

VILLAGE OF POCAHONTAS, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2020

VILLAGE OF POCAHONTAS, ILLINOIS
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Pocahontas
Pocahontas, Illinois 62275

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Pocahontas, Illinois, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Pocahontas, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Pocahontas, Illinois, as of March 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net Pension Liability and Related Ratios on page 32 and the Schedule of Pension Contributions on page 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis and Budgetary Comparison Information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Pocahontas, Illinois' basic financial statements. The Schedule of Revenue Bond Maturities and Related Interest is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenue Bond Maturities and Related Interest is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenue Bond Maturities and Related Interest is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2020, on our consideration of the Village of Pocahontas, 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 Pocahontas, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Pocahontas, Illinois' internal control over financial reporting and compliance.



Highland, IL
August 18, 2020



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

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 Board of Trustees
Pocahontas, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Pocahontas, Illinois, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Pocahontas, Illinois' basic financial statements and have issued our report thereon dated August 18, 2020.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a 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. We consider the deficiency described in the accompanying schedule of findings to be a material weakness. (2020-1)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies. (2020-2 and 2020-3)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Pocahontas, Illinois' 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Pocahontas, Illinois' Response to Findings

The Village of Pocahontas, Illinois, has not presented a response to the findings identified in our audit that generally accepted accounting principles has determined is necessary to supplement this report.

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.



Highland, IL
August 18, 2020

VILLAGE OF POCAHONTAS, ILLINOIS
STATEMENT OF NET POSITION
MARCH 31, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash And Savings Deposits - Unrestricted	\$ 262,386	\$ 126,512	\$ 388,898
Cash And Savings Deposits - Restricted		100,373	100,373
Receivables (Net Of Allowance For Uncollectibles)			
Customer	8,525	37,199	45,724
Property Tax	95,344		95,344
Sales Tax	13,211		13,211
Income Tax	8,073		8,073
Replacement Tax	925		925
Motor Fuel Tax	2,497		2,497
Amusement Tax	3,559		3,559
Interest	350	650	1,000
Other	191		191
Prepaid Insurance	7,246	2,230	9,476
Due From Other Funds	244,253	(244,253)	0
Land	47,755	5,850	53,605
Capital Assets (Net Of Accumulated Depreciation)	150,476	707,749	858,225
Net Pension Asset	2,380	3,285	5,665
TOTAL ASSETS	<u>847,171</u>	<u>739,595</u>	<u>1,586,766</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Related To Pensions	<u>46,351</u>	<u>63,987</u>	<u>110,338</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 893,522</u>	<u>\$ 803,582</u>	<u>\$ 1,697,104</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 10,569	\$ 13,403	\$ 23,972
Accrued Payroll And Compensated Absences	4,255	3,426	7,681
Customer Deposits		6,350	6,350
Interest Payable		9,000	9,000
Bonds Payable, Due In One Year		17,000	17,000
Bonds Payable, Due In More Than One Year		583,000	583,000
TOTAL LIABILITIES	<u>14,824</u>	<u>632,179</u>	<u>647,003</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Property Tax	95,344		95,344
Related To Pensions	55,962	77,254	133,216
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>151,306</u>	<u>77,254</u>	<u>228,560</u>
<u>NET POSITION</u>			
Net Investment In Capital Assets	198,231	113,599	311,830
Restricted	238,028	100,373	338,401
Unrestricted	291,133	(119,823)	171,310
TOTAL NET POSITION	<u>727,392</u>	<u>94,149</u>	<u>821,541</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 893,522</u>	<u>\$ 803,582</u>	<u>\$ 1,697,104</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2020

Functions/Programs	Expenses	Program Revenues Charges For Services	Net (Expense) Revenue And Changes In Net Position Primary Government		
			Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES:					
General Government	\$ 262,598	\$ 62,142	\$ (200,456)		\$ (200,456)
Public Safety	17,142	1,300	(15,842)		(15,842)
Highways And Streets	30,462		(30,462)		(30,462)
Total Governmental Activities	<u>310,202</u>	<u>63,442</u>	<u>(246,760)</u>	<u>\$ 0</u>	<u>(246,760)</u>
BUSINESS-TYPE ACTIVITIES:					
Water	167,737	166,460		(1,277)	(1,277)
Sewer	119,963	112,266		(7,697)	(7,697)
Total Business-Type Activities	<u>287,700</u>	<u>278,726</u>	<u>0</u>	<u>(8,974)</u>	<u>(8,974)</u>
Total Primary Government	<u>\$ 597,902</u>	<u>\$ 342,168</u>	<u>(246,760)</u>	<u>(8,974)</u>	<u>(255,734)</u>
GENERAL REVENUES:					
Taxes:					
Property Taxes, Levied For General Purposes			91,101		91,101
Intergovernmental			245,682		245,682
Miscellaneous			7,138		7,138
Interest Income			1,961	1,317	3,278
Operating Transfers			(10,769)	10,769	0
Total General Revenues			<u>335,113</u>	<u>12,086</u>	<u>347,199</u>
CHANGE IN NET POSITION			88,353	3,112	91,465
NET POSITION, BEGINNING			639,039	91,037	730,076
NET POSITION, ENDING			<u>\$ 727,392</u>	<u>\$ 94,149</u>	<u>\$ 821,541</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2020

	<u>GENERAL FUND</u>	<u>AUDIT FUND</u>	<u>INSURANCE FUND</u>	<u>MOTOR FUEL TAX FUND</u>	<u>RETIREMENT FUND</u>	<u>STREETS AND PARKS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>							
Cash And Savings Deposits	\$ 45,935	\$ 36,030	\$ 9	\$ 125,601	\$ 8,671	\$ 46,140	\$ 262,386
Receivables (Net Of Allowance For Uncollectibles):							
Property Tax	16,141	19,741	16,543		24,555	18,364	95,344
Sales Tax	13,211						13,211
Income Tax	8,073						8,073
Replacement Tax	925						925
Motor Fuel Tax				2,497			2,497
Amusement Tax	3,559						3,559
Customer	8,525						8,525
Interest				321		29	350
Other	191						191
Prepaid Insurance			5,760			1,486	7,246
Due From Other Funds	71,603	2,310	949	7,404	130,080	350,787	563,133
Total Assets	<u>\$ 168,163</u>	<u>\$ 58,081</u>	<u>\$ 23,261</u>	<u>\$ 135,823</u>	<u>\$ 163,306</u>	<u>\$ 416,806</u>	<u>\$ 965,440</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 7,462				\$ 785	\$ 2,322	\$ 10,569
Accrued Payroll	1,725						1,725
Due To Other Funds	21,396		\$ 3,298		243,610	50,576	318,880
Total Liabilities	<u>30,583</u>	<u>\$ 0</u>	<u>3,298</u>	<u>\$ 0</u>	<u>244,395</u>	<u>52,898</u>	<u>331,174</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Property Tax	16,141	19,741	16,543		24,555	18,364	95,344
<u>FUND BALANCES</u>							
Non-Spendable	71,603		5,760			1,486	78,849
Restricted		38,340		130,600			168,940
Assigned				5,223		344,058	349,281
Unassigned	49,836		(2,340)		(105,644)		(58,148)
Total Fund Balance (Deficit)	<u>121,439</u>	<u>38,340</u>	<u>3,420</u>	<u>135,823</u>	<u>(105,644)</u>	<u>345,544</u>	<u>538,922</u>
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	<u>\$ 168,163</u>	<u>\$ 58,081</u>	<u>\$ 23,261</u>	<u>\$ 135,823</u>	<u>\$ 163,306</u>	<u>\$ 416,806</u>	<u>\$ 965,440</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MARCH 31, 2020

Total Fund Balances for Governmental Funds		\$ 538,922
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 47,755	
Buildings and improvements, net of accumulated depreciation	95,260	
Equipment, net of accumulated depreciation	55,216	
Total assets, net of accumulated depreciation		198,231
Certain assets applicable to the Village's governmental activities are not realizable in the current period and accordingly are not reported as fund assets. All assets, both current and long-term, are reported in the Statement of Net Position.		
		2,380
An accrual for compensated absences is applicable to the Village's governmental activities but is not due and payable in the current period and accordingly is not reported as fund liabilities.		
		(2,530)
Deferred outflows and inflows of resources related to defined benefit pensions are applicable to future periods and, therefore, are not reported in the funds. These consist of:		
Deferred Outflows of Resources Related to Pensions		46,351
Deferred Inflows of Resources Related to Pensions		(55,962)
Total Net Position of Governmental Activities		\$ 727,392

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2020

	GENERAL FUND	AUDIT FUND	INSURANCE FUND	MOTOR FUEL TAX FUND	RETIREMENT FUND	STREETS AND PARKS FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:							
General Property Tax	\$ 16,016	\$ 18,783	\$ 15,703		\$ 23,347	\$ 17,252	\$ 91,101
Income Tax	84,974						84,974
Sales And Use Tax	90,333						90,333
Replacement Tax	4,823						4,823
Amusement Tax	37,083						37,083
Cannabis Tax	128						128
Rent	2,700						2,700
Licenses	3,622					998	4,620
Interest Income	315			\$ 1,567		79	1,961
Trash Service	54,822						54,822
Miscellaneous Income		5	4		6	7,123	7,138
Fines						1,300	1,300
Motor Fuel Tax				28,341			28,341
Total Revenues	<u>294,816</u>	<u>18,788</u>	<u>15,707</u>	<u>29,908</u>	<u>23,353</u>	<u>26,752</u>	<u>409,324</u>
Expenditures:							
General Government	106,592	14,430	20,309		14,608	105,872	261,811
Public Safety						29,614	29,614
Highways And Streets				2,006		12,828	14,834
Capital Outlay						9,452	9,452
Total Expenditures	<u>106,592</u>	<u>14,430</u>	<u>20,309</u>	<u>2,006</u>	<u>14,608</u>	<u>157,766</u>	<u>315,711</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>188,224</u>	<u>4,358</u>	<u>(4,602)</u>	<u>27,902</u>	<u>8,745</u>	<u>(131,014)</u>	<u>93,613</u>
Other Financing Sources (Uses):							
Operating Transfers In			860		4,500	141,113	146,473
Operating Transfers Out	(144,360)		(4,853)		(8,029)		(157,242)
Total Other Financing Sources (Uses)	<u>(144,360)</u>	<u>0</u>	<u>(3,993)</u>	<u>0</u>	<u>(3,529)</u>	<u>141,113</u>	<u>(10,769)</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over (Under) Expenditures And Other Uses	43,864	4,358	(8,595)	27,902	5,216	10,099	82,844
Fund Balance (Deficit), Beginning Of Year	<u>77,575</u>	<u>33,982</u>	<u>12,015</u>	<u>107,921</u>	<u>(110,860)</u>	<u>335,445</u>	<u>456,078</u>
Fund Balance (Deficit), End Of Year	<u>\$ 121,439</u>	<u>\$ 38,340</u>	<u>\$ 3,420</u>	<u>\$ 135,823</u>	<u>\$ (105,644)</u>	<u>\$ 345,544</u>	<u>\$ 538,922</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 82,844
 Amounts reported for governmental activities in the Statements of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(12,637)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	3,152
Governmental funds report the defined benefit pension contributions as expenditures. However in the Statement of Activities, the cost of defined benefit pension benefits earned net of employee contributions is reported as pension expense.	<u>14,994</u>
Change in Net Position of Governmental Activities	<u>\$ 88,353</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
MARCH 31, 2020

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash And Savings Deposits	\$ 31,471	\$ 95,041	\$ 126,512
Receivables:			
Customer	21,880	15,319	37,199
Interest	137	513	650
Prepaid Insurance	1,115	1,115	2,230
Due From Other Funds	9,390		9,390
Total Current Assets	<u>63,993</u>	<u>111,988</u>	<u>175,981</u>
RESTRICTED ASSETS			
Cash	13,130	87,243	100,373
CAPITAL ASSETS			
Land		5,850	5,850
Other Capital Assets (Net Of Accumulated Depreciation)	72,362	635,387	707,749
OTHER ASSETS			
Net Pension Asset	1,634	1,651	3,285
TOTAL ASSETS	<u>151,119</u>	<u>842,119</u>	<u>993,238</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related To Pensions	<u>31,832</u>	<u>32,155</u>	<u>63,987</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 182,951</u>	<u>\$ 874,274</u>	<u>\$ 1,057,225</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Accounts Payable	\$ 12,303	\$ 1,100	\$ 13,403
Accrued Payroll	1,713	1,713	3,426
Due To Other Funds	80,117	173,526	253,643
Interest Payable		9,000	9,000
Customer Deposit	3,175	3,175	6,350
Bonds Payable - Current Portion		17,000	17,000
Total Current Liabilities	<u>97,308</u>	<u>205,514</u>	<u>302,822</u>
LONG-TERM LIABILITIES			
Bonds Payable - Net Of Current Portion		583,000	583,000
Total Liabilities	<u>97,308</u>	<u>788,514</u>	<u>885,822</u>
DEFERRED INFLOWS OF RESOURCES			
Related To Pensions	<u>38,432</u>	<u>38,822</u>	<u>77,254</u>
NET POSITION			
Net Investment In Capital Assets	72,362	41,237	113,599
Restricted	13,130	87,243	100,373
Unrestricted	(38,281)	(81,542)	(119,823)
Total Net Position	<u>47,211</u>	<u>46,938</u>	<u>94,149</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 182,951</u>	<u>\$ 874,274</u>	<u>\$ 1,057,225</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Charges For Services	\$ 166,460	\$ 112,266	\$ 278,726
OPERATING EXPENSES:			
Wages And Benefits	21,007	17,044	38,051
Supplies	2,330	437	2,767
Water Purchases	100,938		100,938
Operations	39,128	37,478	76,606
Depreciation	4,334	37,494	41,828
Total Operating Expenses	<u>167,737</u>	<u>92,453</u>	<u>260,190</u>
Operating Income (Loss)	<u>(1,277)</u>	<u>19,813</u>	<u>18,536</u>
NON-OPERATING REVENUE (EXPENSE):			
Interest Income	301	1,016	1,317
Interest Expense		(27,510)	(27,510)
Total Non-Operating Revenue (Expense)	<u>301</u>	<u>(26,494)</u>	<u>(26,193)</u>
OTHER FINANCING SOURCES:			
Operating Transfers In	<u>7,432</u>	<u>3,337</u>	<u>10,769</u>
CHANGE IN NET POSITION	6,456	(3,344)	3,112
TOTAL NET POSITION, BEGINNING OF YEAR	<u>40,755</u>	<u>50,282</u>	<u>91,037</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 47,211</u>	<u>\$ 46,938</u>	<u>\$ 94,149</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received From Customers And Other Governments	\$ 160,852	\$ 108,371	\$ 269,223
Cash Payments To Employees For Wages And Benefits	(31,477)	(27,620)	(59,097)
Cash Payments For Goods And Services	(133,534)	(36,120)	(169,654)
Net Cash Provided By (Used In) Operating Activities	<u>(4,159)</u>	<u>44,631</u>	<u>40,472</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Amount Received From Other Funds	9,939	6,305	16,244
Net Cash Provided By Non-Capital Financing Activities	<u>9,939</u>	<u>6,305</u>	<u>16,244</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase Of Capital Assets	(3,781)	(7,445)	(11,226)
Repayments Of Bonds		(17,000)	(17,000)
Interest Paid		(27,765)	(27,765)
Net Cash Used In Capital And Related Financing Activities	<u>(3,781)</u>	<u>(52,210)</u>	<u>(55,991)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Receipts Of Interest Income	301	1,016	1,317
Net Cash Provided By Investing Activities	<u>301</u>	<u>1,016</u>	<u>1,317</u>
NET INCREASE (DECREASE) IN CASH	2,300	(258)	2,042
CASH - BEGINNING OF YEAR	<u>42,301</u>	<u>182,542</u>	<u>224,843</u>
CASH - END OF YEAR	<u>\$ 44,601</u>	<u>\$ 182,284</u>	<u>\$ 226,885</u>
RECONCILIATION OF OPERATING TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (1,277)	\$ 19,813	\$ 18,536
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:			
Depreciation	4,334	37,494	41,828
Increase In Accounts Receivable	(5,685)	(3,964)	(9,649)
Decrease In Prepaid Insurance	3,647	3,647	7,294
Increase In Net Pension Asset	(23,370)	(23,616)	(46,986)
Decrease In Pension Costs	13,075	13,207	26,282
Increase (Decrease) In Accounts Payable	5,215	(1,852)	3,363
Decrease In Accrued Payroll	(173)	(173)	(346)
Increase In Customer Deposits	75	75	150
Net Cash Provided By (Used In) Operating Activities	<u>\$ (4,159)</u>	<u>\$ 44,631</u>	<u>\$ 40,472</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Pocahontas conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

(A) PRINCIPLES USED TO DETERMINE SCOPE OF ENTITY

The Village's reporting entity includes the Village's governing board and all related organizations for which the Village exercises significant influence.

The Village has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Village should be included within its financial reporting entity. The criterion includes, but is not limited to, whether the Village exercises significant influence (which includes financial benefit or burden, appoints a voting majority, ability to significantly impose its will, and fiscal independence).

The Village has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the Village's financial statements. In addition, the Village is not aware of any entity which would exercise such influence which would result in the Village being considered a component unit of that entity.

(B) FINANCIAL STATEMENT PRESENTATION

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Village's funds are grouped into two broad fund categories and three generic fund types for financial statement presentation purposes. Governmental funds include the general and special revenue funds. Proprietary funds include enterprise funds.

(C) BASIS OF ACCOUNTING

(i) Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Village, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income tax, other gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time.

Expenditures, under the accrual basis of accounting, are generally recognized when the related fund liability is incurred. Exception to this general rule includes accumulated unpaid sick pay, which was not accrued and is estimated to be immaterial.

All proprietary funds are accounted for using the accrual basis of accounting. They report charges for services as operating revenues, and items such as interest income as non-operating revenues. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The accounting policies of the Village of Pocahontas, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the Village and for each governmental program. Program revenues include charges paid by the recipients for the goods or services offered by the programs as well as grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Village.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

(ii) Fund Financial Statements

Fund financial statements report detailed information about the Village. The focus of governmental and enterprise fund financial statements is on each fund as considered to be a major fund by the Village. For presentation in the financial statements, the Village has decided to treat all funds as major. All funds are presented in a separate column along with a total column.

The Village reports the following fund types:

General Fund To account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds To account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

The Village reports the following major special revenue governmental funds:

Audit Fund - To levy and pay for the required annual audit.

Insurance Fund - To levy and pay for the annual premium for insurance policies.

Motor Fuel Tax Fund - To collect the allotment of motor fuel tax and spend those monies on approved road improvements and maintenance.

Retirement Fund - To levy and pay for the expense of social security and IMRF contributions.

Streets & Parks Fund - To levy and collect related revenues and pay the expenses of improving and maintaining streets, parks, and police protection.

The Village reports the following major enterprise funds:

Water Fund To collect water service charges and pay for the expense of operating the system, retire bond indebtedness, and improve and maintain the current system.

Sewer Fund To collect sewer service charges and pay for the expense of operating the system, retire bond indebtedness, and improve and maintain the current system.

(iii) Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. The length of time to define available is 60 days or less. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) Enterprise Funds

All enterprise funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus determines costs as a means of maintaining capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

(D) CASH

Cash is presented in the statement of cash flows and is defined as cash that carries an original maturity date of 90 days or less and savings deposits. Transactions involving savings deposits with maturity dates greater than 90 days are reflected in the statements of cash flows under the caption "Cash Flows From Investing Activities."

Restricted cash on the financial statements represents cash for sewer bond and interest, sewer depreciation and equipment replacement, reserve for sewer bond retirement, and reserve for water bond retirement. Restricted cash balances at March 31, 2020 are as follows:

<u>Fund</u>	<u>Beginning Balance</u>			<u>Ending Balance</u>
	<u>April 1, 2019</u>	<u>Additions</u>	<u>Subtractions</u>	<u>March 31, 2020</u>
Water Subordinate Lien	\$ 12,080	\$ 1,050		\$ 13,130
Sewer Depreciation	22,203	20		22,223
Sewer Bond Reserve	64,891	129		65,020
Total	<u>\$ 99,174</u>	<u>\$ 1,199</u>	<u>\$ 0</u>	<u>\$ 100,373</u>

(E) GOVERNMENTAL RECEIVABLES

Long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

(F) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(G) BUDGETS AND BUDGETARY ACCOUNTING

The Village budgets expenditures for the governmental funds using the cash basis of accounting. Under the cash basis, revenues are recognized when cash is received and expenditures are recognized when checks are issued. The budget, which was not amended, was adopted by the Board of Trustees on June 24, 2019.

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) NET POSITION

The term net position refers to the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets is capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by Village legislation or external restrictions by other governments, creditors or grantors. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Village applies the expense to restricted resources first.

(I) CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized for government-wide reporting purposes. The Village adopted a capitalization policy in September 2014 which establishes minimum capitalization thresholds for capitalizing fixed assets as follows: land/improvements, \$5,000; buildings/improvements, \$5,000; machinery/equipment/vehicles, \$1,000. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated fixed assets are reported at their fair value as of the date received. The Village has elected to not retroactively report infrastructure assets, as allowed for Phase III governments by GASB Statement 34.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the general capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 10 to 30 years; improvements, 10 to 30 years; infrastructure, 10 to 50 years; equipment/furniture, 3 to 20 years; vehicles, 5 to 10 years; software, 5 to 10 years.

(J) RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLES

Receivables include current billed amounts due on customer accounts, as well as various tax receivables (property, sales, income, replacement and motor fuel). Service receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectibles as of March 31, 2020 is \$202 for disposal receivables, \$1,096 for water receivables, and \$1,202 for sewer receivables.

(K) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period, and therefore, will not be recognized as an outflow of resources until that time. The government wide and enterprise fund statements report deferred outflows of resources related to the pension plan. This deferred outflow represents the combination of changes in assumptions and the difference between projected and actual earnings on pension plan investments to be recognized in a future period.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period, and therefore, will not be recognized as an inflow of resources (revenue) until that time.

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government wide and enterprise fund statements also report deferred inflows of resources related to the pension plan. This deferred inflow represents the difference between expected and actual experience of the total pension liability to be recognized in a future period.

(L) INTERFUND ACTIVITY

Interfund debt exists on the governmental and enterprise fund statements to represent amounts loaned among funds. Money is loaned between funds to cover normal operating expenses in each respective fund. The Village of Pocahontas does not expect to pay these debts within one year unless surplus funds become available. Interfund receivable and payable balances at March 31, 2020 are as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Streets And Parks Fund	\$ 42,263
General Fund	Water Fund	14,359
General Fund	Sewer Fund	14,981
Audit Fund	General Fund	2,310
Insurance Fund	General Fund	40
Insurance Fund	Streets And Parks Fund	909
Motor Fuel Tax Fund	Streets And Parks Fund	7,404
Retirement Fund	General Fund	19,046
Retirement Fund	Sewer Fund	55,972
Retirement Fund	Water Fund	55,062
Streets And Parks Fund	Retirement Fund	243,610
Streets And Parks Fund	Sewer Fund	96,481
Streets And Parks Fund	Water Fund	10,696
Water Fund	Insurance Fund	3,298
Water Fund	Sewer Fund	6,092

None of the following transfers were made for a specific purpose. The Village budgeted for several transfers to be made to provide for other governmental fund's operating expenses. Transfers occurring during the fiscal year ending March 31, 2020 are as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
Insurance Fund	General Fund	\$ 860
Retirement Fund	General Fund	4,500
Sewer Fund	Insurance Fund	1,370
Sewer Fund	Retirement Fund	1,967
Streets And Parks Fund	Insurance Fund	2,113
Streets And Parks Fund	General Fund	139,000
Water Fund	Insurance Fund	1,370
Water Fund	Retirement Fund	6,062

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 2. FUND BALANCE REPORTING

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. Below are definitions of the differences and how these balances are reported:

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 or prepaid amounts. The consumption method is used to report prepaid insurance in the governmental funds. The Village had nonspendable funds of \$78,849 at fiscal year-end March 31, 2020.

Restricted Fund Balance - The restricted fund balance classification refers to amounts that are subject to outside restrictions not controlled by the entity, such as restrictions imposed by creditors, grantors, contributors, or law and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specific purposes. The Village has two special revenue sources received within different funds that fall into this category:

1. **Property Tax Levy** – Proceeds from this restricted tax levy are accounted for in the respective funds of the Village. Revenues received exceeded expenditures disbursed from tax levies, resulting in a restricted fund balance of \$38,340.
2. **Motor Fuel Taxes** - Proceeds from motor fuel taxes and the related expenditures have been included in the Motor Fuel Tax Fund. At March 31, 2020, revenues received exceeded expenditures disbursed from motor fuel taxes, resulting in a restricted fund balance of \$130,600.

Committed Fund Balance - The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the Board of Trustees). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The Board of Trustees commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. As of March 31, 2020, there is no committed fund balance.

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. Intent may be expressed by (a) the Board of Trustees itself or (b) the finance committee, if applicable, to assign amounts to be used for specific purposes. The Village had \$349,281 of assigned fund balances as of March 31, 2020.

Unassigned Fund Balance - The unassigned fund balance classification is the residual classification in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. It also encompasses any other Governmental Fund with a negative fund balance at year end. The Village had (\$58,148) of unassigned fund balances as of March 31, 2020.

Expenditures of Fund Balance - As of March 31, 2020, the Village had not adopted a fund balance spending policy. GASB Statement No. 54 set the default spending policy for fund balance as follows: expenditures are spent from restricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, unless there are legal requirements that prohibit doing this. When restricted fund balances are not available, the default policy considers expenditures to be spent from committed fund balance first, then assigned and then unassigned. Expenditures for a specifically identified purpose will act to reduce the specific classification of the fund balance that is identified.

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

NOTE 3. CASH AND SAVINGS DEPOSITS

Cash and savings deposits, as of March 31, 2020, are classified in the accompanying financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Checking	\$ 178,004	\$ 13,130	\$ 191,134
Savings	210,894	87,243	298,137
	<u>\$ 388,898</u>	<u>\$ 100,373</u>	<u>\$ 489,271</u>

The Village is authorized to invest in Certificates of Deposit, Treasury Bills, and other securities guaranteed by the U.S. Government, participation in the Illinois Funds program sponsored by the State of Illinois and obligations of any corporation wholly owned, directly or indirectly by the United States or any agency or instrumentality of the United States, so long as said obligations have an AAA investment rating. The Village should have funds available in order to meet liquidity needs for the current month plus one month and every effort should be made to maximize return on investments made. Cash and savings deposits are reported at cost plus accrued interest.

(A) INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Village manages its exposure to interest rate risk is by purchasing short-term investments only.

(B) CREDIT RISK

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Illinois Funds, the Village's state investment pool, has earned Standard and Poor's AAAM rating.

(C) CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of March 31, 2020, cash balances are fully insured and collateralized.

The Village's deposit in the state investment pool is fully collateralized. The Village maintains a separate deposit account representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participant's account. The Village's balance in the state investment pool as of March 31, 2020 was \$102,948.

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 4. PROPERTY TAXES

The Village's property tax is levied each year, in December, on all taxable real property located in the Village. Property taxes attach as an enforceable lien on property as of January 1, and are payable in two installments: July 3rd and September 3rd. The county bills and collects property taxes for the Village.

Property taxes are recorded at the time they are levied as current assets and also as a deferred inflow. Property tax revenues are recognized in the year in which they were intended to be available to finance expenditures. Tax revenues reflected in these financial statements are taxes collected on the 2018 levy.

NOTE 5. RISK OF LOSS

The Village of Pocahontas is exposed to risks of loss from normal items typically applicable to all municipalities. These include liability, worker's injury, property damage and others too numerous to mention. To reduce the Village's risk of loss from damages and claims, the Village is a participant in the Illinois Municipal League Risk Management Association. For an annual contribution, the League provides insurance coverage for property and liability claims. The League has more than 600 Illinois Municipals in the pool and has not assessed additional contributions from the Village to cover excess claims for the last ten years. For the year ended March 31, 2020, the Village of Pocahontas incurred and paid one claim for \$4,762. There is no indication from the League or the Village that there are any claims either existing or implied that would result in an additional liability to the Village as of March 31, 2020.

NOTE 6. EXCESS OF EXPENDITURES OVER BUDGETED OR NON-BUDGETED AMOUNTS
IN INDIVIDUAL FUNDS

As of March 31, 2020, the Village's expenses exceeded appropriations in the following funds:

Insurance Fund	\$ 5,310
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VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 7. CAPITAL ASSETS

Summary of capital assets for governmental activities for the year:

	Beginning Balance	Increases	Decreases	Ending Balance
Not Being Depreciated:				
Land	\$ 47,755			\$ 47,755
Other Capital Assets:				
Buildings And Improvements	150,679	\$ 9,452		160,131
Equipment	341,110			341,110
Subtotal	491,789	9,452	\$ 0	501,241
Accumulated Depreciation:				
Buildings And Improvements	58,917	5,954		64,871
Equipment	269,759	16,135		285,894
Subtotal	328,676	22,089	0	350,765
Net Other Capital Assets	163,113	(12,637)	0	150,476
Net Capital Assets	\$ 210,868	\$ (12,637)	\$ 0	\$ 198,231

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 2,285
Public Safety	1,000
Highways And Streets	18,804
Total Government Activities Depreciation Expense	\$ 22,089

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 7. CAPITAL ASSETS (CONTINUED)

Summary of capital assets for business-type activities for the year:

	Beginning Balance	Increases	Decreases	Ending Balance
Not Being Depreciated:				
Land	\$ 5,850			\$ 5,850
Other Capital Assets:				
Equipment	255,190	\$ 7,445		262,635
Waterworks	646,614	3,781		650,395
Sewer System	1,679,590			1,679,590
Subtotal	2,581,394	11,226	\$ 0	2,592,620
Accumulated Depreciation:				
Equipment	203,929	5,829		209,758
Waterworks	619,162	434		619,596
Sewer System	1,019,952	35,565		1,055,517
Subtotal	1,843,043	41,828	0	1,884,871
Net Other Capital Assets	738,351	(30,602)	0	707,749
Net Capital Assets	\$ 744,201	\$ (30,602)	\$ 0	\$ 713,599

Depreciation was charged to functions as follows:

Business-Type Activities:

Water	\$ 4,334
Sewer	37,494
Total Business-Type Activities Depreciation Expense	<u>\$ 41,828</u>

NOTE 8. LEGAL DEBT LIMIT

The legal debt limit for the Village of Pocahontas is \$472,162 for general obligation debts. The computations are as follows:

Assessed Valuation As Of March 31, 2020	\$ 5,474,339
Statutory Debt Limitation (8.625% Of Assessed Valuation)	472,162
Less, Indebtedness March 31, 2020	0
Legal Debt Margin	<u>\$ 472,162</u>

The total general obligation debt for the Village of Pocahontas at March 31, 2020 is \$0.

NOTE 9. MAJOR SUPPLIER

The Village purchases all of the water supplied to patrons from the Bond/Madison Water Company. For the year ended March 31, 2020, the Village purchased 27,374,904 gallons at a cost of \$100,938 from this company.

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 10. PENSION PLAN

IMRF Plan Description

The Village of Pocahontas’ 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 of Pocahontas’ 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. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	8
Inactive Plan Members entitled to but not yet receiving benefits	2
Active Plan Members	2
Total	12

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 10. PENSION PLAN (CONTINUED)

Actuarial Assumptions – Continued

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.6-7.6%
Cash Equivalents	1%	1.85%
Total	<u>100%</u>	

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 10. PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability

	Total Pension Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balance, December 31, 2018	\$ 961,066	\$ 885,715	\$ 75,351
Changes For The Year:			
Service Cost	16,675		16,675
Interest On The Total Pension Liability	67,338		67,338
Difference Between Expected And Actual Experience Of The Total Pension Liability	44,653		44,653
Contributions - Employer		12,192	(12,192)
Contributions - Employees		6,708	(6,708)
Net Investment Income		168,840	(168,840)
Benefit Payments, Including Refunds Of Employee Contributions	(81,198)	(81,198)	0
Other (Net Transfer)		21,942	(21,942)
Net Changes	<u>47,468</u>	<u>128,484</u>	<u>(81,016)</u>
Balance, December 31, 2019	<u>\$ 1,008,534</u>	<u>\$ 1,014,199</u>	<u>\$ (5,665)</u>

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate

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

	<u>Discount Rate</u>	<u>Net Pension (Asset) Liability</u>
1% decrease	6.25%	\$ 101,349
Current discount rate	7.25%	(5,665)
1% increase	8.25%	(83,922)

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 10. PENSION PLAN (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2020, the Village of Pocahontas recognized pension benefit of \$25,530. At March 31, 2020, the Village of Pocahontas recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected And Actual Experience	\$ 27,671	\$ 3,726
Changes Of Assumptions	2,583	
Net Difference Between Projected And Actual Earnings		
On Pension Plan Investments	78,399	129,490
Pension Contributions Made Subsequent To The Measurement Date	1,685	
Total Deferred Amounts Related To Pensions	\$ 110,338	\$133,216

Amounts realized as deferred outflows of resources and deferred inflows of resources related to pensions will be realized in pension expense in future periods as follows:

Year ending December 31,	Net Deferred Inflows of Resources
2020	\$ 745
2021	(7,013)
2022	4,607
2023	(21,217)
Total	\$ (22,878)

NOTE 11. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Village for the year:

	GOVERNMENTAL FUNDS		ENTERPRISE FUNDS	
	COMPENSATED ABSENCES		REVENUE BONDS	COMPENSATED ABSENCES
Payable April 1, 2019	\$ 5,683		\$ 617,000	\$ 3,771
Additions During Year				
Retired During Year	(3,153)		(17,000)	(345)
Payable March 31, 2020	\$ 2,530		\$ 600,000	\$ 3,426

VILLAGE OF POCAHONTAS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

NOTE 11. CHANGES IN LONG-TERM DEBT (CONTINUED)

Long-term debt at March 31, 2020 is comprised of the following individual issues:

	<u>ENTERPRISE FUNDS</u>
<u>Revenue Bonds</u>	
\$814,000 Junior Lien Sewerage System Revenue Bonds, Series A and B, due in annual installments of \$6,000 to \$45,000 through December 1, 2040, interest rate of 4.5%.	\$ 600,000
Total Long-Term Debt	<u>\$ 600,000</u>

Expected maturities of the long-term debt are as follows:

	Revenue Bond		
March 31,	Principal	Interest	Total
2021	\$ 17,000	\$ 27,000	\$ 44,000
2022	17,000	26,235	43,235
2023	17,000	25,470	42,470
2024	22,000	24,705	46,705
2025	22,000	23,715	45,715
2026-2030	120,000	103,275	223,275
2031-2035	148,000	73,890	221,890
2036-2040	192,000	37,305	229,305
2041	45,000	2,025	47,025
Totals	\$ 600,000	\$ 343,620	\$ 943,620

The above bonded indebtedness was authorized with the related Village ordinances. The ordinances require the following additional information be disclosed in these notes to the financial statements.

The Village appears to have met all material items of compliance with regards to the debt ordinances. Insurance coverage is through the Illinois Municipal League and covers the risks of property damage and liability of Village employees. Coverage for the water and sewer systems has property damage of \$250,000,000, liability of \$8,000,000, automobile liability of \$1,000,000, and fidelity coverage of \$170,000. Water users numbered 360 and 14,537,489 gallons were sold. Sewer users numbered 296 and 11,921,459 gallons were treated.

NOTE 12. SUBSEQUENT EVENTS

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the report date, the Village's office location remains open. The Village cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the financial statements.

The effects of subsequent events on the financial statements have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF POCAHONTAS, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar Year Ended December 31,	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service Cost	\$ 16,675	\$ 18,896	\$ 20,888	\$ 20,825	\$ 20,323
Interest On The Total Pension Liability	67,338	69,162	78,462	72,690	70,222
Difference Between Expected And Actual Experience Of The Total Pension Liability	44,653	(28,324)	(135,979)	44,757	9,050
Changes Of Assumptions	(81,198)	(62,038)	(58,948)	(66,855)	(65,384)
Benefit Payments, Including Refunds Of Employee Contributions	(81,198)	(62,038)	(58,948)	(66,855)	(65,384)
Net Change In Total Pension Liability	47,468	17,335	(121,461)	63,844	36,244
Total Pension Liability - Beginning	961,066	943,731	1,065,192	1,001,348	965,104
Total Pension Liability - Ending (a)	<u>\$ 1,008,534</u>	<u>\$ 961,066</u>	<u>\$ 943,731</u>	<u>\$ 1,065,192</u>	<u>\$ 1,001,348</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 12,192	\$ 19,644	\$ 18,086	\$ 20,128	\$ 19,669
Contributions - Employees	6,708	7,447	7,481	22,505	7,327
Net Investment Income	168,840	(57,799)	176,383	62,263	4,363
Benefit Payments, Including Refunds Of Employee Contributions	(81,198)	(62,038)	(58,948)	(66,855)	(65,384)
Other (Net Transfer)	21,942	19,959	(131,300)	9,959	41,052
Net Change In Plan Fiduciary Net Position	128,484	(72,787)	11,702	48,000	7,027
Plan Fiduciary Net Position - Beginning	885,715	958,502	946,800	898,800	891,773
Plan Fiduciary Net Position - Ending (b)	<u>1,014,199</u>	<u>885,715</u>	<u>958,502</u>	<u>946,800</u>	<u>898,800</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ (5,665)</u>	<u>\$ 75,351</u>	<u>\$ (14,771)</u>	<u>\$ 118,392</u>	<u>\$ 102,548</u>
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability	100.56%	92.16%	101.57%	88.89%	89.76%
Covered Valuation Payroll	\$ 149,058	\$ 165,494	\$ 166,234	\$ 166,487	\$ 162,822
Net Pension (Asset) Liability As A Percentage Of Covered Valuation Payroll	-3.80%	45.53%	-8.89%	71.11%	62.98%

NOTES TO SCHEDULE:

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

VILLAGE OF POCAHONTAS, ILLINOIS
SCHEDULE OF PENSION CONTRIBUTIONS

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of Covered</u> <u>Valuation Payroll</u>
2015	\$ 19,669	\$ 19,669	\$ 0	\$ 162,822	12.08%
2016	20,128	20,128	0	166,487	12.09%
2017	18,086	18,086	0	166,234	10.88%
2018	19,644	19,644	0	165,494	11.87%
2019	12,193	12,192	1	149,058	8.18%

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS

*Summary of Actual Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate**

VALUATION DATE

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

Methods and Assumptions Used to Determine 2019 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal
Amortization Method: Level Percentage of Payroll, Closed
Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method: 5-Year smoothed market; 20% corridor
Wage Growth: 3.25%
Price Inflation: 2.50%
Salary Increases: 3.35% to 14.25% including inflation
Investment Rate of Return: 7.50%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation

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

SUPPLEMENTARY INFORMATION

VILLAGE OF POCAHONTAS, ILLINOIS
REVENUE BOND MATURITIES AND RELATED INTEREST
REQUIREMENTS IN FUTURE YEARS
MARCH 31, 2020

DUE YEAR ENDING MARCH 31	TOTAL FOR ALL REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL
2021	\$ 17,000	\$ 27,000	\$ 44,000
2022	17,000	26,235	43,235
2023	17,000	25,470	42,470
2024	22,000	24,705	46,705
2025	22,000	23,715	45,715
2026	23,000	22,725	45,725
2027	23,000	21,690	44,690
2028	23,000	20,655	43,655
2029	23,000	19,620	42,620
2030	28,000	18,585	46,585
2031	28,000	17,325	45,325
2032	28,000	16,065	44,065
2033	29,000	14,805	43,805
2034	29,000	13,500	42,500
2035	34,000	12,195	46,195
2036	34,000	10,665	44,665
2037	34,000	9,135	43,135
2038	39,000	7,605	46,605
2039	40,000	5,850	45,850
2040	45,000	4,050	49,050
2041	45,000	2,025	47,025
TOTAL	\$ 600,000	\$ 343,620	\$ 943,620

VILLAGE OF POCAHONTAS, ILLINOIS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED MARCH 31, 2020

Finding #2020-1

The Village does not have anyone who is adequately trained or possesses the necessary knowledge that enables the preparation of the Village's financial statements and disclosures in accordance with generally accepted accounting principles. The Village keeps their records on a cash basis. Adjusting journal entries are needed to adjust the government-wide basis to accrual basis. In addition, adjusting journal entries outside the scope of the audit are also prepared.

"Generally accepted accounting principles" is the body of rules that all accountants must follow when they prepare financial statements. These rules cover how your assets, liabilities, revenues, and expenses are recorded in your books and records. Your books and records are then used to prepare the financial statements and related disclosures. Again, generally accepted accounting principles will determine the proper presentation of your assets, liabilities, revenues, and expenses and the related disclosures. An adequate system of internal control also covers the preparation of financial statements and related disclosures. This is deemed necessary so that misstatements will not occur in the financial statements.

To avoid this internal control deficiency, it would be necessary to either have a Village employee who possesses an in depth knowledge of generally accepted accounting principles needed to properly prepare the financial statements and related disclosures or contract with someone who can perform this function.

Finding #2020-2

The Village's system of internal control over cash receipts is lacking the proper segregation of duties and mitigating review and supervision procedures.

Errors and defalcations can be prevented and discovered if there is more than one person who will handle, compile, deposit, and record cash receipts. Currently, there is one Village employee who processes all cash receipts.

It is recommended that the Village incorporate another employee in the cash receipt process. How the process is split between the employees would be determined by a number of factors, including but not limited to: expertise, education, training, and availability. If these additional duties cannot be assumed by another current employee, then additional staff will need to be considered.

Finding #2020-3

The Village does not maintain their fixed asset listing.

Because no Village employee maintains the fixed asset listing, there is a possibility that the financial statements could be materially misstated due to improper classification as an expense.

To avoid this significant deficiency, it would be necessary to have a Village employee maintain the Village's fixed asset listing.

VILLAGE OF POCAHONTAS, ILLINOIS
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2020

Corrective Action Plan

Finding No.: 2020-1

Condition:

The Village does not have anyone who is adequately trained or possesses the necessary knowledge that enables the preparation of the Village's financial statements and disclosures in accordance with generally accepted accounting principles. The Village keeps their records on a cash basis. Adjusting journal entries are needed to adjust the government-wide basis to accrual basis. In addition, adjusting journal entries outside the scope of the audit are also prepared.

Plan:

The Village should consider hiring a Village employee who possesses an in depth knowledge of generally accepted accounting principles that is needed to properly prepare the financial statements and related disclosures or contract with someone who can perform this function.

Anticipated Date of Completion: N/A

Name of Contact Person: Vanessa Maroon, Village Clerk

Management Response: The Village does not believe it is cost beneficial to hire additional accounting expertise to ensure the Village's annual financial statements are prepared in accordance with generally accepted accounting principles. The Village will continue to reevaluate on an ongoing basis.

Finding No.: 2020-2

Condition:

The Village's system of internal control over cash receipts is lacking the proper segregation of duties and mitigating review and supervision procedures.

Plan:

It is recommended that the Village incorporate another employee in the cash receipt process. How the process is split between the employees would be determined by a number of factors, including but not limited to: expertise, education, training, and availability. If these additional duties cannot be assumed by another current employee, then additional staff will need to be considered.

Anticipated Date of Completion: N/A

Name of Contact Person: Vanessa Maroon, Village Clerk

Management Response: The Village does not believe it is cost beneficial to hire additional accounting expertise to ensure the proper segregation of duties. The Village will continue to reevaluate on an ongoing basis.

Finding No.: 2020-3

Condition:

The Village does not maintain their fixed asset listing.

Plan:

It is recommended that the Village have a Village employee maintain the Village's fixed asset listing.

Anticipated Date of Completion: N/A

Name of Contact Person: Vanessa Maroon, Village Clerk

Management Response: The Village does not believe it is cost beneficial to hire additional accounting expertise to ensure the Village's fixed asset listing are kept up to date. The Village will continue to reevaluate on an ongoing basis.