

***Village of Bartonville***

***Bartonville, Illinois***

***Annual Financial Report***

***For the Fiscal Year Ended***

***April 30, 2022***

VILLAGE OF BARTONVILLE  
TABLE OF CONTENTS  
APRIL 30, 2022

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	<u>Page</u>
Independent Auditor's Report	3-5
<u>Financial Statements</u>	<u>Exhibit</u>
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis	A            6
Statement of Activities – Modified Cash Basis	B            7
Fund Financial Statements:	
Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Governmental Funds	C            8
Reconciliation of the Statement of Assets, Liabilities, and Fund Balances of Governmental Funds to the Statement of Net Position	C-1        9
Statement of Cash Receipts, Disbursements, and Changes in Fund Balances – Modified Cash Basis – Governmental Funds	D            10
Reconciliation of the Statement of Cash Receipts, Disbursements, and Changes in Modified Cash Basis Fund Balances of Governmental Funds to the Statement of Activities	D-1        11
Statement of Fiduciary Net Position – Modified Cash Basis	E            12
Statement of Changes in Fiduciary Net Position – Modified Cash Basis	F            13
Notes to Financial Statements	14-33
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34-35
Schedule of Findings and Questioned Costs	36
Independent Auditor's Report on Compliance with Illinois Municipal Code Subsection (q) Section 11-74.4-3 of Public Act 85-1142	37

# ***Gorenz and Associates, Ltd.***

***Certified Public Accountants***

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*Russell J. Rumbold II, CPA*  
*Cory S. Cowan, CPA*

*Jason A. Hobulin, CPA*  
*Kyle P. Hendrickson, CPA*

## Independent Auditor's Report

Members of the Village Board  
Village of Bartonville  
Bartonville, Illinois

### **Qualified and Unmodified Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Bartonville, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Bartonville, Illinois' basic financial statements as listed in the table of contents.

#### *Qualified Opinion on the Aggregate Remaining Fund Information*

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the aggregate remaining fund information of the Village of Bartonville, Illinois, as of April 30, 2022, and the changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note #1.

#### *Unmodified Opinions on Governmental Activities and Each Major Fund*

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 and each major fund of the Village of Bartonville, Illinois, as of April 30, 2022, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note #1.

### **Basis for Qualified and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Bartonville, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

#### *Matter Giving Rise to Qualified Opinion on the Aggregate Remaining Fund Information*

Management has elected not to obtain actuarial valuations in compliance with Governmental Accounting Standards Board Statement (GASB) 67 *Financial Reporting for Pension Plans* or GASB 68 *Accounting and Financial Reporting for Pensions* for the Police Pension Trust Fund, accordingly these financial statements do not include all the required disclosures and supplemental schedules. The amount by which this departure would affect the disclosures and supplemental schedules has not been determined.

### **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 error or fraud.

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

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2023, on our consideration of the Village of Bartonville, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Bartonville, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Bartonville, Illinois' internal control over financial reporting and compliance.

*Gorenz and Associates, Ltd.*

Peoria, Illinois

July 20, 2023

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

		<u>Governmental Activities</u>
<b>Assets:</b>		
Current Assets:		
Cash and Cash Equivalents	4,562,114	
Investments	477,776	
Loan Receivable, Net of Allowance	<u>20,000</u>	
Total Current Assets		5,059,890
Noncurrent Assets:		
Capital Assets:		
Depreciable Capital Assets, net of Accumulated Depreciation		7,792,463
Construction in Progress		<u>668,991</u>
Total Assets		<u>13,521,344</u>
<b>Liabilities:</b>		
Current Liabilities:		
Bond Performance Payable	15,000	
Loan Payable	<u>32,129</u>	
Total Current Liabilities		47,129
Noncurrent Liabilities, net of current portion:		
Loan Payable		<u>478,832</u>
Total Liabilities		<u>525,961</u>
<b>Net Position:</b>		
Invested in Capital Assets, Net of Related Debt		7,950,493
Restricted for:		
Highways and Streets	874,628	
Illinois Municipal Retirement Fund	43,248	
Community Development	98,373	
Social Security	4,866	
Fire Protection	65,675	
Pension	4,486	
Federal Grant	<u>46,927</u>	
Total Restricted		1,138,203
Unrestricted		<u>3,906,687</u>
Total Net Position		<u><u>12,995,383</u></u>

See accompanying notes to the financial statements.

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

Functions/Programs	Expenditures Disbursed	Program Revenue			Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants	
Primary Government:					
Governmental Activities:					
General Government	1,172,403	300,622	3,925	-	(867,856)
Public Safety	2,208,078	78,224	614,863	-	(1,514,991)
Public Works and Transportation	1,585,284	287,883	-	142,155	(1,155,246)
Culture and Recreation	90,614	5,200	14,437	-	(70,977)
Development	24,459	-	-	-	(24,459)
Interest on Long-Term Debt	4,483	-	-	-	(4,483)
Total Governmental Activities	<u>5,085,321</u>	<u>671,929</u>	<u>633,225</u>	<u>142,155</u>	<u>(3,638,012)</u>
General Revenues:					
Taxes					
Property Taxes					1,382,181
Local Sales Taxes					819,169
State Motor Fuel Taxes					257,568
Intergovernmental					
Income Taxes					899,188
Use Taxes					239,588
Video Gaming Taxes					241,659
Sales Taxes					1,162,177
Cannabis Tax					9,777
Replacement Taxes					173,186
Franchise & Excise Taxes					68,568
Other State and Municipal Taxes					22,694
Investment Earnings					1,570
Disposition of Capital Assets					5,377
Miscellaneous					9,441
Total General Revenues					<u>5,292,143</u>
Change in Net Position					
					1,654,131
Net Position - Beginning					
					<u>11,341,252</u>
Net Position - Ending					
					<u><u>12,995,383</u></u>

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2022

	General Fund	Motor Fuel Tax Fund	IMRF Fund	TIF Fund	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	3,599,953	868,821	43,248	50,092	4,562,114
Investments	431,119	-	-	46,657	477,776
Loan Receivable, Net of Allowance	-	-	-	20,000	20,000
Due from TIF Fund	18,376	-	-	-	18,376
Due from General Fund	-	5,807	-	-	5,807
Total Assets	<u>4,049,448</u>	<u>874,628</u>	<u>43,248</u>	<u>116,749</u>	<u>5,084,073</u>
Liabilities and Fund Balance:					
Liabilities:					
Due to General Fund	-	-	-	18,376	18,376
Due to Motor Fuel Tax Fund	5,807	-	-	-	5,807
Bond Performance Payable	15,000	-	-	-	15,000
Total Liabilities	<u>20,807</u>	<u>-</u>	<u>-</u>	<u>18,376</u>	<u>39,183</u>
Fund Balances:					
Nonspendable	-	-	-	20,000	20,000
Restricted	121,954	874,628	43,248	78,373	1,118,203
Unassigned	3,906,687	-	-	-	3,906,687
Total Fund Balances	<u>4,028,641</u>	<u>874,628</u>	<u>43,248</u>	<u>98,373</u>	<u>5,044,890</u>
Total Liabilities and Fund Balances	<u>4,049,448</u>	<u>874,628</u>	<u>43,248</u>	<u>116,749</u>	<u>5,084,073</u>

See accompanying notes to the financial statements.



VILLAGE OF BARTONVILLE  
 RECONCILIATION OF THE STATEMENT OF ASSETS,  
 LIABILITIES, AND FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
 APRIL 30, 2022

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Total fund balances for governmental funds (Exhibit C)	5,044,890
Total net position reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities of \$14,788,596, net of accumulated depreciation of \$6,327,142, are not financial resources and, therefore, are not reported in the funds	8,461,454
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(510,961)</u>
Net Position of Governmental Activities (Exhibit A)	<u><u>12,995,383</u></u>

VILLAGE OF BARTONVILLE  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2022

	General Fund	Motor Fuel Tax Fund	IMRF Fund	TIF Fund	Total Governmental Funds
Cash Receipts:					
Taxes:					
Property Taxes	1,288,935	-	93,246	-	1,382,181
Local Sales Taxes	819,169	-	-	-	819,169
State Motor Fuel Taxes	-	257,568	-	-	257,568
Intergovernmental	2,725,575	-	-	-	2,725,575
Franchise and Excise Taxes	68,568	-	-	-	68,568
Other State and Municipal Taxes	22,694	-	-	-	22,694
Charges for Services:					
Fines and Forfeitures	110,487	-	-	-	110,487
Licenses and Permits	47,527	-	-	-	47,527
Franchise Fees and Rebates	164,172	-	-	-	164,172
Gasoline Fees	129,767	-	-	-	129,767
Insurance Recoveries and Reimbursements	16,589	-	-	-	16,589
School Resource Officer	24,044	-	-	-	24,044
Advances Received for Road Repairs	154,391	-	-	-	154,391
Miscellaneous Charges for Services	24,952	-	-	-	24,952
Operating Grants and Contributions:					
Federal Funds	571,319	-	-	-	571,319
Contributions	61,906	-	-	-	61,906
Capital Grants:					
Rebuild Illinois Bond Grant	-	142,155	-	-	142,155
Investment Earnings	1,213	237	7	113	1,570
Miscellaneous Income	9,441	-	-	-	9,441
Total Cash Receipts	<u>6,240,749</u>	<u>399,960</u>	<u>93,253</u>	<u>113</u>	<u>6,734,075</u>
Cash Disbursements:					
Current:					
General Government	1,153,504	-	11,416	-	1,164,920
Public Works and Transportation	1,081,530	149,309	39,371	-	1,270,210
Public Safety	2,072,490	-	39,937	-	2,112,427
Culture and Recreation	88,066	-	-	-	88,066
Development	-	-	-	24,459	24,459
Capital Outlay	992,794	-	-	-	992,794
Debt Service:					
Principal	8,030	-	-	-	8,030
Interest	4,483	-	-	-	4,483
Total Cash Disbursements	<u>5,400,897</u>	<u>149,309</u>	<u>90,724</u>	<u>24,459</u>	<u>5,665,389</u>
Excess of Cash Receipts Received Over (Under)					
Cash Disbursements	<u>839,852</u>	<u>250,651</u>	<u>2,529</u>	<u>(24,346)</u>	<u>1,068,686</u>
Other Financing Sources (Uses):					
Loan Proceeds	518,991	-	-	-	518,991
Disposition of Capital Assets	5,377	-	-	-	5,377
Net Other Financing Sources (Uses)	<u>524,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>524,368</u>
Net Change in Fund Balances	1,364,220	250,651	2,529	(24,346)	1,593,054
Prior Year Fund Balance	<u>2,664,421</u>	<u>623,977</u>	<u>40,719</u>	<u>122,719</u>	<u>3,451,836</u>
Current Year Ending Fund Balance	<u>4,028,641</u>	<u>874,628</u>	<u>43,248</u>	<u>98,373</u>	<u>5,044,890</u>

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE  
 RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN MODIFIED CASH BASIS  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2022

Net change in fund balances - total governmental funds (Exhibit D)	1,593,054
The change in net position reported for government activities in the Statement of Activities is different because:	
Current year capital asset additions in governmental activities of \$992,794, net of current year depreciation of \$420,756 are not financial resources and, therefore, are not reported in the funds.	572,038
Repayments of loans payable are expenditures in the government funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	8,030
Current year loan proceeds are reported as other financing sources in the governmental funds and thus, increases fund balance. In the government-wide statements, however, loans increase long-term liabilities and does not affect the Statement of Activities.	<u>(518,991)</u>
Change in net position of governmental activities (Exhibit B)	<u><u>1,654,131</u></u>

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

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	<u>Police Pension Fund - Pension Trust</u>
<b>Assets:</b>	
Cash and Cash Equivalents	73,312
Investments:	
US Treasury Obligations	371,274
US Agency Obligations	1,440,663
Mutual Funds	1,904,494
Municipal Bonds	466,764
Corporate Bonds	482,075
Certificates of Deposit	<u>96,972</u>
Total Assets	<u>4,835,554</u>
<b>Fiduciary Net Position Restricted for Pensions</b>	<u><u>4,835,554</u></u>

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2022

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	Police Pension Fund - Pension Trust
Additions:	
Contributions:	
Employer	180,410
Plan Members	74,507
Total Contributions	254,917
Investment Income:	
Interest Income	60,576
Dividend Income	45,633
Capital Gain Distributions	107,594
Realized Gain/(Loss) on Sale of Investments	16,374
Less: Investment Management Expenses (net)	(13,564)
Net Investment Income	216,613
Miscellaneous Income	23
Total Additions	471,553
Deductions:	
Benefit Payments and Transfers:	
Distributions to Retirees and Eligible Beneficiaries	183,242
Contributions Refunded	26,629
Total Benefit Payments and Transfers	209,871
Administrative Expenditures:	
Insurance	3,517
Professional Services	21,375
Conference and Travel Fees	2,525
Other	2,280
Total Administrative Expenses	29,697
Total Deductions	239,568
Change in Fiduciary Net Position	231,985
Fiduciary Net Position Restricted for Pensions - Beginning	4,603,569
Fiduciary Net Position Restricted for Pensions - Ending	4,835,554

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #1 – Summary of Significant Accounting Policies

A. Basis of Accounting, Measurement Focus, and Presentation

The Village's basic financial statements are prepared on a modified cash basis of accounting, which is a special purpose framework of accounting and differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

GASB standards require that the accounts of the Village be organized on the basis of funds, each of which is considered a separate accounting entity. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The operations of each fund are accounted for in a set of self-balancing accounts that comprise its assets, liabilities, fund equity, cash receipts, and cash disbursements, as appropriate. Village resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Financial reporting standards established by GASB require that the financial statements described below be presented.

**Government-Wide, Governmental Funds, and Fiduciary Fund Financial Statements**

The Government-Wide Financial Statements include a Statement of Net Position-Modified Cash Basis and a Statement of Activities-Modified Cash Basis. These statements present summaries of Governmental Activities and report a consolidation of all nonfiduciary activities of the Village. Fiduciary funds are excluded from the government-wide financial statements.

The Government-Wide Financial Statements are presented on an economic resources measurement focus and the modified cash basis of accounting. Accordingly, all of the Villages current and long-term assets and liabilities, including capital assets, loans receivable, interfund payables, trust liabilities, and long-term liabilities, are included in the accompanying Statement of Net Position as of April 30. The Statement of Activities presents changes in net position since May 1, the beginning of the fiscal year.

Under the modified cash basis of accounting, revenues and expenditures are recognized when they result from cash transactions with a provision for depreciation and long-term debt interest expense. Governmental activities generally are financed through taxes and intergovernmental revenues. The Statement of Activities demonstrates the degree to which the direct expenditures of a given program are offset by program revenues. Direct expenditures 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.

The fiduciary fund statements are prepared using the modified cash basis of accounting. Plan member and employer contributions, benefits, refunds, and transfers are recognized when they result from cash transactions.

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 Government-Wide Financial Statements and Fiduciary fund would be presented on the accrual basis of accounting.

The effect of interfund activity has been eliminated from the government-wide financial statements.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

A. Basis of Accounting, Measurement Focus, and Presentation (cont'd)

**Government-Wide, Governmental Funds, and Fiduciary Fund Financial Statements (cont'd)**

Governmental Fund Financial Statements include a Statement of Assets, Liabilities, and Fund Balances and a Statement of Cash Receipts, Disbursements, and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in financial position as presented in these statements to the financial position presented in the Government-Wide Financial Statements. The Village has presented all major funds that met the qualifications for major fund reporting. All funds of the Village are considered major funds.

Governmental funds are those through which most governmental functions of the Village are financed. The acquisition, use and balances of the Village's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds. The Village has presented the following major governmental fund:

The General Fund is the main operating fund of the Village. This fund is used to account for all financial resources of the Village, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of the specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Village has presented the following major special revenue funds:

The Motor Fuel Tax Fund was created to account for revenue received from the State of Illinois gasoline excise tax legally restricted for road maintenance operations.

The Tax Increment Financing Fund was created to account for revenues received pursuant to the Illinois Tax Increment Allocation Redevelopment Act in connection with the redevelopment of certain designated project areas.

The Illinois Municipal Retirement Fund was created to account for revenues received for the sole disbursement purpose of remitting the required IMRF payroll taxes.

All governmental funds are accounted for on the current financial resources measurement focus and the modified cash basis of accounting. Accordingly, only current assets and current liabilities are included on the Statement of Assets, Liabilities and Fund Balances with a modification for loans receivable. The Statement of Cash Receipts, Disbursements, and Changes in Fund Balances presents increases (receipts and other financing sources) and decreases (disbursements and other financing uses) in current net position.

Under the modified cash basis of accounting, receipts and disbursements are recognized when they result from cash transactions. The primary revenue sources are taxpayer-assessed tax revenues (such as property taxes), state revenues (such as replacement tax), certain grant revenues, and earnings on investments. General capital asset acquisitions and principal and interest on general long-term debt are reported as disbursements in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

If the Village utilized the basis of accounting recognized as generally accepted, the Governmental Fund Financial Statements would be presented on the modified accrual basis of accounting.

Fiduciary Funds are used to account for assets held on behalf of outside parties. These funds generally are used to account for assets that the Village holds on behalf of others as their agent, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. These funds are not included with the government-wide financial statements of the Village and are presented as stand-alone financial statements.

The Police Pension Fund is a fiduciary component unit of the Village and was created to account for the revenues received, expenses incurred, and the net position available for retirement benefits of the Village's public safety employees.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

B. Principles Used to Determine the Scope of the Reporting Entity

Village of Bartonville has developed criteria to determine whether outside agencies with activities that benefit the citizens of the Village should be included within its financial reporting entity. The criteria includes whether the Village exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Based on the preceding criteria, Village of Bartonville has elected to exclude all outside agencies within its district for the following reasons:

1. Entities are fiscally independent and have separately elected governing bodies.
2. Entities file their own tax levies, which are extended separately by the county clerk and paid directly to the outside entity.
3. Village of Bartonville has no budgetary control over and receives no financial benefit from these entities.
4. These outside entities are audited independently.

C. Budgetary Information

The budget for all Governmental Funds is prepared on the budgetary cash basis method of accounting which is similar to the basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Section 35 of the Illinois Compiled Statutes, Subsection 200/18-50. The Village budget was passed on July 26, 2021, and was not amended. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The Village follows these procedures in establishing the budget:

1. The Village Finance committee with input from department heads submits to the Village Clerk recommended disbursement allotments for various projects anticipated to require funding for the upcoming fiscal year
2. The Village Clerk with the assistance of the Deputy Clerk prepares in budget format a tentative ordinance and submits to the Village Board. The appropriation ordinance includes proposed expenditures and the means of financing them and must be adopted prior to July 31 of each year.
3. A notice must be published in a newspaper serving the Village stating the time and place the tentative appropriation ordinance can be inspected and also the time and place of the public hearing.
4. The Village Board is authorized to transfer between line items within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Board after a public hearing.
5. Final appropriated amounts presented are those of the original appropriation ordinance dated July 26, 2021.



VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

Cash and time deposits are reported at a carrying amount which reasonably estimates fair value. Separate bank accounts are not maintained for all Village funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. The Village has various certificates of deposit that may have an original maturity of greater than three months. All certificates of deposit are considered time deposits and have been included as cash and cash equivalents in these financial statements.

Investments

The Village does not have a formal investment policy, but does follow Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2) and may legally invest in all securities guaranteed by the full faith and credit of the United States, as well as interest-bearing savings accounts, certificates of deposit, or time deposits constituting direct obligations of banks insured by FDIC and savings and loan associates insured by FSLIC. The Village may also invest in short-term discount obligations of the Federal National Mortgage Association, the Public Treasurer's Investment Pool, as well as all interest-bearing obligations of the State of Illinois. The institutions in which investments are made must be approved by the Village Board.

The Police Pension Fund, a fiduciary fund of the Village, has adopted its own investment policy due to the fact that the investment policies and objectives differ from that of the Village. Investments presented in these financial statements are stated at cost.

Inventories

Inventory consists of expendable supplies held for consumption. Formal accounting records are not maintained for inventories. Inventories are expensed when purchased in accordance with the modified cash basis of accounting.

Capital Assets

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

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, and Net Position (cont'd)

**Government-Wide Statements**

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual was unavailable. Prior to April 1, 2003, governmental fund's infrastructure assets were not capitalized. Infrastructure assets acquired since April 1, 2003 are reported at historical cost. Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The minimum capitalization thresholds have been set by the Village: Road and drainage infrastructure - \$25,000, Building and improvements - 15,000, Land improvements - 10,000, Firefighting apparatus - 10,000, Fire response vehicles - 5,000, Administrative and public safety vehicles - 7,500, Road department equipment - 2,500, Public safety equipment - 1,400, Computer equipment - 2,000, Office equipment - 1,500. These amounts were used to report capital assets. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to April 1, 2003. The range of estimated useful lives by type of assets is as follows:

Equipment	5-20 years
Other Improvements	20 years
Buildings	40 years
Road Improvements	20 years
Infrastructure	40 years
Vehicles	5-20 years

**Fund Financial Statements**

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

**Long-term Debt**

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

Long-term debt arising from cash transactions in governmental funds is not reported as a liability in the individual fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Net Position Classifications

**Government-Wide Statements**

Net Position is 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 – Consists of restricted assets reduced by liabilities related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or other enabling legislation.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, and Net Position (cont'd)

- c. Unrestricted – Net amount of assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Village follows the policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

The Village has no formal minimum fund balance policies or any formal stabilization arrangements in place.

**Fund Financial Statements**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. At April 30, 2022, the Village had a Loan Receivable, net of allowances for \$20,000.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds, as described earlier, are by definition restricted for those specified purposes. The Village has several revenue sources received within the General Fund that also fall into these categories. See Note #5 for more detail.

C. Committed Fund Balance

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

The Village commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Village did not have any committed balances as of April 30, 2022.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. The Village did not have any assigned balances as of April 30, 2022.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the Village’s Funds that have not been restricted, committed, or assigned to specific purposes within the Governmental Funds.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

G. Use of Estimates

The preparation of financial statements in conformity with the special purpose framework 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.

H. Allowance for Doubtful Accounts

All loan receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the age of individual loan receivables and the likelihood of collectability.

Note #2 - Retirement Fund Commitments

The Village is currently funding two defined benefit pension plans: the Illinois Municipal Retirement Fund and Police Pension Fund. The aggregate employer recognized pension expense on a cash basis for the year ended April 30, 2022, was \$271,135.

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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information, for the plan as a whole, but not for individual employers. That report can be obtained online at <https://www.imrf.org/en/publications-and-archive/annual-financial-reports>

***Benefits provided.***

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

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #2 - Retirement Fund Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

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

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

3% of the original pension amount, or

1/2 of the increase in the Consumer Price Index of the original pension amount.

***Employees covered by benefit terms.***

At December 31, 2021, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	13
Active employees	<u>12</u>
Total Members	51

***Contributions.***

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2021 was 9.50%. The total employer contribution paid for 2021 was \$96,976. The Village's contribution rate for the calendar year 2022 is 7.88%. The actual contributions paid during the fiscal year ended April 30, 2022 were \$90,725. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #2 - Retirement Fund Commitments (cont'd)

Police Pension Fund

***Plan Description.***

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan and which is administered by a board of trustees appointed by the Mayor and elected by pension members. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The Plan provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters a plan. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Under Illinois Public Act 096-1495 and Public Act 101-0610, the retirement benefits were revised for new officers hired on or after January 1, 2011. The normal retirement age for this tier of officers is 55, with an early retirement age of 50. Officers who enter into early retirement receive a 6% reduction for each year they retire prior to age 55. The salary used for retirement will be computed using an average salary representing the highest earning 4 consecutive years during the last 5 years of service. The salary amount is also limited to a ceiling of \$106,800 with annual increases based on the consumer price index. Annual cost of living adjustments will be equal to the lesser of 3% or the annual unadjusted percentage increase of the consumer price index. Survivor benefits will be limited to two-thirds of the deceased pensioner's benefits at his or her date of death.

***Employees covered by benefit terms.***

At April 30, 2022, the following employees were covered by the benefit terms:

Actives	12
Service Retirees	3
Beneficiaries	2
Disability Retirees	0
Terminated Vested Due Future Annuity	4
Terminated with Accumulated Contributions in Fund	<u>7</u>
Total	28

***Funding Policy.***

Covered employees are required to contribute 9.91 percent of their base salary to the Plan. If an employee leaves covered employment with less than 8 years of service, accumulated employee contributions may be refunded. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Plan is 90 percent funded. As of April 30, 2022, the most recent actuarial valuation date, the Village's regular plan was 96% funded.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #2 - Retirement Fund Commitments (cont'd)

Police Pension Fund (cont'd)

***Contributions.***

The Plan issues a stand-alone financial report that is filed with the Illinois Department of Insurance. This report is provided to the Board and Village as part of the Public Pension Division advisory services under Section 1A-106 of the Illinois Pension Code. This report should not be relied upon for purposes other than determining the current tax levy required under the Illinois Pension Code. The assumptions have been set based on expectations for all Article 3 funds in the State of Illinois. The actuarial methods are prescribed by the Illinois Pension Code and do not necessarily represent the approach recommended by either the actuary or the Department of Insurance. A copy of the report may be obtained from the Village.

For the year ending April 30, 2022, the Village's annual contribution for pension cost for the regular plan members was \$180,410. The Village's required contribution for the fiscal year ending April 30, 2022 was \$156,523.

The required contributions for April 30, 2022 were determined as part of the April 30, 2021 actuarial valuation using the projected unit credit cost method. The actuarial assumptions at April 30, 2021, included (a) 6.80% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.00% a year, attributable to inflation, and (c) additional projected salary increases ranging from 3.50% to 11.00% per year depending on age and service, attributable to seniority/merit. Tier 2 cost-of-living adjustments were projected at 1.25% annually. The actuarial value of the Village's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The Village's regular plan's unfunded actuarial accrued liability at April 30, 2021 is being amortized as a level percentage of projected payroll to bring the Plan's funded ratio to 90% by the fiscal year ending April 30, 2040.

Note #3 - Other Post-Employment Benefits

The Village participates in a post-employment benefit plan other than pensions through their own health insurance plan. All IMRF employers are required by State statutes to allow retirees to continue on their health plans.

The Village provides post-retirement health care benefits for the retirees and their dependents. All retirees are eligible to continue their health coverage under the Village's health insurance plan. The retirees are responsible for a portion of the entire premium payment to secure coverage. The Village finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of April 30, 2022.

Plan Description - The Village administers a single-employer defined benefit healthcare plan. Employees who contribute to IMRF are eligible for post-retirement medical coverage. The plan does not have a trust fund and therefore does not issue a separate publicly available financial report.

Funding Policy - The contribution requirements of the Village may be amended by the Members of the Village Board. Current policy is for the Village to pay for post-retirement medical insurance benefits or premiums as they occur. The Village requires retirees to contribute an agreed upon amount of the premium for their desired coverage. Upon retirement after attaining age 55, with 20 years continuous service, the Village will pay 80% of the monthly insurance premium for the retired employee only. Upon reaching Medicare eligibility, the retired employee shall enroll in all available Medicare programs, and the Village shall then pay 80% of the monthly premium for a Medigap policy (Medicare Supplemental Insurance). The premiums are established for the employee/retiree group, although, with regard to retirees, this amount contains an implied rate subsidy by the Village through the blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

Contributions Made - The Village has three qualifying retirees that are receiving post-employment benefits. The Village recognized \$6,478 in cash-basis expenditures in regard to the plan benefits for retirees.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #4 - Unemployment Benefits

All employees of the Village are covered under the State of Illinois Unemployment Insurance Act. The Village paid 0.725% and 0.675% on Village wages of the first specific amount of covered payroll for each employee for calendar years 2022 and 2021, respectively.

Note #5 – Restricted Tax Levies and Grants

As of April 30, 2022, there are no restricted balances in any of the following special revenue categories: police protection, street lighting, playground, emergency service, road & bridge, and tort. The expenditures for the tort special revenue category were utilized on liability insurance, workman compensation, insurance claims, and attorney fees.

As of April 30, 2022, the Village has the following restricted balances:

General Fund:	
Special Tax Levies	
Pension	4,486
Social Security	4,866
Fire Protection	65,675
Federal Grant	46,927
Highways and Streets	874,628
Illinois Municipal Retirement Fund	43,248
Community Development	<u>78,373</u>
Total	<u>1,118,203</u>

Restricted balances are presented in the government-wide financial statements as Net Position – Restricted and in the fund financial statements as Fund Balance – Restricted.

Note #6 – Capital Assets

Capital asset activity, resulting from modified cash basis transactions, for the fiscal year ended April 30, 2022, was as follows:

	Balance at May 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance at April 30, <u>2022</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Construction in Progress	<u>0</u>	<u>668,991</u>	<u>-0-</u>	<u>668,991</u>
Capital assets being depreciated:				
Infrastructure	9,140,070	-0-	-0-	9,140,070
Building and Improvements	1,394,810	52,650	-0-	1,447,460
Land Improvements	24,653	-0-	-0-	24,653
Public Works Equipment	449,655	-0-	-0-	449,655
Police Equipment	330,883	-0-	-0-	330,883
Firefighting Equipment	337,272	83,495	-0-	420,767
Parks and Recreation Equipment	74,235	-0-	-0-	74,235
Public Works Vehicles	681,258	91,012	-0-	772,270
Police Vehicles	348,555	46,885	35,160	360,280
Firefighting Vehicles	1,039,851	-0-	-0-	1,039,851
Office Equipment	9,720	-0-	-0-	9,720
Computer Equipment	<u>0</u>	<u>49,761</u>	<u>-0-</u>	<u>49,761</u>
Total Capital assets being depreciated	<u>13,830,962</u>	<u>323,803</u>	<u>35,160</u>	<u>14,119,605</u>



VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #6 – Capital Assets (cont'd)

Less accumulated depreciation for:

Infrastructure	2,739,528	228,502	-0-	2,968,030
Building and Improvements	691,219	28,525	-0-	719,744
Land Improvements	6,800	493	-0-	7,293
Public Works Equipment	324,136	16,256	-0-	340,392
Police Equipment	277,699	18,180	-0-	295,879
Firefighting Equipment	228,939	28,127	-0-	257,066
Parks and Recreation Equipment	73,978	257	-0-	74,235
Public Works Vehicles	542,526	47,734	-0-	590,260
Police Vehicles	290,022	24,826	35,160	279,688
Firefighting Vehicles	759,696	22,118	-0-	781,814
Office Equipment	7,003	762	-0-	7,765
Computer Equipment	<u>0</u>	<u>4,976</u>	<u>-0-</u>	<u>4,976</u>
Total accumulated depreciation	<u>5,941,546</u>	<u>420,756</u>	<u>35,160</u>	<u>6,327,142</u>

Depreciable Capital Assets, net:

Infrastructure	6,400,542	(228,502)	-0-	6,172,040
Building and Improvements	703,591	24,125	-0-	727,716
Land Improvements	17,853	(493)	-0-	17,360
Public Works Equipment	125,519	(16,256)	-0-	109,263
Police Equipment	53,184	(18,180)	-0-	35,004
Firefighting Equipment	108,333	55,368	-0-	163,701
Parks and Recreation Equipment	257	(257)	-0-	0
Public Works Vehicles	138,732	43,278	-0-	182,010
Police Vehicles	58,533	22,059	-0-	80,592
Firefighting Vehicles	280,155	(22,118)	-0-	258,037
Office Equipment	2,717	(762)	-0-	1,955
Computer Equipment	<u>0</u>	<u>44,785</u>	<u>-0-</u>	<u>44,785</u>
Total Depreciable Capital Assets, net	<u>7,889,416</u>	<u>(96,953)</u>	<u>-0-</u>	<u>7,792,463</u>

Total Governmental Activities Capital Assets, net	<u>7,889,416</u>	<u>572,038</u>	<u>-0-</u>	<u>8,461,454</u>
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Depreciation expense was charged to functions in the Statement of Activities as follows:

Governmental activities:

General Government	7,483
Public Safety	95,651
Public Works and Transportation	315,074
Culture and Recreation	<u>2,548</u>
Total	<u>420,756</u>

Note #7 – Long-Term Debt

The Village reports its long-term debt arising from cash transactions segregated between the amounts to be repaid from governmental activities. As of April 30, 2022, the Village has long-term debt, arising from cash transactions, payable from governmental fund resources.

VILLAGE OF BARTONVILLE  
 NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #7 – Long-Term Debt (cont'd)

The following is a summary of changes in long-term debt of the Village for the fiscal year ended April 30, 2022:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Due In Interest Rate</u>	<u>Balance May 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance April 30, 2022</u>	<u>Less Than One Year</u>
Fire Truck Loan	518,991	1/31/22	10/28/23	3.60%	0	518,991	(8,030)	510,961	32,129

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of April 30, 2022 are as follows:

<u>FYE</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	32,129	17,820	49,949
2024	478,832	8,519	487,351
Total	510,961	26,339	537,300

The current loan terms require the Village to make a final balloon payment on October 28, 2023. The Village intends to make the entire balloon payment at the loan maturity date. The current loan is collateralized by the fire truck.

Note #8 - Interfund Loans and Transfers

The Village has the following interfund loan balance as of April 30, 2022:

<u>Due To</u>	<u>Due From</u>	<u>Beginning Balance</u>	<u>Loan Proceeds</u>	<u>Loan Payments</u>	<u>Ending Balance</u>
General Fund	TIF Fund	18,376	-0-	-0-	18,376
Motor Fuel Tax Fund	General Fund	-0-	5,807	-0-	5,807

The loan due to the General Fund is for TIF expenditures paid by the General Fund for the TIF Fund. The loan due to the Motor Fuel Tax Fund is for general operating expenditures.

The Village did not have any interfund transfers during the year ended April 30, 2022.

Note #9 - Tax Increment Financing District

On January 8, 1981, the Village adopted an ordinance approving the tax increment redevelopment plan and project for the Bartonville Village Industrial Park providing that incremental real estate taxes received be deposited into a special tax allocation fund (TIF Fund) to be used, in part, to finance incentives to assist development within the tax increment financing district. See Note #11 for more detail on current incentives with the TIF Fund.

Note #10 – Deposits and Investments

A. Deposits

The Village is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2). These include the following items:

1. In notes, bonds, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America;
2. In bonds, notes, debentures, or other similar obligations of the United States of America or its agencies;
3. In interest bearing accounts, certificates of deposits or interest bearing time deposits or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act;

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #10 – Deposits and Investments (cont'd)

A. Deposits (cont'd)

4. In short-term obligations (corporate paper) of corporations organized in the United States with assets exceeding \$500,000,000 if (a) such obligations are rated at the time of purchase within the 3 highest classifications established by at least 2 standard rating services and which mature not later than 180 days from the date of purchase, and (b) such purchases do not exceed 10% of the corporation's outstanding obligations or (c) in money market mutual funds registered under the Investment Company Act of 1940.

**Custodial Credit Risk Related to Deposits with Financial Institutions**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Village's general investment policy requires that deposits (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the municipality.

The Village's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the Village's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board's Statement No. 3, Category I, the highest recognized safekeeping procedures.

As of April 30, 2022, none of the Village's deposits were exposed to custodial credit risk.

**Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Village's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Foreign Currency Risk**

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The Village had no foreign currency risk as of April 30, 2022.

B. Investments

**Police Pension Plan**

The following disclosure on behalf of the Village's Fiduciary Fund is presented separately due to the fact that the investment policies and objectives differ from that of the Village due to the nature and intended purpose of the Pension Fund.

The deposits and investments of the Plan are held separately from those of the Village. The investment policy is adopted by the Plan's Board of Trustees and can be amended by a majority vote of the Board of Trustees.

The Plan's investment policy authorizes the pension fund to invest in securities permitted in the Illinois Compiled Statutes (40 ILCS 5/1-113). The statutes authorize the Pension Fund to invest in 1) interest bearing direct obligations of the United States of America; 2) interest bearing obligations to the extent they are fully guaranteed or insured by the United States of America; 3) interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America; 4) interest bearing savings accounts or certificates of deposit issued by federally chartered banks or savings and loan associations, state of Illinois chartered banks or savings and loan associations, or credit unions to the extent the investments are insured by agencies or instrumentalities of the federal government; 5) interest bearing bonds of the state of Illinois; 6) pooled interest bearing accounts managed by the Illinois Public Treasurer's Pool; 7) interest bearing bonds or tax anticipation warrants of any county, township or municipal corporation of the state of Illinois;

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #10 – Deposits and Investments (cont'd)

B. Investments (cont'd)

**Police Pension Plan (cont'd)**

8) direct obligations of the state of Israel subject to certain limitations as defined in the statute; 9) money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and Illinois Securities Law of 1953 and are diversified, open-ended management investment companies provided the money market portfolio is limited to bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the full faith and credit of the United States of America; bonds, notes, debentures or other similar obligations of the United States of America or its agencies; or certain short-term obligations of corporations; 10) corporate bonds managed through an investment advisor that must be rated as investment grade by one of the 2 largest rating services at the time of purchase and if subsequently downgraded below investment grade, must be liquidated from the portfolio within 90 days after being downgraded by the manager; 11) general accounts of life insurance companies authorized to transact business in Illinois; 12) separate accounts managed by life insurance companies authorized to transact business in Illinois that are comprised of diversified portfolios consisting of common or preferred stocks, bonds, money market instruments or real estate or loans upon real estate secured by a first or second mortgage; 13) mutual funds managed by an investment company as defined and registered under the federal Investment Company Act of 1940 and Illinois Securities Law of 1953; that have been in operation for at least five years; that have total net assets of \$250 million or more; and that are comprised of diversified portfolios consisting of common or preferred stocks, bonds, money market instruments; 14) common and preferred stocks authorized for investments of trust funds under the laws of the state of Illinois that meet certain requirements detailed in the statutes. There were no changes made to the investment policy during the fiscal year.

Investments of the Police Pension Fund as of April 30, 2022 are presented by the following categories:

	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities</u>			
			<u>Less than One Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Cash and Cash Equivalents (Money Market)	73,312	73,312	73,312			
Mutual Funds	1,904,494	2,197,963	2,197,963			
Treasury Bonds	371,274	356,155	25,039	287,228	43,888	
Agency Bonds – FNMA & FHLMC	1,409,194	1,338,594	35,055	494,409	809,130	
Agency Bonds – FNMA & GNMA Pool	31,469	28,020			10,021	17,999
Municipal Bonds	466,764	428,833		204,683	224,150	
Corporate Bonds	482,075	445,108		168,261	276,847	
CDs	96,972	91,262		68,115	23,147	
Total Investments	<u>4,835,554</u>	<u>4,959,247</u>	<u>2,331,369</u>	<u>1,222,696</u>	<u>1,387,183</u>	<u>17,999</u>

**Fair Value Hierarchy**

The Village categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs that are corroborated by market data; and Level 3 inputs are significant unobservable inputs that are not corroborated by market data. The money markets, mutual funds, and treasury bonds are all valued as Level 1 inputs. Municipal, Corporate, and Agency Bonds are classified in Level 2 of the fair value hierarchy. The fair value of Agency Bonds are determined using the spread above the risk-free yield curve. As the yields for the risk-free yield curve and the spread for these securities are observable market inputs, making them Level 2 inputs. Corporate and Municipal Bonds are generally priced by independent pricing services. The pricing services typically use spreads obtained from broker-dealers, trade prices and the new issue market. As the significant inputs used to price the Corporate and Municipal Bonds are observable market inputs, making them Level 2 inputs.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #10 – Deposits and Investments (cont'd)

B. Investments (cont'd)

**Fair Value Hierarchy (cont'd)**

	Cost	Fair Value	<u>Level 1</u>	<u>Level 2</u>
Cash and Cash Equivalents (Money Market)	73,312	73,312	73,312	
Mutual Funds	1,904,494	2,197,963	2,197,963	
Treasury Bonds	371,274	356,155	356,155	
Agency Bonds – FNMA & FHLMC	1,409,194	1,338,594		1,338,594
Agency Bonds – FNMA & GNMA Pool	31,469	28,020		28,020
Municipal Bonds	466,764	428,833		428,833
Corporate Bonds	482,075	445,108		445,108
CDs	<u>96,972</u>	<u>91,262</u>		<u>91,262</u>
Total Investments	<u>4,835,554</u>	<u>4,959,247</u>	<u>2,627,430</u>	<u>2,331,817</u>

The valuation methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Fund's investment policy states that the investment portfolio will limit its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

**Credit Risk**

The Fund's investment policy limits its exposure to credit risk by primarily investing in money markets, U.S. Obligations, mutual funds, and corporate and municipal bonds. The Fund's investment policy does place specific percentages of mutual funds that can be invested. All investments must be managed by an outside investment company and be comprised of diversified portfolios. Mutual fund investments must also be in operation for at least five years and have total net assets of \$250 million or more.

**Custodial Credit Risk**

The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, with the collateral being held by an independent third party of the Federal Reserve Bank. At April 30, 2022, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance.

**Concentration Risk**

The Fund's investment policy requires diversification of investments to avoid unreasonable risk. Disclosures are required for any issuer that represents 5% or more of total investments unless those investments are guaranteed by the United States Government or are investments in mutual funds, external investment pools, and other pooled investments. As of April 30, 2022, the Fund is not invested in any investments that represent 5% or more of total investments that require disclosure.

**Foreign Currency Risk**

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The Fund had no foreign currency risk as of April 30, 2022.

VILLAGE OF BARTONVILLE  
 NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #11 – Developers’ Loan Receivable

On April 12, 2012, the Village Board passed Ordinance #1654 authorizing a redevelopment agreement and loan to Save the Bowen, Inc., a Nevada not-for-profit corporation. The agreement authorizes the Village to advance as loans proceeds up to \$340,625 for the sole purpose of refurbishing the Bowen Building which is located in the Bartonville Village Industrial Park Redevelopment Project Area (Tax Increment Finance Zone).

The loan is a noninterest bearing note requiring thirty-nine (39) equal consecutive monthly payments \$1,200 commencing on October 1, 2012, which a required balloon payment due on December 31, 2015.

The current year’s activity on this loan was as follows:

Balance	Allowance	Balance
<u>May 1, 2021</u>	<u>Adjustment</u>	<u>April 30, 2022</u>
\$20,000	-0-	\$20,000

As disclosed in the financial report for the fiscal year ended April 30, 2016, on April 13, 2015, a representative for this not-for-profit corporation informed the Board of Trustees that no financing has been obtained for the “impending loan payment”. On November 4, 2015, this organization discontinued remitting its monthly loan payment. On February 1, 2016, the Village passed ordinance #1734 “An Ordinance Authorizing Restated Development Agreement Regarding the Demolition of the Bowen Building” which provides for the Village to participate in the demolition of the Bowen Building and receive monetary proceeds as a result of the building’s demolition and future reclamation of the property. These proceeds will be used initially to repay the Village for its participation in the costs of the demolition and after full recovery of these direct future proceeds will be credited to the remaining loan balance identified above.

The restated Development Agreement dated March 31, 2016, states the following:

2.1 Redevelopment Improvement Costs. The Village will contribute to the cost of the Redevelopment Improvements as follows:

- i) The sum of \$100,000 upon the Village receiving the title commitment as described in Section 4.10 of this Agreement (showing the Palmer mortgage released) and the Developer being in compliance with the specifications, including, without limitation, the bond and the issue requirements.
- ii) The sum of \$150,000 when the Redevelopment Improvements are 25% complete, which shall be when the building’s roof has been completely removed including all wood and metal.
- iii) The sum of \$150,000 when the Redevelopment Improvements are 50% complete, which shall be when the building has been demolished to the top of the first floor.

2.5 Reimbursement and Repayment by Developer. Developer intends to recoup demolition costs and produce income from the sale of any and all Project Site materials (the “materials”), including, without limitation, the wood, stone, copper, steel, and bricks.

- a) The Developer shall pay the Village 75% of the first \$533,333 of gross revenue from the sale of the materials.
- b) After the Developer pays the Village the amount described in subsection 2.5a) of this Agreement in full, then the Developer shall pay to the Village 50% of the next gross revenue from the sale of the materials. The payments made pursuant to this subparagraph 2.5b) shall be credited toward the balance of the loan, and shall continue until the loan is paid in full.
- c) The sale of the materials and all payments to the Village must be completed by the Developer no later than January 1, 2017

As of April 30, 2022, the Village had contributed all payments for the redevelopment improvement costs. The Developer has reimbursed the Village \$19,791 as of April 30, 2022, which have been allocated to the repayment of the redevelopment improvement costs.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #12 – Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village. The 2021 tax levy was passed by the Board on November 22, 2021. 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 County of Peoria calculates separately the extension on behalf on the Tax Increment Financing District. The Village receives significant distributions of tax receipts approximately one month after these due dates. Property taxes recorded in these financial statements were received from the 2020 levy.

The following are the tax rate limits permitted by local referendum and the actual rates levied per \$100.00 of assessed valuation:

	<u>Actual</u>		
	<u>2021 Levy</u>	<u>2020 Levy</u>	<u>2019 Levy</u>
General	.18779	.25072	.24851
IMRF	.13690	.09427	.09612
Fire Protection	.17437	.19782	.14566
Police Protection	.31051	.23924	.20749
Police Pension	.18039	.18239	.17389
Liability Insurance	.22262	.22509	.20503
Street Lighting	.03273	.03310	.03478
Playground	.02282	.02307	.02286
Emergency Services	.00050	.00051	.00045
Social Security	<u>.07095</u>	<u>.06881</u>	<u>.07453</u>
Subtotal	<u>1.33958</u>	<u>1.31502</u>	<u>1.20922</u>

Note #13 - Commitments

As of April 30, 2022, the Village had no construction commitments.

Note #14 – Vacation & Sick Pay

The Village's employees receive between two to five weeks paid vacation per fiscal year. Employees also receive eight days of paid sick leave which accumulates at various levels by department. At April 30, 2022, the estimated value of unused vacation and sick pay is \$19,337 and \$76,969, respectively.

Note #15 – Deficit Fund Balances

There were no deficit fund balances at April 30, 2022.

Note #16 – Risk Management

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village participates in the Illinois Counties Risk Management Trust (ICRMT). The Village pays an annual premium to ICRMT for its coverage. This is a non-assessable self-insurance pool. Significant losses are covered for all various risks of loss. Settled claims have not exceeded the coverage in any of the past three fiscal years. The Village's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The Village is not aware of any additional assessments owed as of April 30, 2022.

The Village has established a health insurance plan to provide medical benefits to eligible employees, retirees, covered dependents, and eligible former employees. The plan is self-funded and is supplemented by employee contributions. The Village is responsible for the payment of these premiums as well as the claims submitted for payment to the self-funded plan. A third party stop-loss provider has been contracted to provide coverage of any claims against the self-funded plan in excess of \$35,000 individually, or \$1,000,000 in the aggregate to limit the Village's losses for the overall program.

VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #17 - Disbursements and Transfers in Excess of Budget

As of April 30, 2022, the Village had no funds with disbursements or transfers in excess of budget.

Note #18 – Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property: (1) if its population is 500,000 or more, an aggregate of three percent; (2) if its population is more than 25,000 and less than 500,000, an aggregate of one percent; and (3) if its population is 25,000 or less, an aggregate of one-half percent. Indebtedness which is outstanding on the effective date of this Constitution or which is thereafter approved by referendum or assumed from another unit of local government shall not be included in the foregoing percentage amounts.

To date the Illinois General Assembly has set no limits for home rule municipalities.

Note #19 – Intergovernmental Agreements

The Village maintains a contract for animal impound service with the County of Peoria. The Village paid \$14,214 for these services in the current fiscal year. The current agreement became effective January 1, 2020 and expires December 31, 2024. The agreement may automatically be reviewed for one-year terms. The Village's future payments will be based on the Village's population as represented in the most recent 2020 US Census as follows:

2023: \$2.50 per capita  
2024: \$2.50 per capita  
2025: to be determined

The Village maintains a contract for the School Resource Office Program with Limestone Community Unit High School District No. 310. The District received \$24,044 for this service in the current fiscal year. The current agreement became effective July 27, 2021 and shall remain in effect for one year.

The Village maintains an intergovernmental cooperation agreement with the Town of Normal, Illinois to provide mortgage credit certificates on behalf of the Village for the purpose of providing an adequate supply of residential housing in the Village.

Note #20 – Grant Contingencies

The Village receives funding from the state and federal government for various programs and projects. These funds are subject to review by the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Village management estimates that such amounts, if any, will be immaterial.



VILLAGE OF BARTONVILLE  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

Note #21 – COVID-19 Impact

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Village's operations and finances. The Village anticipates increased costs due to efforts to comply with CDC and IDPH guidelines. The Village also recognizes that a delay or reduction in certain revenues may occur. Given the daily evolution of the COVID-19 outbreak and the global and local responses to curb its spread, the Village is not able to estimate the effects on its operation or financial condition.

Note #22 – Subsequent Events

In preparing these financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

# ***Gorenz and Associates, Ltd.***

*Certified Public Accountants*

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Russell J. Rumbold II, CPA  
Cory S. Cowan, CPA

Jason A. Hobulin, CPA  
Kyle P. Hendrickson, CPA

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Members of the Village Board  
Village of Bartonville  
Bartonville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Bartonville as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Bartonville's basic financial statements and have issued our report thereon dated July 20, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Bartonville's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Bartonville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Bartonville's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

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

### **Village of Bartonville's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village of Bartonville's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Village of Bartonville's response was not subject to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
July 20, 2023

**VILLAGE OF BARTONVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2022**

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**FINANCIAL STATEMENT FINDINGS**

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**Finding No. 2022-001 - Segregation of Duties**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement:

AU-C 265 has prescribed definitions for material weaknesses in an entity's internal control structure. Internal controls are designed to allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements and safeguard assets. A concept in a good system of internal control is adequate segregation of duties.

Condition:

A limited number of employees have the primary responsibility for performing most of the accounting and financial duties including key functions of recording, reconciling, and reporting cash transactions. This structure reduces certain aspects of the internal control system which rely on adequate segregation of duties.

Effect:

Inadequate segregation of duties increases the risk of misstatements in the financial statements.

Cause:

A limited number of employees have the ability to complete and record accounting functions which ideally would be segregated.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year.

Recommendation:

The Village should review the assignment of tasks and positions on an annual basis. The Village should implement any identified, cost effective changes.

Views of responsible officials and planned corrective action:

The Village is currently reviewing procedures and attempting to separate accounting duties. The Village has determined that the current internal control system is acceptable.

Contact person: Leon Ricca, Mayor

# ***Gorenz and Associates, Ltd.***

*Certified Public Accountants*

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*Russell J. Rumbold II, CPA*  
*Cory S. Cowan, CPA*

*Jason A. Hobulin, CPA*  
*Kyle P. Hendrickson, CPA*

## **Independent Auditor's Report on Compliance with Illinois Municipal Code Subsection (q) Section 11-74.4-3 of Public Act 85-1142**

Members of the Village Board  
Village of Bartonville  
Bartonville, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Bartonville, Illinois (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, and have issued our report thereon dated July 20, 2023.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's basic financial statements are free of material misstatement, we performed tests of its compliance with the provisions of Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. In connection with our audit, nothing came to our attention that caused us to believe that the Village failed to comply with Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act, insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village's noncompliance with the above-referenced Illinois Municipal Code, insofar as it relates to accounting matters.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of compliance with Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and the results of that testing, and not to provide an opinion on the effectiveness of the Village's compliance with Subsection (q) Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act. This report is an integral part in considering the Village's compliance with Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act. Accordingly, this communication is not suitable for any other purpose.

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
July 20, 2023