credit risk are defined as follows:

Category 1 – Insured by Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the Village or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Village's name; or properly collateralized with no written and approved collateral agreement.

Type of Deposit	Total	Custody Credit Risk Category			
	Bank Balance	1	2	3	
<i>Insured Deposits</i>	\$ 250,000	\$ 250,000	\$ -	\$ -	
<i>Uninsured Deposits</i>					
Collateralized	2,131,132	-	2,131,132	-	Total Bank
Uncollateralized	-	-	-	-	Balance
Total Deposits	<u>\$ 2,381,132</u>	<u>\$ 250,000</u>	<u>\$ 2,131,132</u>	<u>\$ -</u>	<u>\$ 2,381,132</u>

Reconciliation to Government-Wide Statement of Net Position - Modified Cash Basis:

Cash and Cash Equivalents	\$ 545,382
Investments	1,827,203
Outstanding Items	8,547
Total Bank Balance	<u>\$ 2,381,132</u>

The carrying amount and the bank balance of the component unit's deposits at April 30, 2022, was \$31,572. Custodial credit risk is the risk that in the event of a bank failure, the component unit's cash deposits may not be returned to it. It is the component unit's policy to require collateral for balances above FDIC insurance coverage. At April 30, 2022, none of the component unit's balances were uncollateralized.

NOTE 5 – 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 OF SIDNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

Village purchases commercial insurance to cover these risks of loss. During the current fiscal year, there were no significant reductions in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 6 – Legal Debt Margin

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.

2021 EAV	\$ 23,110,105
Debt Legal (%)	8.625%
Debt Margin	<u>1,993,247</u>
Current Debt	-
Remaining Debt Margin	<u><u>\$ 1,993,247</u></u>

NOTE 7 – Restricted Property Tax Activity

The Village had the following restricted property tax activity in the general fund during the year ended April 30, 2022:

	<u>Special Tax Levy</u>
	Street & Bridge
Beginning Restricted Balance	\$ -
Property Taxes Received	16,521
Expenditures Incurred	<u>(16,521)</u>
Ending Restricted Balance	<u><u>\$ -</u></u>

NOTE 8 – Prior Period Adjustment

The component unit had \$3,499 of cash on hand as of April 30, 2021 that was not recorded on the prior issued financial statements. This amount was property tax collected by the Village and passed along to the component unit. On the prior issued financial statements, this amount was deducted from the Village's cash and cash equivalents but not added to the component unit's cash and cash equivalents.

In order to correct this error, the component increased cash and cash equivalents and net position by \$3,499 as of April 30, 2021.

VILLAGE OF SIDNEY
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
APRIL 30, 2022

	Special Revenue Funds			Total Non-Major Governmental Funds
	Audit Fund	Liability Insurance Fund	Social Security Fund	
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
None	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Restricted	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF SIDNEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Special Revenue Funds			Total Non-Major Governmental Funds
	Audit Fund	Liability Insurance Fund	Social Security Fund	
Revenue				
<i>Local Taxes</i>				
Property Taxes	\$ 3,253	\$ 9,219	\$ 8,142	\$ 20,614
Total Revenue	3,253	9,219	8,142	20,614
Expenditures				
<i>Current</i>				
General Government	3,253	9,219	9,509	21,981
Culture and Recreation	-	-	-	-
Total Expenditures	3,253	9,219	9,509	21,981
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	(1,367)	(1,367)
Other Financing Sources				
None	-	-	-	-
Net Change in Fund Balances	-	-	(1,367)	(1,367)
Fund Balance - Beginning of Year	-	-	1,367	1,367
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

VILLAGE OF SIDNEY
SCHEDULE OF PROPERTY TAX LEVIES, RATES, EXTENSIONS, AND COLLECTIONS
FOR THE YEAR ENDED APRIL 30, 2022

Fiscal Year of Receipt <i>Levy Year</i>	2023 <i>2021</i>	2022 <i>2020</i>	2021 <i>2019</i>	2020 <i>2018</i>	2019 <i>2017</i>
Assessed Valuations	<u>\$ 23,110,105</u>	<u>\$ 21,563,177</u>	<u>\$ 20,914,670</u>	<u>\$ 21,016,542</u>	<u>\$ 20,643,139</u>
Tax Levies					
General	\$ 25,020	\$ 24,527	\$ 24,070	\$ 23,606	\$ 23,125
Library	25,425	24,925	24,457	23,986	23,485
Audit	3,320	3,255	3,191	3,120	3,065
Liability Insurance	9,395	9,210	9,038	8,852	8,680
Social Security	8,305	8,140	7,988	7,820	7,660
Total Tax Extensions	<u>\$ 71,465</u>	<u>\$ 70,057</u>	<u>\$ 68,744</u>	<u>\$ 67,384</u>	<u>\$ 66,015</u>
Tax Rates					
General	0.1075	0.1138	0.1149	0.1124	0.1120
Library	0.1097	0.1156	0.1170	0.1142	0.1138
Audit	0.0144	0.0151	0.0153	0.0149	0.0148
Liability Insurance	0.0406	0.0428	0.0433	0.0422	0.0420
Social Security	0.0359	0.0378	0.0382	0.0373	0.0371
Revenue Recapture	0.0008	-	-	-	-
Total Tax Rates	<u>0.3089</u>	<u>0.3251</u>	<u>0.3287</u>	<u>0.3210</u>	<u>0.3197</u>
Tax Extensions					
General	\$ 24,843	\$ 24,539	\$ 24,031	\$ 23,623	\$ 23,120
Library	25,352	24,927	24,470	24,001	23,492
Audit	3,328	3,256	3,200	3,131	3,055
Liability Insurance	9,383	9,229	9,056	8,869	8,670
Social Security	8,297	8,151	7,989	7,839	7,659
Revenue Recapture	185	-	-	-	-
Total Tax Extensions	<u>\$ 71,388</u>	<u>\$ 70,102</u>	<u>\$ 68,746</u>	<u>\$ 67,463</u>	<u>\$ 65,996</u>
Tax Collections					
General		\$ 24,516	\$ 23,910	\$ 23,547	\$ 22,983
Library		24,901	24,340	23,924	23,336
Audit		3,253	3,183	3,121	3,035
Liability Insurance		9,219	9,008	8,840	8,613
Social Security		8,142	7,947	7,814	7,604
Extended Tax Collections		70,031	68,388	67,246	65,571
Road and Bridge Allocation		16,521	14,540	18,116	17,438
Total Tax Collections		<u>\$ 86,552</u>	<u>\$ 82,928</u>	<u>\$ 85,362</u>	<u>\$ 83,009</u>
Percentage of Extension Collected		<u>99.90%</u>	<u>99.48%</u>	<u>99.68%</u>	<u>99.36%</u>