



## **Village of Coal Valley, Illinois**

Annual Financial and Compliance Report  
Year Ended December 31, 2023

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**Financial Section**

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**Compliance Section**

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**Village of Coal Valley**

**Officials**

**Year Ended December 31, 2023**

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<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
<b>Board of Trustees</b>		
Michael Bartels	Village President	May 2025
Thomas House	Trustee	May 2025
Stan Engstrom	Trustee	May 2025
Graeme Jewell	Trustee	May 2027
James Mountain	Trustee	May 2025
Laura Rigg	Trustee	May 2027
Kevin Stickell	Trustee	May 2025
<b>Administration</b>		
Penny Mullen	Village Administrator/Director of Finance	Appointed
Elissa Bundy	Interim Village Clerk/Assistant Accounting Clerk	Appointed
Ryan Hamerlinck	Director of Roads and Parks, Director of Sewer, Water and Sanitary	Appointed
Clint Whitney	Chief of Police	Appointed
Amber Dennis	Administrative Assistant Coal Valley Police Department	Appointed

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## **Independent Auditor's Report**

To the Village President and  
Members of Board of Trustees  
Village of Coal Valley, Illinois  
Coal Valley, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Coal Valley, Illinois as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Coal Valley, Illinois, as of December 31, 2023, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Village of Coal Valley, 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 audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 14 to the financial statements, Village of Coal Valley, Illinois adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, December 31, 2022 governmental activities net position is restated by \$7,426.

#### ***Responsibilities of Management for the Financial Statements***

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

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 Coal Valley, Illinois's 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 GAAS 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 GAAS 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 Village of Coal Valley, Illinois's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Coal Valley, Illinois's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and related ratios and schedules of contributions for the Illinois Municipal Retirement Plan and schedule of changes in the Village's total OPEB liability and related ratios, and budgetary comparison information, on pages 4–12 and 51–64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Coal Valley, Illinois's basic financial statements. The combining and individual fund statements and schedules and the other information, such as the schedule of assessed valuations and property tax rates, extensions and collections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 supplementary information 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 May 14, 2024, on our consideration of the Village of Coal Valley, Illinois's 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 Coal Valley, Illinois's 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 Coal Valley, Illinois's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
May 14, 2024

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## Village of Coal Valley, Illinois

### Management's Discussion and Analysis Year Ended December 31, 2023

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It is an honor to present to you the financial picture of the Village of Coal Valley, Illinois. We offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Coal Valley, Illinois for the year ended December 31, 2023.

#### Financial Highlights

The assets and the deferred outflows of resources of the Village of Coal Valley, Illinois exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,985,339 (net position). Of this amount, \$10,674,463 is the Village's net investment in capital assets, \$1,713,304 is restricted for specific purposes and the amount available to meet the government's ongoing obligations to citizens and creditors is \$4,597,572. The government's total net position increased by \$1,232,257 during the year ended 2023.

As of the close of this current fiscal year, the Village of Coal Valley, Illinois' governmental funds reported combined ending fund balances of \$4,340,484 an increase of \$533,471 in comparison with the prior year. At the end of the current year, unassigned fund balance for the General Fund was \$2,854,177 compared to \$2,641,539 as of December 31, 2022. This represents an increase of \$212,638.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Coal Valley, Illinois' basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the Village of Coal Valley, Illinois' finances in a manner similar to a private-sector business.

The statement of net position presents information on all the Village of Coal Valley, Illinois' assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued liabilities).

Both of the government-wide financial statements distinguished functions of the Village of Coal Valley, Illinois that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general and administrative, police, street and alley, economic development, parks and interest on long-term debt. The business-type activities of the Village include waterworks and sewerage.

The government-wide financial statements include the Village of Coal Valley, Illinois. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the Village.

## Village of Coal Valley, Illinois

### Management's Discussion and Analysis Year Ended December 31, 2023

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**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Coal Valley, Illinois, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Coal Valley, Illinois maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Projects Fund, Motor Fuel Tax Fund and the TIF Fund. The Village has two nonmajor governmental special revenue funds. Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting.

**Proprietary funds** – Proprietary funds account for the services for which the Village charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the statement of net position and the statement of activities. The major difference between the proprietary funds and the business type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund financial statements. Proprietary funds include the Waterworks and Sewerage Fund which includes the activities of the Waterworks and Sewerage Operating Account, and Waterworks and Sewerage Capital Improvements Account.

The financial statements required for proprietary funds include a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows.

**Notes to basic financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Coal Valley, Illinois' progress in funding its obligation to provide pension benefits, other postemployment benefits to its employees and budgetary comparison schedules for the General Fund and each major special revenue fund. This information can be found in the required supplementary information of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements and the required supplementary information.

## Village of Coal Valley, Illinois

### Management's Discussion and Analysis Year Ended December 31, 2023

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Village's total net position has increased \$1,232,257 to \$16,985,339 from restated \$15,753,082 in December 2022.

Table 1 - Village of Coal Valley's Net Position

	Restated		Business-Type	Business-Type		Total	Restated
	Governmental	Governmental		Activities	Activities		
	Activities	Activities	Activities	Activities	Total	Total	
	December	December	December	December	December	December	December
	2023	2022	2023	2022	2023	2022	2022
Current and other assets	\$ 5,385,017	\$ 4,706,187	\$ 3,122,525	\$ 2,484,942	\$ 8,507,542	\$ 7,191,129	
Capital assets	4,791,593	4,747,570	5,973,700	6,080,057	10,765,293	10,827,627	
<b>Total assets</b>	<b>10,176,610</b>	<b>9,453,757</b>	<b>9,096,225</b>	<b>8,564,999</b>	<b>19,272,835</b>	<b>18,018,756</b>	
Total deferred outflows of resources	293,440	412,212	44,632	66,030	338,072	478,242	
Noncurrent liabilities	642,331	875,915	162,023	198,619	804,354	1,074,534	
Other liabilities	264,031	118,383	734,252	730,412	998,283	848,795	
<b>Total liabilities</b>	<b>906,362</b>	<b>994,298</b>	<b>896,275</b>	<b>929,031</b>	<b>1,802,637</b>	<b>1,923,329</b>	
Total deferred inflows of resources	816,842	812,874	6,089	7,713	822,931	820,587	
Net position:							
Net investment in capital assets	4,700,763	4,647,433	5,973,700	6,080,057	10,674,463	10,727,490	
Restricted	1,713,304	1,342,981	-	-	1,713,304	1,342,981	
Unrestricted	2,332,779	2,068,383	2,264,793	1,614,228	4,597,572	3,682,611	
<b>Total net position</b>	<b>\$ 8,746,846</b>	<b>\$ 8,058,797</b>	<b>\$ 8,238,493</b>	<b>\$ 7,694,285</b>	<b>\$ 16,985,339</b>	<b>\$ 15,753,082</b>	

Of the Village of Coal Valley's net position, 63 percent reflects its investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, machinery and equipment, capital assets also included infrastructure purchased subsequent to May 1, 2004), less any related debt used to acquire those assets that are still outstanding and unspent bond proceeds. The Village of Coal Valley uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A restricted portion of the Village's net position (10 percent as of December 31, 2023) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position which may be used to meet the government's ongoing obligations to citizens and creditors is \$4,597,572.

The increase in net position is primarily from 1) the net pension liability, Illinois Municipal Retirement Fund, decreasing due to improved interest rates and 2) increases in customer receivables for rate increases and consumption.

The Village's total net position increased by \$1,232,257 during the year ended December 31, 2023. The governmental-type activities' net position increased by \$688,049. The total business-type activities' net position increased by \$544,208.

**Village of Coal Valley, Illinois**

**Management’s Discussion and Analysis  
Year Ended December 31, 2023**

Table 2 highlights the Village’s revenues and expenses for the year ended December 31, 2023. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

Table 2 - Village of Coal Valley, Illinois' Changes in Net Position

	Not restated		Not restated			
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
	December	December	December	December	December	December
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 238,889	\$ 225,447	\$ 1,956,338	\$ 1,759,943	\$ 2,195,227	\$ 1,985,390
Operating grants	-	-	-	-	-	-
Capital grants and contributions	169,321	283,661	-	-	169,321	283,661
General revenues:						
Property taxes	784,416	722,153	-	-	784,416	722,153
Sales taxes	279,744	277,480	-	-	279,744	277,480
State use taxes	150,757	156,966	-	-	150,757	156,966
Utility taxes	147,472	183,750	-	-	147,472	183,750
Telecommunications taxes	39,839	43,763	-	-	39,839	43,763
State income taxes	624,178	627,159	-	-	624,178	627,159
Replacement taxes	25,081	33,852	-	-	25,081	33,852
Cannabis tax	5,915	6,231	-	-	5,915	6,231
Video gaming tax	41,988	38,707	-	-	41,988	38,707
Investment earnings	61,378	13,667	55,811	9,189	117,189	22,856
Miscellaneous	33,500	-	11,407	7,612	44,907	7,612
<b>Total revenues</b>	<b>2,602,478</b>	<b>2,612,836</b>	<b>2,023,556</b>	<b>1,776,744</b>	<b>4,626,034</b>	<b>4,389,580</b>

Governmental activities revenues decreased \$10,358 or 0.3 percent. Investment earnings increased \$47,711 from \$13,667 in 2022 to \$61,378 in 2023 due to improved rates on bank accounts. Property taxes increased \$62,263 due to increased assessed valuations. Capital grants decreased \$114,340 due to the Village receiving a \$43,675 contribution for equipment in the prior year and due to the approximate \$66,000 decrease in motor fuel tax allocation from the State of Illinois.

Business-type activities revenue increased \$246,812 from the prior year or 13.9 percent. The Village sewer rate increased \$1.50 or 20.7 percent. Consumption increased 1 percent.

Village of Coal Valley, Illinois

Management's Discussion and Analysis  
Year Ended December 31, 2023

Table 2 - Village of Milan, Illinois' Changes in Net Position (Continued)

	Not restated		Business-Type		Not restated	
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities	December	December
	December	December	December	December	December	December
	2023	2022	2023	2022	2023	2022
Expenses:						
General and administrative	\$ 252,445	\$ 225,733	\$ -	\$ -	\$ 252,445	\$ 225,733
Police	826,336	988,500	-	-	826,336	988,500
Street and alley	600,534	531,300	-	-	600,534	531,300
Parks	105,789	97,053	-	-	105,789	97,053
Economic development	57,435	136,551	-	-	57,435	136,551
Interest on long-term debt	3,109	3,543	-	-	3,109	3,543
Water and sewer	-	-	1,548,129	1,506,835	1,548,129	1,506,835
<b>Total expenses</b>	<b>1,845,648</b>	<b>1,982,680</b>	<b>1,548,129</b>	<b>1,506,835</b>	<b>3,393,777</b>	<b>3,489,515</b>
<b>Excess before transfers</b>	<b>756,830</b>	<b>630,156</b>	<b>475,427</b>	<b>269,909</b>	<b>1,232,257</b>	<b>900,065</b>
Transfers	(68,781)	113,263	68,781	(113,263)	-	-
<b>Increase in net position</b>	<b>688,049</b>	<b>743,419</b>	<b>544,208</b>	<b>156,646</b>	<b>1,232,257</b>	<b>900,065</b>
Net position, beginning, as restated	8,058,797	7,307,952	7,694,285	7,537,639	15,753,082	14,845,591
Net position, ending	\$ 8,746,846	\$ 8,051,371	\$ 8,238,493	\$ 7,694,285	\$ 16,985,339	\$ 15,745,656

Total expenses decreased \$95,738 from \$3,489,515 to \$3,393,777. Governmental activities decreased \$137,032 primarily due to the decreased economic development activity from the Village purchasing more lots and having demolition costs in the prior year and more equipment and repair expenses in the prior year. Business-type activities increased \$41,294 or 2.7 percent due to increased charges for sewer services from City of Moline. Table 3 below discloses cost of services for governmental and business-type activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Table 3 - Cost of Services

Programs	Total Cost of Services		Net (Expense) of Services	
	December	December	December	December
	2023	2022	2023	2022
General and administrative	\$ 252,445	\$ 225,733	\$ (114,196)	\$ (95,311)
Police	826,336	988,500	(804,237)	(972,922)
Street and alley	600,534	531,300	(431,213)	(249,854)
Parks	105,789	97,053	(105,789)	(94,838)
Economic development	57,435	136,551	21,106	(57,104)
Interest on long-term debt	3,109	3,543	(3,109)	(3,543)
Waterworks and sewerage	1,548,129	1,506,835	408,209	253,108
<b>Total</b>	<b>\$ 3,393,777</b>	<b>\$ 3,489,515</b>	<b>\$ (1,029,229)</b>	<b>\$ (1,220,464)</b>

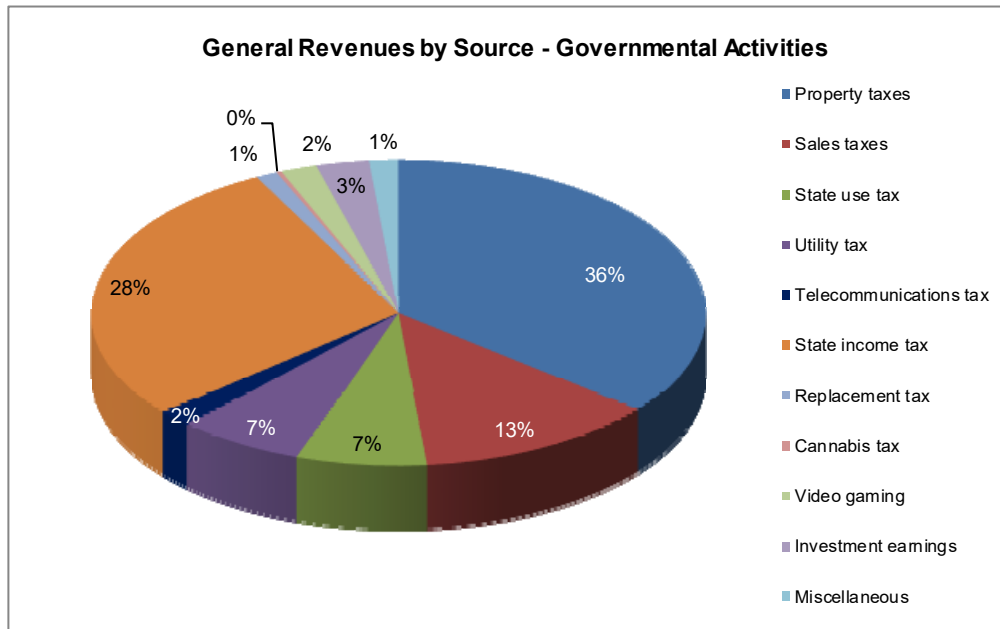
Net cost of services is 30.3 percent of total cost of services for the year ended December 31, 2023 and 35.0 percent for the year ended December 31, 2022.

Village of Coal Valley, Illinois

Management’s Discussion and Analysis  
Year Ended December 31, 2023

**Governmental Activities**

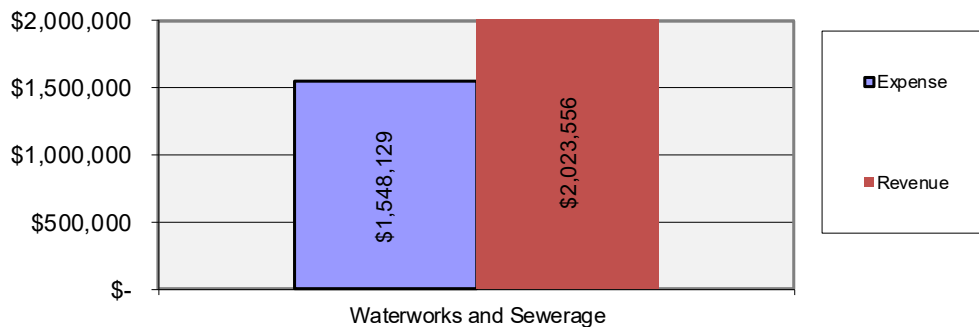
The graph below shows the percentage of the general revenues in governmental activities allocated by each revenue type for fiscal year 2023:



**Business-type activities:** For the year ended December 31, 2023, business-type activities increased the Village of Coal Valley’s net position by \$544,208.

Total business-type activities’ revenue for the fiscal year was \$2,023,556. All but \$67,218 of this revenue was generated for specific business-type activity expenses. The graph below shows a comparison between the business-type activity expenditures and program revenues.

**Expenses and Revenues - Business-Type Activities  
for Year Ended December 31, 2023**





## Village of Coal Valley, Illinois

### Management's Discussion and Analysis Year Ended December 31, 2023

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#### Financial Analysis of the Government's Funds

As noted earlier, the Village of Coal Valley, Illinois uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** – The focus of the Village of Coal Valley, Illinois' governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village of Coal Valley itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village of Coal Valley's Trustees.

As of December 31, 2023, the Village of Coal Valley, Illinois' governmental funds reported combined ending fund balances of \$4,340,484, an increase of \$533,471 from December 31, 2022. The Village's unassigned fund balance was \$2,638,398 as of December 31, 2023 compared to \$2,473,886 as of December 31, 2022. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not available for spending \$22,050 2) legally required to be maintained intact or restricted for particular purposes by enabling legislation or by third parties - \$1,677,481 and 3) committed for specific purposes by the Board of Trustees - \$2,555.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance and total fund balance of the General Fund was \$2,854,177, an increase of \$212,638 from 2022. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to General Fund expenditures. Unassigned fund balance represents approximately 181 percent of total General Fund expenditures compared to 163 percent in the prior year.

The General Fund net position increase is due to a) an increase of \$32,637 in investment earnings due to improved rates, b) an increase of \$32,055 in property taxes due to increased assessed valuation and c) a decrease of \$134,421 in the amount transferred out to the Capital Projects Fund due to less capital project activity.

The Capital Projects Fund had a total fund balance (deficit) of (\$213,224) as of December 31, 2023 which represented a decrease from the prior period deficit fund balance of (\$162,086). Total 2023 expenditures were \$285,846 compared to 2022 expenditures of \$369,738. The decrease is due to a decrease in the capital projects of the Village. The purchases were funded through a transfer in from the General Fund.

The Special Revenue- Motor Fuel Tax Fund has a total fund balance of \$492,553 for the current year, an increase of \$51,545 over the prior period fund balance of \$441,008. The increase is due to having more in motor fuel tax allotment from the state than expended on street projects.

The Special Revenue- TIF Fund has a total fund balance of \$1,188,923 for the current year, an increase of \$319,363 over the prior period fund balance of \$869,560. Tax increment financing projects for the year resulted in expenditures of \$41,877. Tax increment financing property taxes revenue was \$347,958 compared to \$318,975 in the prior year.

## Village of Coal Valley, Illinois

### Management's Discussion and Analysis Year Ended December 31, 2023

**Proprietary funds** – The Village of Coal Valley's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail. The Waterworks and Sewerage Fund had a positive change in net position of \$544,208 compared to \$156,646 in the prior period 2022. The operating income in the Waterworks and Sewerage Fund was \$419,619 after depreciation of \$291,505 for the year ended December 31, 2023. The operating income in the Waterworks and Sewerage Fund was \$260,720 after depreciation of \$289,145 for the period ended December 31, 2022.

The cost of service increased \$59,487 from the prior year primarily due to an increase in the sewer services from the City of Moline.

### General Fund Budgetary Highlights

Total General Fund expenditures were under budget by \$134,189, primarily in the Police function. Total revenues were more than budgeted by \$47,024 primarily due to an increase in state income tax received, and increased investment earnings.

### Capital Asset and Debt Administration

**Capital assets** - The Village of Coal Valley's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$10,765,293 (net of accumulated depreciation of \$20,038,956). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment, infrastructure, right to use lease equipment and right to use IT subscriptions.

Village of Coal Valley's Capital Assets						
	Governmental Activities		Business-Type		Total	
	December 2023	Restated December 2022	December 2023	December 2022	December 2023	Restated December 2022
Land	\$ 774,379	\$ 774,379	\$ 224,000	\$ 224,000	\$ 998,379	\$ 998,379
Construction in progress	83,946	36,626	62,883	40,420	146,829	77,046
Land improvements	74,393	79,945	-	-	74,393	79,945
Buildings	1,094,144	1,119,446	-	-	1,094,144	1,119,446
Furniture and equipment	114,793	116,859	-	-	114,793	116,859
Parks and street equipment	173,504	193,174	-	-	173,504	193,174
Vehicles	321,317	280,064	-	-	321,317	280,064
Infrastructure	2,052,210	2,039,508	5,686,817	5,815,637	7,739,027	7,855,145
Right to use lease equipment	4,292	5,764	-	-	4,292	5,764
Right to use IT subscription	98,615	101,805	-	-	98,615	101,805
<b>Total</b>	<b>\$ 4,791,593</b>	<b>\$ 4,747,570</b>	<b>\$ 5,973,700</b>	<b>\$ 6,080,057</b>	<b>\$ 10,765,293</b>	<b>\$ 10,827,627</b>

Additional information on the Village of Coal Valley's capital assets can be found in Note 3 of this report.

## **Village of Coal Valley, Illinois**

### **Management's Discussion and Analysis Year Ended December 31, 2023**

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**Debt** - As of December 31, 2023, the Village of Coal Valley, Illinois had a lease obligation of \$4,350 and an IT subscription obligation of \$86,480. For the year ended December 31, 2023, the Village paid \$38,830 in principal and \$3,109 in interest on outstanding debt.

Additional information about the Village's long-term debt can be found in Note 4 to the financial statements.

#### **Economic Factors and Next Year's Budgets and Rates**

- Real property assessed values have increased with levy year 2023 (collection year 2023) to \$96,939,012 a 6.5 percent increase over levy year 2022 of \$91,031,727.
- The Village's tax rate decreased from 0.4363 in levy year 2022 to 0.4309 in levy year 2023.

#### **Requests for Information**

This report is designed to provide our citizens and businesses with a general overview of the Village's finances and operating activities. If you have questions about this report or require additional financial information, contact the Village of Coal Valley, Illinois at 900 1<sup>st</sup> Street, P.O. Box 105, Coal Valley, IL 61240, or by telephone at 309-799-3604.

Village of Coal Valley, Illinois

Statement of Net Position

December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 4,242,543	\$ 2,903,440	\$ 7,145,983
Receivables:			
Property taxes	781,481	-	781,481
Other taxes	336,744	-	336,744
Customer accounts	-	213,368	213,368
Interest	2,199	5,717	7,916
Asset held for resale	22,050	-	22,050
<b>Total current assets</b>	<b>5,385,017</b>	<b>3,122,525</b>	<b>8,507,542</b>
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	774,379	224,000	998,379
Construction in progress	83,946	62,883	146,829
Depreciable:			
Land improvements	117,079	-	117,079
Buildings	1,670,474	-	1,670,474
Furniture and equipment	257,028	-	257,028
Parks and street equipment	377,034	-	377,034
Vehicles	665,632	-	665,632
Infrastructure, road network	12,166,034	14,246,880	26,412,914
Right to use lease equipment	5,887	-	5,887
Right to use IT subscription	152,993	-	152,993
Accumulated depreciation	(11,478,893)	(8,560,063)	(20,038,956)
<b>Total noncurrent assets</b>	<b>4,791,593</b>	<b>5,973,700</b>	<b>10,765,293</b>
<b>Total assets</b>	<b>10,176,610</b>	<b>9,096,225</b>	<b>19,272,835</b>
<b>Deferred outflows of resources:</b>			
OPEB related deferred outflows	12,813	2,831	15,644
Pension related deferred outflows	280,627	41,801	322,428
<b>Total deferred outflows of resources</b>	<b>293,440</b>	<b>44,632</b>	<b>338,072</b>

See Notes to Basic Financial Statements.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 153,780	\$ 206,299	\$ 360,079
Accrued liabilities	54,913	14,538	69,451
Deposits	-	6,422	6,422
Compensated absences	15,986	611	16,597
Unearned revenue	-	506,382	506,382
Current portion, lease obligation	1,456	-	1,456
Current portion, IT subscription obligation	37,896	-	37,896
<b>Total current liabilities</b>	<b>264,031</b>	<b>734,252</b>	<b>998,283</b>
Noncurrent liabilities:			
Lease obligation	2,894	-	2,894
IT subscription obligation	48,584	-	48,584
Other postemployment benefits obligation	43,518	9,185	52,703
Net pension liability - IMRF	547,335	152,838	700,173
<b>Total noncurrent liabilities</b>	<b>642,331</b>	<b>162,023</b>	<b>804,354</b>
<b>Total liabilities</b>	<b>906,362</b>	<b>896,275</b>	<b>1,802,637</b>
<b>Deferred Inflows of Resources:</b>			
Deferred revenue, property taxes	772,553	-	772,553
OPEB related deferred inflows	23,583	5,573	29,156
Pension related deferred inflows	20,706	516	21,222
<b>Total deferred inflows of resources</b>	<b>816,842</b>	<b>6,089</b>	<b>822,931</b>
<b>Net Position</b>			
Net investment in capital assets	4,700,763	5,973,700	10,674,463
Restricted for:			
Economic development	1,188,923	-	1,188,923
Capital projects	506,326	-	506,326
Other purposes	18,055	-	18,055
Unrestricted	2,332,779	2,264,793	4,597,572
<b>Total net position</b>	<b>\$ 8,746,846</b>	<b>\$ 8,238,493</b>	<b>\$ 16,985,339</b>

Village of Coal Valley, Illinois

**Statement of Activities**  
**Year Ended December 31, 2023**

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Sales and Services</u>	<u>Operating Grants and Contributions</u>
<b>Governmental activities:</b>			
General and administrative	\$ 252,445	\$ 138,249	\$ -
Police	826,336	22,099	-
Street and alley	600,534	-	-
Parks	105,789	-	-
Economic development	57,435	78,541	-
Interest on long-term debt	3,109	-	-
<b>Total governmental activities</b>	<u>1,845,648</u>	<u>238,889</u>	<u>-</u>
<b>Business-type activities:</b>			
Waterworks and sewerage	1,548,129	1,956,338	-
<b>Total business-type activities</b>	<u>1,548,129</u>	<u>1,956,338</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 3,393,777</u>	<u>\$ 2,195,227</u>	<u>\$ -</u>

**General revenues and transfers**

General revenues:

Taxes:

- Property taxes
- Sales taxes
- State use taxes
- Utility taxes
- Telecommunication taxes
- State income taxes
- Replacement taxes
- Cannabis tax
- Video gaming taxes
- Investment earnings
- Miscellaneous
- Gain on sale of capital asset

Transfers

**Total general revenues and transfers**

Changes in net position

Net position, beginning of year, as restated

Net position, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (114,196)	\$ -	\$ (114,196)
-	(804,237)	-	(804,237)
169,321	(431,213)	-	(431,213)
-	(105,789)	-	(105,789)
-	21,106	-	21,106
-	(3,109)	-	(3,109)
169,321	(1,437,438)	-	(1,437,438)
-	-	408,209	408,209
-	-	408,209	408,209
<u>\$ 169,321</u>	<u>(1,437,438)</u>	<u>408,209</u>	<u>(1,029,229)</u>

784,416	-	784,416
279,744	-	279,744
150,757	-	150,757
147,472	-	147,472
39,839	-	39,839
624,178	-	624,178
25,081	-	25,081
5,915	-	5,915
41,988	-	41,988
61,378	55,811	117,189
-	11,407	11,407
33,500	-	33,500
(68,781)	68,781	-
<u>2,125,487</u>	<u>135,999</u>	<u>2,261,486</u>
688,049	544,208	1,232,257
8,058,797	7,694,285	15,753,082
<u>\$ 8,746,846</u>	<u>\$ 8,238,493</u>	<u>\$ 16,985,339</u>

Village of Coal Valley, Illinois

**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

	General Fund	Capital Projects Fund
<b>Assets</b>		
Cash and investments	\$ 2,481,939	\$ 2,555
Receivables:		
Property taxes	424,057	37,446
Other taxes	294,944	-
Interest	2,199	-
Due from other funds	216,225	-
Asset held for resale	-	-
<b>Total assets</b>	<b>\$ 3,419,364</b>	<b>\$ 40,001</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 44,929	\$ -
Accrued liabilities	53,191	-
Due to other funds	-	216,225
<b>Total liabilities</b>	<b>98,120</b>	<b>216,225</b>
Deferred inflows of resources:		
Unavailable revenue- property taxes	417,553	37,000
Unavailable revenue- other taxes	49,514	-
<b>Total deferred inflows of resources</b>	<b>467,067</b>	<b>37,000</b>
Fund balances:		
Nonspendable:		
Asset held for sale	-	-
Restricted:		
Economic development	-	-
Capital projects	-	-
Other purposes	-	-
Committed:		
Equipment replacement	-	2,555
Unassigned	2,854,177	(215,779)
<b>Total fund balances (deficits)</b>	<b>2,854,177</b>	<b>(213,224)</b>
<b>Total liabilities, deferred inflow of resources and fund balances (deficits)</b>	<b>\$ 3,419,364</b>	<b>\$ 40,001</b>

See Notes to Basic Financial Statements.



Special Revenue		Other Nonmajor Governmental Funds		Total
Motor Fuel Tax Fund	TIF Fund			
\$ 573,377	\$ 1,166,617	\$ 18,055	\$	4,242,543
-	319,978	-		781,481
41,800	-	-		336,744
-	-	-		2,199
-	-	-		216,225
-	22,050	-		22,050
<u>\$ 615,177</u>	<u>\$ 1,508,645</u>	<u>\$ 18,055</u>	<u>\$</u>	<u>5,601,242</u>
\$ 108,851	\$ -	\$ -	\$	153,780
-	1,722	-		54,913
-	-	-		216,225
<u>108,851</u>	<u>1,722</u>	<u>-</u>	<u></u>	<u>424,918</u>
-	318,000	-		772,553
13,773	-	-		63,287
<u>13,773</u>	<u>318,000</u>	<u>-</u>	<u></u>	<u>835,840</u>
-	22,050	-		22,050
-	1,166,873	-		1,166,873
492,553	-	-		492,553
-	-	18,055		18,055
-	-	-		2,555
-	-	-		2,638,398
<u>492,553</u>	<u>1,188,923</u>	<u>18,055</u>	<u></u>	<u>4,340,484</u>
<u>\$ 615,177</u>	<u>\$ 1,508,645</u>	<u>\$ 18,055</u>	<u>\$</u>	<u>5,601,242</u>

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Village of Coal Valley, Illinois

**Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
December 31, 2023**

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Total governmental fund balances		\$	4,340,484
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Capital assets	16,270,486		
Accumulated depreciation	<u>(11,478,893)</u>		4,791,593
Receivables not collected within 60 days of year-end are not available to pay for the current-period expenditures and, therefore, are deferred inflows of resources in the funds- unavailable revenues.			63,287
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:			
OPEB related deferred outflows of resources	12,813		
OPEB related deferred inflows of resources	(23,583)		
Pension related deferred outflows of resources	280,627		
Pension related deferred inflows of resources	<u>(20,706)</u>		249,151
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Net pension liability	(547,335)		
Lease obligation	(4,350)		
IT subscription obligation	(86,480)		
Other postemployment benefits obligation	(43,518)		
Accrued compensated absences	<u>(15,986)</u>		(697,669)
<b>Net position of governmental activities</b>		\$	<u><u>8,746,846</u></u>

See Notes to Basic Financial Statements.

Village of Coal Valley, Illinois

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2023**

	General Fund	Capital Projects Fund
Revenues:		
Taxes:		
Property taxes	\$ 398,879	\$ 37,579
Sales taxes	276,780	-
State use taxes	152,448	-
Utility taxes	147,472	-
Motor fuel taxes	-	-
Telecommunications taxes	39,729	-
State income taxes	624,178	-
Replacement taxes	25,081	-
Cannabis tax	5,915	-
Video gaming taxes	41,988	-
Fines and penalties	21,060	-
Investment earnings	41,425	30
Licenses and permits	119,001	-
Other	86,038	8,105
<b>Total revenues</b>	<b>1,979,994</b>	<b>45,714</b>
Expenditures:		
Current:		
General and administrative	186,464	-
Police	851,409	-
Street and alley	346,745	-
Parks	94,982	-
Economic development	17,842	-
Capital outlay	33,223	285,846
Debt service:		
Principal	38,830	-
Interest	3,109	-
<b>Total expenditures</b>	<b>1,572,604</b>	<b>285,846</b>
<b>Revenues over (under) expenditures before     other financing sources (uses)</b>	<b>407,390</b>	<b>(240,132)</b>
Other financing sources (uses):		
Issuance of IT subscription obligation	29,523	-
Proceeds from sale of capital asset	33,500	-
Transfer in from other funds	-	188,994
Transfer out to other funds	(257,775)	-
<b>Total other financing sources (uses)</b>	<b>(194,752)</b>	<b>188,994</b>
<b>Revenue over expenditures</b>	<b>212,638</b>	<b>(51,138)</b>
Fund balances (deficit), beginning	2,641,539	(162,086)
Fund balances (deficit), ending	<b>\$ 2,854,177</b>	<b>\$ (213,224)</b>

See Notes to Basic Financial Statements.

Special Revenue		Other Nonmajor		Total
Motor Fuel Tax Fund	TIF Fund	Governmental Funds		
\$ -	\$ 347,958	\$ -	\$ -	784,416
-	-	-	-	276,780
-	-	-	-	152,448
-	-	-	-	147,472
167,957	-	-	-	167,957
-	-	-	-	39,729
-	-	-	-	624,178
-	-	-	-	25,081
-	-	-	-	5,915
-	-	-	-	41,988
-	-	1,039	-	22,099
6,617	13,282	24	-	61,378
-	-	-	-	119,001
-	-	-	-	94,143
174,574	361,240	1,063	-	2,562,585
-	-	-	-	186,464
-	-	-	-	851,409
14,178	-	-	-	360,923
-	-	-	-	94,982
-	41,877	-	-	59,719
108,851	-	-	-	427,920
-	-	-	-	38,830
-	-	-	-	3,109
123,029	41,877	-	-	2,023,356
51,545	319,363	1,063	-	539,229
-	-	-	-	29,523
-	-	-	-	33,500
-	-	-	-	188,994
-	-	-	-	(257,775)
-	-	-	-	(5,758)
51,545	319,363	1,063	-	533,471
441,008	869,560	16,992	-	3,807,013
\$ 492,553	\$ 1,188,923	\$ 18,055	\$ -	4,340,484

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**Village of Coal Valley, Illinois**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2023**

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Net change in fund balances - governmental funds \$ 533,471

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

Capital outlay	417,724	
Proceeds on sale of capital asset	(33,500)	
Gain on sale of capital asset	33,500	
Depreciation/amortization:		
General and administrative	(71,976)	
Police	(48,249)	
Street and alley	(239,460)	
Parks	(14,016)	
	44,023	44,023

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Sales tax	2,964	
State use tax	(1,691)	
Telecommunications tax	110	
Motor fuel tax	1,364	
Other	3,646	
	6,393	6,393

The issuance of long-term debt (e.g. bonds, loans, leases) provides current financial resources to governmental funds. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment of debt reduces long-term liabilities in the statement of net position:

Issuance of IT subscription obligation	(29,523)	
Principal payments- IT subscription obligations	37,422	
Principal payments- lease obligations	1,408	
	9,307	9,307

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:

Change in accrued compensated time	10,642	
Change in other postemployment benefits obligation	(2,277)	
Change in IMRF net pension liability and related deferrals	86,490	
	94,855	94,855

**Change in net position of governmental activities \$ 688,049**

See Notes to Basic Financial Statements.

Village of Coal Valley, Illinois

**Statement of Net Position**  
**Proprietary Fund**  
**December 31, 2023**

---

	Waterworks and Sewerage Fund
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 2,903,440
Receivables:	
Customer accounts	213,368
Interest	5,717
<b>Total current assets</b>	<u>3,122,525</u>
Noncurrent assets:	
Capital assets, not depreciated	286,883
Capital assets, depreciated net of accumulated depreciation	5,686,817
<b>Total noncurrent assets</b>	<u>5,973,700</u>
<b>Total assets</b>	<u>9,096,225</u>
<b>Deferred outflows of resources:</b>	
OPEB related deferred outflows	2,831
Pension related deferred outflows	41,801
<b>Total deferred outflows of resources</b>	<u>44,632</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	206,299
Accrued salary and benefits	14,538
Compensated absences	611
Customer deposits	6,422
Advances from grants	506,382
<b>Total current liabilities</b>	<u>734,252</u>
Noncurrent liabilities:	
Net other postemployment liability	9,185
Net pension liability	152,838
<b>Total noncurrent liabilities</b>	<u>162,023</u>
<b>Total liabilities</b>	<u>896,275</u>
<b>Deferred inflows of resources:</b>	
OPEB related deferred inflows	5,573
Pension related deferred inflows	516
<b>Total deferred inflows of resources</b>	<u>6,089</u>
<b>Net position</b>	
Net investment in capital assets	5,973,700
Unrestricted	2,264,793
<b>Total net position</b>	<u>\$ 8,238,493</u>

See Notes to Basic Financial Statements.



Village of Coal Valley, Illinois

Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
Year Ended December 31, 2023

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	Waterworks and Sewerage Fund
Operating revenues:	
Charges for services	\$ 1,956,338
Miscellaneous	11,407
<b>Total operating revenues</b>	<u>1,967,745</u>
Operating expenses:	
Personal services	241,917
Cost of services	1,014,707
Depreciation	291,505
<b>Total operating expenses</b>	<u>1,548,129</u>
<b>Operating income</b>	419,616
Nonoperating revenues:	
Interest income	55,811
<b>Total nonoperating revenue</b>	<u>55,811</u>
<b>Income before transfers</b>	475,427
Transfers in	68,781
<b>Change in net position</b>	544,208
Total net position, beginning of year	7,694,285
Total net position, end of year	<u>\$ 8,238,493</u>

See Notes to Basic Financial Statements.

Village of Coal Valley, Illinois

**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended December 31, 2023**

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	<u>Waterworks and Sewerage Fund</u>
Cash flows from operating activities:	
Cash received from customers and users	\$ 1,913,910
Cash received from other revenues	11,407
Cash paid for personal services	(257,961)
Cash paid to suppliers	<u>(1,011,495)</u>
<b>Net cash provided by operating activities</b>	<u>655,861</u>
Cash flows from noncapital financing activities:	
Payments to other funds	<u>137,562</u>
<b>Net cash provided by non-capital     financing activities</b>	<u>137,562</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(185,148)</u>
<b>Net cash (used in) capital and related financing activities</b>	<u>(185,148)</u>
Cash flows from investing activities, interest income	<u>50,094</u>
<b>Increase in cash and cash equivalents</b>	658,369
Cash and cash equivalents, beginning of year	2,245,071
Cash and cash equivalents, end of year	<u><u>\$ 2,903,440</u></u>

(Continued)

Village of Coal Valley, Illinois

Statement of Cash Flows (Continued)

Proprietary Fund

Year Ended December 31, 2023

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	<u>Waterworks and Sewerage Fund</u>
Reconciliation of operating income	
to net cash provided by operating activities:	
Operating income	\$ 419,616
Adjustments to reconcile operating income	
to net cash provided by operating activities:	
Depreciation expense	291,505
Decrease in:	
Receivables-customer accounts	(42,278)
Increase (decrease) in:	
Accounts payable	3,212
Accrued liabilities	953
Compensated absences	(175)
Customer deposits	(150)
Net OPEB liability and related deferrals	435
Net pension liability and related deferrals	(17,257)
<b>Net cash provided by</b>	
<b>operating activities</b>	<u><u>\$ 655,861</u></u>

See Notes to Basic Financial Statements.

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## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies**

##### **Nature of Operations:**

The Village of Coal Valley, Illinois (the Village) is a political subdivision of the State of Illinois located in Rock Island and Henry Counties. The Village operates under the President-Trustee form of government with the President and Board of Trustees elected on a caucus basis. The Village provides numerous services to citizens including public safety, public works, recreation, community and economic development and general government services.

##### **Reporting Entity:**

Accounting principles generally accepted in the United States of America require the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Village of Coal Valley, Illinois is a municipal corporation governed by a Board of Trustees, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The Village has the statutory authority to adopt its own budget, to levy taxes and to issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease or mortgage property in its own name. Based on these criteria, the Village is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these basic financial statements.

##### **Basis of Presentation:**

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. The Village does not have fiduciary funds. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Fund Accounting: The accounts of the Village are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The Village has the following funds:

**Governmental Fund Types**: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities and deferred inflows of resources are assigned to the fund from which they are paid; and the difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Village’s major governmental funds:

**General Fund**: The General Fund is the general operating fund of the Village. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

**Capital Projects Fund**: Is used to account for resources used in the acquisition of equipment and the acquisition and construction of capital facilities.

**Motor Fuel Tax Fund**: Is a special revenue fund used to account for revenues from the tax restricted for road purposes and used to pay principal and interest on general obligation bonds issued for road improvements.

**TIF Fund**: Is a special revenue fund used to account for revenues from the tax authorized by ordinance in the redevelopment project area and used to pay for redevelopment projects.

The other governmental funds of the Village are considered nonmajor and are as follows:

**Special Revenue Funds**: Are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Controlled Substance Fund: To account for revenue and expenditures related to criminal investigation seizures.

DUI Fund: To account for revenue and expenditures related to court fines from DUI public safety activities.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

---

#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

**Proprietary Fund Types:** Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

**Enterprise Funds:** Are used to account for those operations that are financed and operated in a manner similar to private business or where the Village has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following is the Village's major enterprise fund:

**Waterworks and Sewerage Fund:** Is used to account for the operation and maintenance of the Village's water and sewer systems and for all resources used in the acquisition and construction of capital equipment and facilities.

#### Measurement Focus and Basis of Accounting:

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due or matured.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Property tax, and other taxes, franchise fees, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. Licenses and permits, fines and forfeitures, charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

#### **Summary of Significant Accounting Policies:**

The significant accounting policies followed by the Village include the following:

**Cash and Cash Equivalents:** For purposes of financial reporting and statement of cash flows, the Village considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents consist of certificates of deposit and are carried at cost, which approximates market.

**Property Taxes Receivable:** Property tax receivable is recognized in the funds on the levy or lien date, which is the date the tax asking is certified by the Village to the County Board of Supervisors. Property taxes are levied each year on all taxable real property in the Village. Property taxes are assessed in December and attached as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in June, August, September and November of the following year, and are collected by the county collector, who in turn remits to the Village its respective share. The Village receives these remittances approximately one month after the collection dates. Current year property tax receivable represents taxes collected by the County but not remitted to the Village at December 31, 2023 and unpaid taxes as well as taxes certified by the Village to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year.

Although the property tax receivable has been recorded, the related revenue is a deferred inflow of resources in both the government-wide and governmental fund financial statements and will not be recognized as revenue until the year for which it is levied.

**Customer Accounts:** Customer accounts receivable are recorded in the proprietary fund at the time the service is billed and for unbilled usage for services provided before year-end and not yet billed.



## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

**Due From and Due To Other Funds:** During the course of its operations, the Village has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of December 31, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Capital Assets:** Including land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The Village has not capitalized general governmental infrastructure assets purchased or constructed prior to May 1, 2004, as allowed by GASB Statement No. 34.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Land improvements	10 - 20 years
Buildings	15 - 50 years
Furniture and equipment	5 - 20 years
Parks and street equipment	5 - 20 years
Vehicles	6 - 15 years
Infrastructure, road network	10 - 50 years
Infrastructure, water and sewer network	15 - 50 years

The Village's collection of works of art and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to Village policy that requires proceeds from the sale of these items to be used to acquire other collection items.

**Unearned Revenue and Customer Deposits:** The proprietary fund defers revenue recognition in connection with resources that have been received, but not yet earned. Customer deposits are receipts collected for utility operations not pertaining to usage or other services. Unearned revenue is receipts from American Rescue Plan Act federal grant not yet expended for eligible purposes.

**Interfund Transactions:** Transactions among Village funds that would be treated as revenues and expenditures or expenses if they involved organizations external to Village government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Noncurrent portions of long-term interfund loan receivables are reported as advances within the governmental funds and are offset equally by a fund balance reserve account which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

**Compensated Absences:** It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Vacation benefits must be used during the twelve months succeeding the twelve months in which it was earned. Sick leave benefits may be accumulated up to the maximum hours limit established by the Village. Unused sick leave benefits are forfeited upon termination or separation.

**Long-Term Liabilities:** In the government-wide financial statements, long-term debt is reported as a liability in the governmental activities column in the statement of net position.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from the IMRF fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Other Postemployment Benefits Other Than Pensions (OPEB):** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Village's Postretirement Health Plan and additions to / deductions from the fiduciary net position have been determined on the same basis as they are reported by the Village's Postretirement Health Plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

**Leases:** The Village is a lessee for noncancellable leases of equipment. The Village recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities of the government-wide financial statements.

At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs to place the asset in service. Subsequently, the lease asset is amortized on a straight-line basis over the life of the lease.

Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Subscription-Based Information Technology Arrangements (SBITA):** The Village has entered into contracts that convey control of the right to use information technology software. The Village has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements.

At the commencement of the IT subscription term, the Village initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how the Village determines the discount rate it uses to discount the expected payments to present value, term and payments.

The Village uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

The Village monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

**Deferred Outflows/Inflows of Resources:** In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflow from pension related items and OPEB related items consists of unrecognized items not yet charged to pension expense or OPEB expense.

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

The governmental funds report unavailable revenues from property taxes and other taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the Village's government-wide statements only the property tax revenues from the 2023 levy remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year they are levied and budgeted for. The deferred inflow from pension related items and OPEB related items consists of unrecognized items not yet charged to pension expense or OPEB expense.

**Fund Equity:** Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances by the Village with intent to use them for a specific purpose. Assigned fund balances are amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village Administrator and Finance Director. Any residual fund balance of the General Fund and a deficit in other funds, if any, is reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Also, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

**Net Position:** In proprietary funds and government-wide financial statements, net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of \$1,188,923 for economic development, \$506,326 for capital projects and \$18,055 for other purposes.

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

Village of Coal Valley, Illinois

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Budgets and Budgetary Accounting:** The budgetary comparison and related disclosures are reported as required supplementary information.

**Note 2. Deposits and Investments**

**Authorized Deposits and Investments:** State statutes authorize the Village to make deposits in interest-bearing depository accounts in federally insured or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of the government securities, Illinois Funds Money Market Funds and annuities. The Village does not have a separate investment policy from state statute.

The Village's cash and cash equivalents at December 31, 2023 consisted of the following:

Petty cash fund on hand	\$	300
Checking accounts		1,150,550
Savings accounts		2,331,121
Money market accounts		798,418
Certificates of deposit		2,865,594
<b>Total</b>	<b>\$</b>	<b><u>7,145,983</u></b>

**Custodial Credit Risk:** The risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The 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 investment or collateral securities that are in the possession of an outside party. As of December 31, 2023, none of the deposits with financial institutions were exposed to custodial credit risk.

Village of Coal Valley, Illinois

Notes to Basic Financial Statements

**Note 3. Capital Assets**

The following is a summary of changes in capital assets for the year ended December 31, 2023:

	Restated December 31, 2022	Additions	Deletions	December 31, 2023
<b>Governmental Activities</b>				
Capital assets, not being depreciated,				
Land	\$ 774,379	\$ -	\$ -	\$ 774,379
Construction in progress	36,626	77,929	30,609	83,946
<b>Total capital assets, not         being depreciated</b>	<b>811,005</b>	<b>77,929</b>	<b>30,609</b>	<b>858,325</b>
Capital assets, being depreciated/ amortized:				
Land improvements	117,079	-	-	117,079
Buildings	1,660,967	9,507	-	1,670,474
Furniture and equipment	245,118	24,864	12,954	257,028
Parks and street equipment	377,034	-	-	377,034
Vehicles	601,227	124,382	59,977	665,632
Infrastructure, road network	11,987,606	178,428	-	12,166,034
Right to use lease equipment	5,887	-	-	5,887
Right to use IT subscription	119,770	33,223	-	152,993
<b>Total capital assets being         depreciated/amortized</b>	<b>15,114,688</b>	<b>370,404</b>	<b>72,931</b>	<b>15,412,161</b>
Less accumulated depreciation/amortization for:				
Land improvements	37,134	5,552	-	42,686
Buildings	541,521	34,809	-	576,330
Furniture and equipment	128,259	26,930	12,954	142,235
Parks and street equipment	183,860	19,670	-	203,530
Vehicles	321,163	83,129	59,977	344,315
Infrastructure, road network	9,948,098	165,726	-	10,113,824
Right to use leased equipment	123	1,472	-	1,595
Right to use IT subscription	17,965	36,413	-	54,378
<b>Total accumulated depreciation/         amortization</b>	<b>11,178,123</b>	<b>373,701</b>	<b>72,931</b>	<b>11,478,893</b>
<b>Total capital assets, being         depreciated/amortized, net</b>	<b>3,936,565</b>	<b>(3,297)</b>	<b>-</b>	<b>3,933,268</b>
<b>Governmental activities         capital assets, net</b>	<b>\$ 4,747,570</b>	<b>\$ 74,632</b>	<b>\$ 30,609</b>	<b>\$ 4,791,593</b>

Village of Coal Valley, Illinois

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

	December 31, 2022	Additions	Deletions	December 31, 2023
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 224,000	\$ -	\$ -	\$ 224,000
Construction in progress	40,420	22,463	-	62,883
<b>Total capital assets, not being depreciated</b>	<b>264,420</b>	<b>22,463</b>	<b>-</b>	<b>286,883</b>
Capital assets, being depreciated:				
Infrastructure, water and sewer network	14,084,195	162,685	-	14,246,880
<b>Total capital assets, being depreciated</b>	<b>14,084,195</b>	<b>162,685</b>	<b>-</b>	<b>14,246,880</b>
Less accumulated depreciation for:				
Infrastructure, water and sewer network	8,268,558	291,505	-	8,560,063
<b>Total accumulated depreciation</b>	<b>8,268,558</b>	<b>291,505</b>	<b>-</b>	<b>8,560,063</b>
<b>Total capital assets, being depreciated, net</b>	<b>5,815,637</b>	<b>(128,820)</b>	<b>-</b>	<b>5,686,817</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 6,080,057</b>	<b>\$ (106,357)</b>	<b>\$ -</b>	<b>\$ 5,973,700</b>

Depreciation and amortization expense was charged to the functions of the Village as follows:

<b>Governmental Activities:</b>	
General and administrative	\$ 71,976
Police	48,249
Street and alley	239,460
Parks	14,016
<b>Total depreciation/amortization expense, governmental activities</b>	<b>\$ 373,701</b>
<b>Business-Type Activities:</b>	
Water and sewer	<b>\$ 291,505</b>

Village of Coal Valley, Illinois

Notes to Basic Financial Statements

**Note 4. Long-Term Debt**

A summary of the changes in the outstanding long-term debt for the year ended December 31, 2023 is as follows:

	Restated Balance, Beginning	Additions	Redeemed/ Matured	Balance, Ending	Due Within One Year
<b>Governmental Activities</b>					
Lease obligation	\$ 5,758	\$ -	\$ 1,408	\$ 4,350	\$ 1,456
IT subscription obligation	94,379	29,523	37,422	86,480	37,896
Compensated absences	26,628	15,986	26,628	15,986	15,986
	<u>\$ 126,765</u>	<u>\$ 45,509</u>	<u>\$ 65,458</u>	<u>\$ 106,816</u>	<u>\$ 55,338</u>
<b>Business-type Activities</b>					
Compensated absences	\$ 786	\$ -	\$ 175	\$ 611	\$ 611

In November 2022, The Village entered into a lease obligation for an Automated External Defibrillator (AED). The lease requires monthly payments of \$129 with an interest rate of 2.5% until maturity on November 16, 2026.

A summary of the annual lease obligation principal and interest requirements to maturity by year is as follows:

Year Ending December 31:	AED Lease Obligation		
	Principal	Interest	Total
2024	\$ 1,456	\$ 92	\$ 1,548
2025	1,493	55	1,548
2026	1,401	18	1,419
	<u>\$ 4,350</u>	<u>\$ 165</u>	<u>\$ 4,515</u>

The Village has entered into IT subscription obligations. The obligations have an interest rate of 3.0% until maturity on April 15, 2026. A summary of the annual IT subscription obligation principal and interest requirements to maturity by year is as follows:

Year Ending December 31:	IT Subscription Liability		
	Principal	Interest	Total
2024	\$ 37,896	\$ 2,495	\$ 40,391
2025	23,934	1,457	25,391
2026	24,650	740	25,390
	<u>\$ 86,480</u>	<u>\$ 4,692</u>	<u>\$ 91,172</u>

Legal Debt Margin: As of December 31, 2023, the long-term debt issued by the Village did not exceed its legal debt margin as shown by the computation that follows:

Assessed valuations, real property	<u>\$ 91,031,727</u>
Statutory debt limitation (8.625% of assessed valuations)	\$ 7,851,486
Outstanding debt applicable to statutory debt limitation	90,830
Unused legal debt capacity	<u>\$ 7,760,656</u>



**Village of Coal Valley, Illinois**

**Notes to Basic Financial Statements**

**Note 5. Interfund Balances**

The Village’s cash management procedures occasionally result in short-term advances between funds that are repaid upon Village Board approval of monthly warrant payments. Such interfund advances are not reported as operating transfers. A summary of the interfund receivables and payables at December 31, 2023 is as follows:

	Interfund Receivables	Interfund Payables
Major governmental funds:		
General	\$ 216,225	\$ -
Capital Projects	-	216,225
<b>Total</b>	\$ 216,225	\$ 216,225

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

A summary of interfund transfers for the year ended December 31, 2023 is as follows:

	Transfers In	Transfers Out
Major governmental funds:		
General	\$ -	\$ (257,775)
Capital Projects	188,994	-
Major enterprise fund, Waterworks and Sewerage	68,781	-
<b>Total</b>	\$ 257,775	\$ (257,775)

**Note 6. Employee Retirement System**

**Illinois Municipal Retirement Fund**

Plan description - The Village’s defined benefit pension plan for employees provides retirement and disability benefits, post-retirement increases and death benefits to plan members and beneficiaries. The Village plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent-multiple employer public pension plan. Benefit and contribution provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org). The IMRF actuarial valuation date is December 31, 2023 and the measurement date is December 31, 2023.

IMRF is administered in accordance with Illinois statutes. The statutes do not provide for termination of the plan under any circumstances.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Employee Retirement System (Continued)

Plan membership –As of December 31, 2023, the plan measurement date, the Village's pension plan membership consisted of the following:

	Regular	SLEP	Total
Retirees and beneficiaries	12	-	12
Inactive, non-retired plan members	17	-	17
Active plan members	12	1	13
<b>Total</b>	<b>41</b>	<b>1</b>	<b>42</b>

Benefits provided- The IMRF Plan provides retirement benefits, as well as death and disability benefits. A complete description of IMRF benefits is found in Article 7 of the Illinois Pension Code. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. All 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.

Contributions – As set by statute, the Village's plan members are required to contribute 4.5% and 7.5%, of their annual covered salary for the Regular and SLEP plans respectively. The statute requires each participating employer 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 2023 was 9.26% and 27.39% for the Regular and SLEP plans respectively. The Village also has contributions for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees while the supplemental retirement benefits rate is set by statute. Costs of administering the plan are financed by investment income.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Employee Retirement System (Continued)

Contributions are based on employer payrolls and are due on the tenth of the month following the month of payment pursuant to the authority vested in the IMRF Board by the Illinois Pension Code. For the fiscal year ended December 31, 2023, the Village contributed \$100,630. The covered valuation payroll as of December 31, 2023 was \$936,446.

Net Pension Liability of the Village – The Village's net pension liability was measured as of December 31, 2023, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases, including inflation	2.75 percent to 13.75, including inflation
Investment rate of return, including inflation, and net of investment expense	7.25 percent

The projected retirement age was from the experienced-based table of rates that are specific to the type of eligibility condition and last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019. For non-disabled retirees, mortality rates were based on Pub-2010, amount-weighted, below-median income, general, retiree, male (adjusted 106%) and female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, mortality rates were based on Pub-2010, amount-weighted, below-median income, general, disabled retiree, male and female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, mortality rates were based on Pub-2010, amount-weighted, below-median income, general, employee, male and female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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 by the target asset allocation percentage and by adding expected inflation.

Village of Coal Valley, Illinois

Notes to Basic Financial Statements

**Note 6. Employee Retirement System (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	35.5%	6.50%
International Equities	18.0%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternatives	9.5%	6.25-9.90%
Cash equivalents	1.0%	4.00%
<b>Total</b>	<b>100%</b>	

**Discount rate:** Governmental Accounting Standards Board Statement No. 68 requires a discount rate that considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The plan net position in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required.

The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on the pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) 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.) The projection of cash flow used to determine the SDR assumed 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 the actuarially determined contribution rates and the member rate. Following are the rates of returns and resulting SDR by IMRF plan:

	Regular	SLEP
Expected rate of return	7.25%	7.25%
Municipal bond rate	3.77%	3.77%
Single discount rate	7.25%	7.25%

Village of Coal Valley, Illinois

Notes to Basic Financial Statements

**Note 6. Employee Retirement Commitments (Continued)**

**Changes in the Net Pension Liability:** The following table presents the changes in the net pension liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
<b>Regular Plan:</b>			
Balance, December 31, 2022	\$ 5,013,932	\$ 4,242,216	\$ 771,716
Changes for the year:			
Service cost	81,888	-	81,888
Interest	356,019	-	356,019
Differences between expected and actual experience	8,412	-	8,412
Changes of assumptions	(1,598)	-	(1,598)
Contributions-employer	-	79,607	(79,607)
Contributions-employee	-	38,686	(38,686)
Net investment income	-	471,956	(471,956)
Benefit payments, including refunds of employee contributions	(288,527)	(288,527)	-
Other	-	82,092	(82,092)
Net changes	156,194	383,814	(227,620)
Balance, December 31, 2023	\$ 5,170,126	\$ 4,626,030	\$ 544,096

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
<b>SLEP Plan:</b>			
Balance, December 31, 2022	\$ 374,162	\$ 217,416	\$ 156,746
Service cost	13,919	-	13,919
Interest	27,631	-	27,631
Differences between expected and actual experience	10,033	-	10,033
Changes of assumptions	2,475	-	2,475
Contributions-employer	-	21,023	(21,023)
Contributions-employee	-	5,757	(5,757)
Net investment income	-	22,846	(22,846)
Benefit payments, including refunds of employee contributions	-	-	-
Other	-	5,101	(5,101)
Net changes	54,058	54,727	(669)
Balance, December 31, 2023	\$ 428,220	\$ 272,143	\$ 156,077

Village of Coal Valley, Illinois

Notes to Basic Financial Statements

**Note 6. Employee Retirement Commitments (Continued)**

**Sensitivity to the net pension liability to changes in the discount rate:** The following presents the net pension liability of the Village, calculated using the discount rate of 7.25 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
IMRF Regular Liability	\$ 1,139,580	\$ 544,096	\$ 76,865
IMRF SLEP Liability	224,929	156,077	99,068
<b>Total</b>	<b>\$ 1,364,509</b>	<b>\$ 700,173</b>	<b>\$ 175,933</b>

**Pension plan fiduciary net position:** Detailed information about the IMRF pension plan's fiduciary net position is available in the separately issued IMRF financial report.

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of**

**Resources Related to Pensions:** For the year ended December 31, 2023, the Village's pension expense (income) is (\$3,117) and the deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Regular Plan		SLEP Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 31,700	\$ -	\$ 35,529	\$ 14,812	\$ 67,229	\$ 14,812
Changes in assumptions	-	3,774	5,298	2,636	5,298	6,410
Net difference between projected and actual earnings on pension plan investments	238,824	-	11,077	-	249,901	-
Contributions subsequent to measurement date	-	-	-	-	-	-
<b>Total</b>	<b>\$ 270,524</b>	<b>\$ 3,774</b>	<b>\$ 51,904</b>	<b>\$ 17,448</b>	<b>\$ 322,428</b>	<b>\$ 21,222</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the IMRF pension will be recognized in pension expense (income) as follows:

Year Ending December 31,	Regular	SLEP	Total
2024	\$ 41,722	\$ 10,105	\$ 51,827
2025	87,136	11,527	98,663
2026	171,410	13,123	184,533
2027	(33,518)	(299)	(33,817)
2028	-	-	-
Thereafter	-	-	-
<b>Total</b>	<b>\$ 266,750</b>	<b>\$ 34,456</b>	<b>\$ 301,206</b>

**Village of Coal Valley, Illinois**

**Notes to Basic Financial Statements**

**Note 7. Other Postemployment Benefits (OPEB)**

**General Information about the OPEB Plan**

Plan description: The Village’s defined benefit OPEB plan, Village of Coal Valley Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single employer defined benefit OPEB plan that provides commercially insured medical and dental benefits to all active and retired employees. Qualified retirees must meet the Illinois Municipal Retirement Fund (IMRF) eligibility requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. This plan does not issue a stand-alone report.

Benefits provided: The Plan provides healthcare benefits including medical, prescription drug and dental benefits for retirees. Retiree health care coverage is available to eligible retirees of any age. All employees are required to contribute the full premium in order to continue coverage at retirement. The full monthly premium rates as of December 31, 2023 are as follows:

Plan	
Employee	\$ 853
Employee / Spouse	1,671
Family	2,385

Employees covered by benefit terms: At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	14
	14

**Total OPEB Liability**

The Village’s total OPEB liability of \$52,703 was measured as of December 31, 2023 and was determined by a roll forward actuarial valuation as of December 31, 2023.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2023 roll forward actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Salary increases	4.00% per annum
Discount rate	4.00% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	7.40% initial decreasing to an ultimate rate of 4.50%

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index. Mortality rates were based on the PubG.H-2010 Mortality Table-General with Mortality Improvement using scale MP-2020. The actuarial assumptions used in the December 31, 2023 roll forward valuation were based on the results of an actuarial experience study for the period 2010– 2017.

Village of Coal Valley, Illinois

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2022	\$ 47,343	-	\$ 47,343
Changes for the year:			
Service cost	2,107	-	2,107
Interest	2,040	-	2,040
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	1,213	-	1,213
Benefit payments	-	-	-
Other changes	-	-	-
Net changes	5,360	-	5,360
Balance at December 31, 2023	\$ 52,703	-	\$ 52,703

There were no changes as a result of changes in benefit terms. Changes of assumptions or other inputs reflect a change in the discount rate from 4.31% per annum in 2022 to 4.00% per annum in 2023.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 3.00%	Discount Rate 4.00%	1% Increase 5.00%
Total OPEB liability	\$ 56,802	\$ 52,703	\$ 48,889

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	1% Decrease 6.40%	Healthcare Cost Trend Rates 7.40%	1% Increase 8.40%
Total OPEB liability	\$ 47,696	\$ 52,703	\$ 58,453



## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### Note 7. Other Postemployment Benefits (OPEB) (Continued)

For the year ended December 31, 2023, the Village recognized OPEB expense of \$2,711. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,820	\$ 15,529
Changes of assumptions or other inputs	12,824	13,627
Net difference between projected and actual investments	-	-
<b>Total</b>	<b>\$ 15,644</b>	<b>\$ 29,156</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2024	\$ (1,437)
2025	(1,437)
2026	(1,437)
2027	(1,437)
2028	(1,437)
Thereafter	(6,327)
	<u>\$ (13,512)</u>

#### Note 8. Risk Management

The Village is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. These risks are covered by the purchase of commercial insurance. The Village assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### Note 9. Tax Abatements

The Village provides tax abatements for economic development projects with tax increment financing as provided for in Illinois Compiled Statutes 65 ILCS 5 Illinois Municipal Code Section 11-74.4. For these types of projects, the Village enters into agreements with developers which require the Village, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments are made by the Village as part of these agreements.

For the year ended December 31, 2023, the Village paid \$2,110 of pledge incremental property tax under an economic development project. As of December 31, 2023, the reimbursement balance is \$195,892 against the initial development agreement of \$204,411.

The Commercial Revitalization TIF Grant Program annually can allocate \$30,000 within the Coal Valley Route 6 TIF District for the purpose of providing grants to property owners undertaking TIF eligible redevelopment projects as allowed under the Grant Program for 10% of the project not to exceed \$5,000. There were no payments under the program in fiscal year 2023.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### Note 9. Tax Abatements (Continued)

Tax Abatements of Other Entities:

Property tax revenues of the Village were reduced by the following amounts for Rock Island County, Illinois' tax year 2022 payable in 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Abatement
Rock Island County, Illinois	Urban renewal and economic development projects	\$ 17,245

#### Note 10. Deficit Fund Balance

As of December 31, 2023, the Capital Projects Fund has a deficit fund balance of \$213,224. Future revenues and transfers in from other funds are expected to fund the deficit.

#### Note 11. Pending Governmental Accounting Standards Board (GASB) Statements

The Village adopted the following statements during the year ended December 31, 2023:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription assets- an intangible asset- and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA.

GASB Statement No. 99, *Omnibus 2022*, issued April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Other than the restatement for the implementation of GASB Statement No. 96 as discussed in Note 14, the implementation of the above statements did not have a material impact on the Village's Financial Statements.

## Village of Coal Valley, Illinois

### Notes to Basic Financial Statements

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#### Note 11. Pending Governmental Accounting Standards Board (GASB) Statements (Continued)

As of December 31, 2023, GASB had issued several statements not yet required to be implemented by the Village. The Statements which might impact the Village are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022, will be effective for the Village beginning with its fiscal year ending December 31, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the Village beginning with its fiscal year ending December 31, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023, will be effective for the Village beginning with its fiscal year ending December 31, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The Village's management has not yet determined the effect these Statements will have on the Village's financial statements.

#### Note 12. Commitments

The Village was involved in various construction projects throughout the year. The total cost of these projects is approximately \$68,500. The remaining contractual amounts on these projects total approximately \$28,000 as of December 31, 2023.

**Village of Coal Valley, Illinois**

**Notes to Basic Financial Statements**

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**Note 13. Subsequent Event**

On February 15, 2024, the Village purchased commercial real estate for \$500,000 and the conveyance of title of the property at 202 East 1<sup>st</sup> Avenue. The purchase was made from the Tax Increment Financing Fund.

**Note 14. Restatement**

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, was implemented during fiscal year 2023. The new requirements require the reporting of certain right-to-use subscription based IT arrangements and liabilities which were previously not reported. The beginning net position was restated as follows:

	<u>Governmental Activities</u>
Net position December 31,2022, as previously reported	\$ 8,051,371
Subscription asset	119,770
Subscription accumulated amortization	(17,965)
Subscription liability	(94,379)
Net position December 31 ,2022, as restated	<u>\$ 8,058,797</u>

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**Village of Coal Valley, Illinois**

**Required Supplementary Information  
Schedule of Changes in the Village's Total OPEB  
Liability and Related Ratios  
Last Six Fiscal Years**

	2023	2022
Total OPEB liability		
Changes for the year:		
Service cost	\$ 2,107	\$ 2,636
Interest	2,040	1,575
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(18,998)
Changes in assumptions or other inputs	1,213	(7,855)
Benefit payments	-	-
Other charges	-	-
Net changes in total OPEB liability	5,360	(22,642)
Total OPEB liability - beginning	47,343	69,985
Total OPEB liability - ending	<u>\$ 52,703</u>	<u>\$ 47,343</u>
 Covered employee payroll	 \$ 899,369	 \$ 864,516
 Total OPEB liability as a percentage of covered employee payroll	 5.86%	 5.48%

**Notes to Schedule:**

Changes of benefit terms:

There were no changes to the benefit terms of the Plan.

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate as follows:

4.00%	4.31%
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No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75

Note: The schedule is intended to present information for ten years.  
Information prior to 2018 is not available.

	2021	2020	2019	2018
\$	3,795	\$ 2,866	\$ 3,732	\$ 3,319
	1,289	1,751	1,688	1,386
	-	-	-	-
	-	4,144	-	-
	(1,907)	9,538	1,860	362
	-	-	-	-
	-	(5,197)	-	-
	3,177	13,102	7,280	5,067
	66,808	53,706	46,426	41,359
\$	69,985	\$ 66,808	\$ 53,706	\$ 46,426
\$	689,294	\$ 689,294	\$ 800,662	\$ 752,273
	10.15%	9.69%	6.71%	6.17%
	2.25%	1.93%	3.26%	3.64%

Village of Coal Valley, Illinois

**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Illinois Municipal Retirement Fund-Regular Plan**  
**Last Nine Fiscal Years**

	December 31, 2023	December 31, 2022	December 31, 2021
<b>Total pension liability</b>			
Service cost	\$ 81,888	\$ 79,493	\$ 75,832
Interest	356,019	343,249	332,431
Changes of benefit terms	-	-	-
Differences between expected and actual experience	8,412	40,409	27,871
Changes of assumptions	(1,598)	-	-
Benefit payments, including refunds of member contributions	(288,527)	(287,876)	(289,636)
<b>Net change in total pension liability</b>	<b>156,194</b>	<b>175,275</b>	<b>146,498</b>
<b>Total pension liability - beginning</b>	<b>5,013,932</b>	<b>4,838,657</b>	<b>4,692,159</b>
<b>Total pension liability - ending (a)</b>	<b>5,170,126</b>	<b>5,013,932</b>	<b>4,838,657</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	79,607	90,738	113,828
Contributions - member	38,686	36,776	37,553
Net investment income	471,956	(659,110)	772,079
Benefit payments, including refunds of member contributions	(288,527)	(287,876)	(289,636)
Other	82,092	(34,480)	11,527
<b>Net change in plan fiduciary net position</b>	<b>383,814</b>	<b>(853,952)</b>	<b>645,351</b>
<b>Plan fiduciary net position- beginning</b>	<b>4,242,216</b>	<b>5,096,168</b>	<b>4,450,817</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>4,626,030</b>	<b>4,242,216</b>	<b>5,096,168</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 544,096</b>	<b>\$ 771,716</b>	<b>\$ (257,511)</b>
Plan fiduciary net position as a percentage of the total pension liability	89.48%	84.61%	105.32%
Covered employee payroll	\$ 859,692	\$ 816,271	\$ 834,517
Net pension liability as a percentage of covered employee payroll	63.29%	94.54%	-30.86%

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

See Notes to Required Supplementary Information.



	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	April 30, 2016
\$	87,121	\$ 80,399	\$ 69,230	\$ 91,091	\$ 76,712	\$ 73,762
	324,593	313,090	310,725	317,925	324,273	312,964
	-	-	-	-	-	-
	29,628	38,408	(70,422)	(81,300)	(223,713)	26,480
	(33,748)	-	125,718	(135,567)	(15,519)	-
	(298,041)	(255,136)	(275,570)	(278,889)	(262,996)	(263,572)
	109,553	176,761	159,681	(86,740)	(101,243)	149,634
	4,582,606	4,405,845	4,246,164	4,332,904	4,434,147	4,284,513
	4,692,159	4,582,606	4,405,845	4,246,164	4,332,904	4,434,147
	115,324	95,007	96,848	96,993	132,836	119,226
	35,815	34,843	32,942	32,117	36,695	32,165
	576,286	666,529	(246,814)	634,968	247,803	17,043
	(298,041)	(255,136)	(275,570)	(278,889)	(262,996)	(263,572)
	56,582	25,051	(79,594)	(60,488)	(282,789)	205,097
	485,966	566,294	(472,188)	424,701	(128,451)	109,959
	3,964,851	3,398,557	3,870,745	3,446,044	3,574,585	3,464,626
	4,450,817	3,964,851	3,398,557	3,870,745	3,446,134	3,574,585
\$	241,342	\$ 617,755	\$ 1,007,288	\$ 375,419	\$ 886,770	\$ 859,562
	94.86%	86.52%	77.14%	91.16%	79.53%	80.61%
\$	795,889	\$ 774,300	\$ 732,034	\$ 713,716	\$ 813,446	\$ 714,779
	30.32%	79.78%	137.60%	52.60%	109.01%	120.26%

**Village of Coal Valley, Illinois**

**Required Supplementary Information  
Schedule of Contributions  
Illinois Municipal Retirement Fund - Regular Plan  
Last Ten Fiscal Years**

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	<b>December 31, 2023</b>	December 31, 2022	December 31, 2021	December 31, 2020
Actuarially determined contribution	<b>\$ 79,607</b>	\$ 90,606	\$ 113,828	\$ 115,324
Contributions in relation to the actuarial determined contribution	<b>79,607</b>	90,738	113,828	115,324
Contribution deficiency (excess)	<b>\$ -</b>	\$ (132)	\$ -	\$ -
Covered employee payroll	<b>\$ 859,692</b>	\$ 816,271	\$ 834,517	\$ 795,889
Contribution as a percentage of covered employee payroll	<b>9.26%</b>	11.12%	13.64%	14.49%

See Notes to Required Supplementary Information.

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December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
\$ 95,007	\$ 96,848	\$ 96,994	\$ 132,836	\$ 119,225	\$ 100,280
95,007	96,848	96,993	132,836	119,226	100,280
\$ -	\$ -	\$ 1	\$ -	\$ (1)	\$ -
\$ 774,300	\$ 732,034	\$ 713,716	\$ 813,446	\$ 714,779	\$ 627,535
12.27%	13.23%	13.59%	16.33%	16.68%	15.98%

Village of Coal Valley, Illinois

**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Illinois Municipal Retirement Fund-Sheriff's Law**  
**Enforcement Personnel Employees (SLEP) Plan**  
**Last Nine Fiscal Years**

	December 31, 2023	December 31, 2022	December 31, 2021
<b>Total pension liability</b>			
Service cost	\$ 13,919	\$ 14,979	\$ 14,264
Interest	27,631	26,789	22,934
Changes of benefit terms	-	-	-
Differences between expected and actual experience	10,033	(29,624)	15,619
Changes of assumptions	2,475	-	-
Benefit payments, including refunds of member contributions	-	-	-
<b>Net change in total pension liability</b>	<b>54,058</b>	<b>12,144</b>	<b>52,817</b>
<b>Total pension liability - beginning</b>	<b>374,162</b>	<b>362,018</b>	<b>309,201</b>
<b>Total pension liability - ending (a)</b>	<b>428,220</b>	<b>374,162</b>	<b>362,018</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	21,023	16,741	16,317
Contributions - member	5,757	5,347	5,053
Net investment income	22,846	(21,102)	26,486
Benefit payments, including refunds of member contributions	-	-	-
Other	5,101	(1,160)	(1,384)
<b>Net change in plan fiduciary net position</b>	<b>54,727</b>	<b>(174)</b>	<b>46,472</b>
<b>Plan fiduciary net position- beginning</b>	<b>217,416</b>	<b>217,590</b>	<b>171,118</b>
<b>Plan fiduciary net position- ending (b)</b>	<b>272,143</b>	<b>217,416</b>	<b>217,590</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 156,077</b>	<b>\$ 156,746</b>	<b>\$ 144,428</b>
Plan fiduciary net position as a percentage of the total pension liability	63.55%	58.11%	60.10%
Covered employee payroll	\$ 76,754	\$ 71,297	\$ 67,366
Net pension liability as a percentage of covered employee payroll	203.35%	219.85%	214.39%

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

See Notes to Required Supplementary Information.

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	April 30, 2016
\$	13,963	\$ 12,640	\$ 11,411	\$ 12,379	\$ 11,508	\$ 11,240
	19,210	15,827	13,733	11,804	9,414	7,105
	-	-	-	-	-	-
	22,430	17,527	1,422	574	11,541	12,348
	(4,383)	-	8,016	1,455	(2,901)	1,066
	-	-	-	-	-	-
	51,220	45,994	34,582	26,212	29,562	31,759
	257,981	211,987	177,405	151,193	121,631	89,872
	309,201	257,981	211,987	177,405	151,193	121,631
	16,048	14,081	12,286	10,550	10,559	9,003
	5,326	4,835	4,415	4,064	4,136	3,885
	17,481	16,348	(2,560)	9,448	3,047	193
	-	-	-	-	-	-
	(101)	(673)	(164)	(563)	(335)	(2,356)
	38,754	34,591	13,977	23,499	17,407	10,725
	132,364	97,773	83,796	60,297	42,890	32,165
	171,118	132,364	97,773	83,796	60,297	42,890
\$	138,083	\$ 125,617	\$ 114,214	\$ 93,609	\$ 90,896	\$ 78,741
	55.34%	51.31%	46.12%	47.23%	39.88%	35.26%
\$	71,011	\$ 64,469	\$ 58,872	\$ 54,186	\$ 55,141	\$ 51,803
	194.45%	194.85%	194.00%	172.75%	164.84%	152.00%

**Village of Coal Valley, Illinois**

**Required Supplementary Information  
 Schedule of Contributions  
 Illinois Municipal Retirement Fund-Sheriff's Law  
 Enforcement Personnel Employees (SLEP) Plan  
 Last Ten Fiscal Years**

	<b>December 31, 2023</b>	December 31, 2022	December 31, 2021	December 31, 2020
Actuarially determined contribution	\$ 21,023	\$ 16,741	\$ 16,317	\$ 16,048
Contributions in relation to the actuarial determined contribution	<b>21,023</b>	16,741	16,317	16,048
Contribution deficiency (excess)	<b>\$ -</b>	\$ -	\$ -	\$ -
Covered employee payroll	\$ 76,754	\$ 71,297	\$ 67,366	\$ 71,011
Contribution as a percentage of covered employee payroll	<b>27.39%</b>	23.48%	24.22%	22.60%

See Notes to Required Supplementary Information.

December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
\$ 14,080	\$ 12,287	\$ 10,550	\$ 10,560	\$ 9,003	\$ 7,841
14,081	12,286	10,550	10,559	9,003	7,841
\$ (1)	\$ 1	\$ -	\$ 1	\$ -	\$ -
\$ 64,469	\$ 58,872	\$ 54,186	\$ 55,141	\$ 51,803	\$ 48,315
21.84%	20.87%	19.47%	19.15%	17.38%	16.23%

Village of Coal Valley, Illinois

**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 396,933	\$ 396,933	\$ 398,879	\$ 1,946
Sales taxes	275,567	275,567	276,780	1,213
State use taxes	151,047	151,047	152,448	1,401
Utility taxes	193,340	193,340	147,472	(45,868)
Telecommunications taxes	41,441	41,441	39,729	(1,712)
State income taxes	584,823	584,823	624,178	39,355
Replacement taxes	35,988	35,988	25,081	(10,907)
Cannabis tax	9,683	9,683	5,915	(3,768)
Video gaming taxes	39,068	39,068	41,988	2,920
Fines and penalties	8,196	8,196	21,060	12,864
Investment earnings	10,032	10,032	41,425	31,393
Licenses and permits	117,972	117,972	119,001	1,029
Other	68,880	68,880	86,038	17,158
<b>Total revenues</b>	<b>1,932,970</b>	<b>1,932,970</b>	<b>1,979,994</b>	<b>47,024</b>
<b>Expenditures:</b>				
Current:				
General and administrative	216,441	216,441	186,464	29,977
Police	977,214	977,214	851,409	125,805
Street and alley	376,509	376,509	346,745	29,764
Parks and recreation	100,768	100,768	94,982	5,786
Economic development	35,861	35,861	17,842	18,019
Capital outlay	-	-	33,223	(33,223)
Debt service:				
Principal	-	-	38,830	(38,830)
Interest	-	-	3,109	(3,109)
<b>Total expenditures</b>	<b>1,706,793</b>	<b>1,706,793</b>	<b>1,572,604</b>	<b>134,189</b>
<b>Revenue over expenditures before other financing sources (uses)</b>	<b>226,177</b>	<b>226,177</b>	<b>407,390</b>	<b>181,213</b>
Other financing sources (uses):				
Issuance of IT subscription obligation	-	-	29,523	29,523
Proceeds from sale of capital asset	-	-	33,500	33,500
Transfers (out)	-	-	(257,775)	(257,775)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(194,752)</b>	<b>(194,752)</b>
<b>Net change in fund balance</b>	<b>\$ 226,177</b>	<b>\$ 226,177</b>	<b>212,638</b>	<b>\$ (13,539)</b>
Fund balance, beginning of year			2,641,539	
Fund balance, end of year			<u>\$ 2,854,177</u>	

See Notes to Required Supplementary Information.



Village of Coal Valley, Illinois

Required Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Motor Fuel Tax Fund  
 Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes, motor fuel tax	\$ 167,314	\$ 167,314	\$ 167,957	\$ 643
Investment earnings	750	750	6,617	5,867
<b>Total revenues</b>	<u>168,064</u>	<u>168,064</u>	<u>174,574</u>	<u>6,510</u>
Expenditures:				
Current:				
Street and alley	22,500	22,500	14,178	8,322
Capital outlay	150,000	150,000	108,851	41,149
<b>Total expenditures</b>	<u>172,500</u>	<u>172,500</u>	<u>123,029</u>	<u>49,471</u>
<b>Revenue over (under) expenditures before other financing sources</b>	<u>(4,436)</u>	<u>(4,436)</u>	<u>51,545</u>	<u>(42,961)</u>
Transfers in	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>
<b>Net change in fund balance</b>	<u>\$ 3,064</u>	<u>\$ 3,064</u>	<u>51,545</u>	<u>\$ (50,461)</u>
Fund balance, beginning of year			<u>441,008</u>	
Fund balance, end of year			<u>\$ 492,553</u>	

See Notes to Required Supplementary Information.

Village of Coal Valley, Illinois

**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**TIF Fund**  
**Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 320,439	\$ 320,439	\$ 347,958	\$ 27,519
Investment earnings	1,750	1,750	13,282	11,532
<b>Total revenues</b>	<b>322,189</b>	<b>322,189</b>	<b>361,240</b>	<b>39,051</b>
Expenditures:				
Current:				
Economic development	648,497	648,497	41,877	606,620
Capital outlay	20,000	20,000	-	20,000
<b>Total expenditures</b>	<b>668,497</b>	<b>668,497</b>	<b>41,877</b>	<b>626,620</b>
<b>Revenue over (under)     expenditures before other     financing sources (uses)</b>	<b>(346,308)</b>	<b>(346,308)</b>	<b>319,363</b>	<b>(587,569)</b>
Other financing sources:				
Transfers in	350,000	350,000	-	(350,000)
<b>Total other financing     sources</b>	<b>350,000</b>	<b>350,000</b>	<b>-</b>	<b>(350,000)</b>
<b>Net change in fund balance</b>	<b>\$ 3,692</b>	<b>\$ 3,692</b>	<b>319,363</b>	<b>\$ (937,569)</b>
Fund balance, beginning of year			869,560	
Fund balance, end of year			<u>\$ 1,188,923</u>	

See Notes to Required Supplementary Information.

## Village of Coal Valley, Illinois

### Notes to Required Supplementary Information

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#### Note 1. Budgets and Budgetary Information

Annual budgets are adopted for all funds. These budgets are adopted on the generally accepted accounting principles basis of accounting. The budget is amended by the Village Board of Trustees. Spending control is established by the amount of the expenditures for each fund, but management control is exercised at the budgetary line item level. Reported budget amounts represent the originally adopted budget. There were no amendments to the original budget. All appropriations lapse at fiscal year-end.

#### Note 2. Illinois Municipal Retirement Fund (IMRF)

The methods and assumptions used to determine the 2023 contribution rates were as follows:

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, ECO): 20-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 15 years for most employers (five employers were financed over 16 years, one employer was financed over 17 years; two employers were financed over 18 years, one employer was financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).
Asset valuation method	5-Year smoothed market; 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.75 to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other:	There were no benefit changes during the year.

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Village of Coal Valley, Illinois

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023

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	Special Revenue Funds		
	Controlled		Total
	Substance Fund	DUI Fund	
<b>Assets</b>			
Cash and investments	\$ 2,838	\$ 15,217	\$ 18,055
<b>Total assets</b>	<u>\$ 2,838</u>	<u>\$ 15,217</u>	<u>\$ 18,055</u>
<b>Fund Balances</b>			
Restricted for:			
Other purposes	\$ 2,838	\$ 15,217	\$ 18,055

Village of Coal Valley, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Year Ended December 31, 2023**

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	Special Revenue Funds		
	Controlled		Total
	Substance Fund	DUI Fund	
Revenues:			
Fines and penalties	\$ -	\$ 1,039	\$ 1,039
Investment earnings	6	18	24
<b>Total revenues</b>	<u>6</u>	<u>1,057</u>	<u>1,063</u>
<b>Net change in fund balance</b>	6	1,057	1,063
Fund balances, beginning of year	2,832	14,160	16,992
Fund balances, end of year	<u>\$ 2,838</u>	<u>\$ 15,217</u>	<u>\$ 18,055</u>

Village of Coal Valley, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Controlled Substance Fund  
Year Ended December 31, 2023**

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	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6</b>	<b>\$ 6</b>
Fund balance, beginning of year			2,832	
Fund balance, end of year			<u>\$ 2,838</u>	

Village of Coal Valley, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 DUI Fund  
 Year Ended December 31, 2023

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	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and penalties	\$ 500	\$ 500	\$ 1,039	\$ 539
Investment earnings	10	10	18	8
<b>Total revenues</b>	<u>510</u>	<u>510</u>	<u>1,057</u>	<u>547</u>
<b>Net change in fund balance</b>	<u>\$ 510</u>	<u>\$ 510</u>	1,057	<u>\$ 547</u>
Fund balance, beginning of year			<u>14,160</u>	
Fund balance, end of year			<u>\$ 15,217</u>	



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Village of Coal Valley, Illinois

**Combining Balance Sheet  
Capital Projects Fund-By Account  
December 31, 2023**

<b>Assets</b>	Capital Equipment Replacement Account	Capital Improvements Account	Veteran's Memorial Account	Total
Cash and investments	\$ 2,555	\$ -	\$ -	\$ 2,555
Receivables:				
Property taxes	-	37,446	-	37,446
<b>Total assets</b>	<b>\$ 2,555</b>	<b>\$ 37,446</b>	<b>\$ -</b>	<b>\$ 40,001</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities, due to other funds	-	216,225	-	216,225
Deferred inflows of resources, unavailable revenue, property taxes	-	37,000	-	37,000
Fund balances:				
Committed:				
Equipment replacement	2,555	-	-	2,555
Unassigned	-	(215,779)	-	(215,779)
<b>Total fund balances (deficits)</b>	<b>2,555</b>	<b>(215,779)</b>	<b>-</b>	<b>(213,224)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,555</b>	<b>\$ 37,446</b>	<b>\$ -</b>	<b>\$ 40,001</b>

Village of Coal Valley, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
Capital Projects Fund-By Account  
Year Ended December 31, 2023**

	Capital Equipment Replacement Account	Capital Improvements Account	Veteran's Memorial Account	Total
Revenues:				
Property taxes	\$ -	\$ 37,579	\$ -	\$ 37,579
Investment earnings	-	30	-	30
Other	-	-	8,105	8,105
<b>Total revenues</b>	-	37,609	8,105	45,714
Expenditures:				
Capital outlay	183,204	91,525	11,117	285,846
<b>Total expenditures</b>	183,204	91,525	11,117	285,846
<b>Revenues (under) expenditures before other financing sources</b>	(183,204)	(53,916)	(3,012)	(240,132)
Other financing sources:				
Transfers in	183,204	5,790	-	188,994
<b>Total other financing sources</b>	183,204	5,790	-	188,994
<b>Net change in fund balances</b>	-	(48,126)	(3,012)	(51,138)
Fund balances (deficit), beginning	2,555	(167,653)	3,012	(162,086)
Fund balances (deficit), ending	\$ 2,555	\$ (215,779)	\$ -	\$ (213,224)

Village of Coal Valley, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual  
Capital Projects Fund  
Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 29,087	\$ 29,087	\$ 37,579	\$ 8,492
Investment earnings	10	10	30	20
Other	-	-	8,105	8,105
<b>Total revenues</b>	<u>29,097</u>	<u>29,097</u>	<u>45,714</u>	<u>16,617</u>
Expenditures:				
Current:				
General and administrative	50,000	50,000	-	50,000
Capital outlay	1,229,051	1,229,051	285,846	943,205
<b>Total expenditures</b>	<u>1,279,051</u>	<u>1,279,051</u>	<u>285,846</u>	<u>993,205</u>
<b>Revenue over (under) expenditures before other financing sources</b>	(1,249,954)	(1,249,954)	(240,132)	1,009,822
Other financing sources:				
Transfers in	1,275,000	1,275,000	188,994	(1,086,006)
<b>Net change in fund balance</b>	<u>\$ 25,046</u>	<u>\$ 25,046</u>	(51,138)	<u>\$ (76,184)</u>
Fund balance (deficit), beginning of year			(162,086)	
Fund balance (deficit), end of year			<u>\$ (213,224)</u>	

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Village of Coal Valley, Illinois

**Combining Schedule of Net Position  
Proprietary Fund-By Account  
December 31, 2023**

<b>Assets</b>	Waterworks and Sewerage Operating Account	Waterworks and Sewerage Capital Improvements Account	Total
Current assets:			
Cash and investments	\$ 1,854,027	\$ 1,049,413	\$ 2,903,440
Receivables:			
Customer accounts	213,368	-	213,368
Interest	958	4,759	5,717
<b>Total current assets</b>	<b>2,068,353</b>	<b>1,054,172</b>	<b>3,122,525</b>
Noncurrent assets:			
Capital assets, not depreciated	-	286,883	286,883
Capital assets, depreciated net of accumulated depreciation	-	5,686,817	5,686,817
<b>Total noncurrent assets</b>	<b>-</b>	<b>5,973,700</b>	<b>5,973,700</b>
<b>Total assets</b>	<b>2,068,353</b>	<b>7,027,872</b>	<b>9,096,225</b>
<b>Deferred outflows of resources:</b>			
OPEB related deferred outflows	2,831	-	2,831
Pension related deferred outflows	41,801	-	41,801
<b>Total deferred outflows of resources</b>	<b>44,632</b>	<b>-</b>	<b>44,632</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	206,299	-	206,299
Accrued salary and benefits	14,538	-	14,538
Compensated absences	611	-	611
Customer deposits	6,422	-	6,422
Unearned revenue	-	506,382	506,382
<b>Total current liabilities</b>	<b>227,870</b>	<b>506,382</b>	<b>734,252</b>
Noncurrent liabilities:			
Net other postemployment liability	9,185	-	9,185
Net pension liability	152,838	-	152,838
<b>Total noncurrent liabilities</b>	<b>162,023</b>	<b>-</b>	<b>162,023</b>
<b>Total liabilities</b>	<b>389,893</b>	<b>506,382</b>	<b>896,275</b>
<b>Deferred inflows of resources:</b>			
Other postemployment benefit related deferred inflows	5,573	-	5,573
Pension related deferred inflows	516	-	516
<b>Total deferred inflows of resources</b>	<b>6,089</b>	<b>-</b>	<b>6,089</b>
<b>Net position</b>			
Net investment in capital assets	-	5,973,700	5,973,700
Unrestricted	1,717,003	547,790	2,264,793
<b>Total net position</b>	<b>\$ 1,717,003</b>	<b>\$ 6,521,490</b>	<b>\$ 8,238,493</b>

Village of Coal Valley, Illinois

Combining Schedule of Revenues, Expenses and Changes in Net Position  
 Proprietary Fund-By Account  
 Year Ended December 31, 2023

	Waterworks and Sewerage Operating Account	Waterworks and Sewerage Capital Improvements Account	Eliminations	Total
Operating revenues:				
Charges for services	\$ 1,956,338	\$ -	\$ -	\$ 1,956,338
Miscellaneous	11,407	-	-	11,407
<b>Total operating revenues</b>	<b>1,967,745</b>	<b>-</b>	<b>-</b>	<b>1,967,745</b>
Operating expenses:				
Personal services	241,917	-	-	241,917
Cost of services	1,014,707	-	-	1,014,707
Depreciation	-	291,505	-	291,505
<b>Total operating expenses</b>	<b>1,256,624</b>	<b>291,505</b>	<b>-</b>	<b>1,548,129</b>
<b>Operating income (loss)</b>	<b>711,121</b>	<b>(291,505)</b>	<b>-</b>	<b>419,616</b>
Nonoperating revenues (expenses):				
Capital outlay	(185,148)	-	185,148	-
Interest income	23,976	31,835	-	55,811
<b>Total nonoperating revenues (expenses)</b>	<b>(161,172)</b>	<b>31,835</b>	<b>185,148</b>	<b>55,811</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>549,949</b>	<b>(259,670)</b>	<b>185,148</b>	<b>475,427</b>
Capital contributions	-	185,148	(185,148)	-
Transfers in	68,781	-	-	68,781
<b>Change in net position</b>	<b>618,730</b>	<b>(74,522)</b>	<b>-</b>	<b>544,208</b>
Total net position, beginning of year	1,098,273	6,596,012	-	7,694,285
Total net position, end of year	<u>\$ 1,717,003</u>	<u>\$ 6,521,490</u>	<u>\$ -</u>	<u>\$ 8,238,493</u>

Village of Coal Valley, Illinois

Combining Schedule of Cash Flows  
 Proprietary Fund-By Account  
 Year Ended December 31, 2023

	Waterworks and Sewerage Operating Account	Waterworks and Sewerage Capital Improvements Account	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,913,910	\$ -	\$ 1,913,910
Cash received from other revenues	11,407	-	11,407
Cash paid for personal services	(257,961)	-	(257,961)
Cash paid to suppliers	(1,011,495)	-	(1,011,495)
<b>Net cash provided by operating activities</b>	<b>655,861</b>	<b>-</b>	<b>655,861</b>
Cash flows from noncapital financing activities:			
Payments from other funds	137,562	-	137,562
<b>Net cash provided by non-capital financing activities</b>	<b>137,562</b>	<b>-</b>	<b>137,562</b>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(185,148)	-	(185,148)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(185,148)</b>	<b>-</b>	<b>(185,148)</b>
Cash flows from investing activities, interest income	23,018	27,076	50,094
<b>Increase in cash and cash equivalents</b>	<b>631,293</b>	<b>27,076</b>	<b>658,369</b>
Cash and cash equivalents, beginning of year	1,222,734	1,022,337	2,245,071
Cash and cash equivalents, end of year	<u>\$ 1,854,027</u>	<u>\$ 1,049,413</u>	<u>\$ 2,903,440</u>

(Continued)



Village of Coal Valley, Illinois

Combining Schedule of Cash Flows (Continued)  
 Proprietary Fund-By Account  
 Year Ended December 31, 2023

	Waterworks and Sewerage Operating Account	Waterworks and Sewerage Capital Improvements Account	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 711,121	\$ (291,505)	\$ 419,616
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	-	291,505	291,505
(Increase) decrease in:			
Receivables-customer accounts	(42,278)	-	(42,278)
Increase (decrease) in:			
Accounts payable	3,212	-	3,212
Accrued salary and benefits	953	-	953
Compensated absences	(175)	-	(175)
Customer deposits	(150)	-	(150)
Net OPEB liability and related deferrals	435	-	435
Net pension liability and related deferrals	(17,257)	-	(17,257)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 655,861</b>	<b>\$ -</b>	<b>\$ 655,861</b>
Noncash capital and related financing activities:			
Capital contributions	-	185,148	185,148

**Village of Coal Valley, Illinois**

**Schedule of Assessed Valuations and Property Tax Rates,  
Extensions and Collections**

Collection Year	2023	2022	2021
Assessed valuations	<b>\$ 91,031,727</b>	<b>\$ 84,623,042</b>	<b>\$ 78,950,610</b>
Tax Rates (per \$100 assessed valuation)			
General corporate	0.0648	0.0641	0.0651
Bond and interest	0.0000	0.0000	0.0000
Police protection	0.1080	0.1069	0.1086
Illinois municipal retirement fund	0.1134	0.1122	0.1139
Social security	0.0655	0.0648	0.0658
Audit	0.0089	0.0088	0.0090
Liability insurance	0.0757	0.0749	0.0760
	<b>0.4363</b>	<b>0.4317</b>	<b>0.4384</b>
Tax extensions:			
General corporate	<b>\$ 58,989</b>	<b>\$ 54,243</b>	<b>\$ 51,346</b>
Police protection	<b>98,314</b>	<b>90,462</b>	<b>85,663</b>
Illinois municipal retirement fund	<b>103,230</b>	<b>94,947</b>	<b>89,915</b>
Social security	<b>59,626</b>	<b>54,836</b>	<b>51,926</b>
Audit	<b>8,102</b>	<b>7,447</b>	<b>7,051</b>
Liability insurance	<b>68,911</b>	<b>63,383</b>	<b>59,968</b>
	<b>397,172</b>	<b>365,318</b>	<b>345,869</b>
50% township road tax	<b>37,657</b>	<b>36,946</b>	<b>34,795</b>
<b>Total</b>	<b>\$ 434,829</b>	<b>\$ 402,264</b>	<b>\$ 380,664</b>
Tax Year			
	2022	2021	2020
Tax collections:			
Property taxes	<b>\$ 398,879</b>	<b>\$ 366,824</b>	<b>\$ 348,448</b>
50% township road tax	<b>37,306</b>	<b>36,354</b>	<b>34,207</b>
Interest	<b>56</b>	<b>307</b>	<b>52</b>
	<b>\$ 436,241</b>	<b>\$ 403,485</b>	<b>\$ 382,707</b>
Percent of tax extensions collected	<b>100.31%</b>	<b>100.23%</b>	<b>100.52%</b>

	2020	2019	2018	2017	2016	2015
\$	75,771,016	\$ 73,817,296	\$ 73,535,196	\$ 73,584,230	\$ 73,136,549	\$ 72,488,243
	0.0652	0.0650	0.0650	0.0650	0.0644	0.0654
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.1088	0.1084	0.1084	0.1084	0.1074	0.1088
	0.1142	0.1138	0.1138	0.1138	0.1126	0.1142
	0.0660	0.0658	0.0657	0.0658	0.0652	0.0660
	0.0090	0.0090	0.0089	0.0090	0.0090	0.0090
	0.0762	0.0760	0.0760	0.0760	0.0752	0.0762
	0.4394	0.4380	0.4378	0.4380	0.4338	0.4396
\$	49,403	\$ 47,981	\$ 47,791	\$ 47,830	\$ 47,100	\$ 47,407
	82,439	80,017	79,731	79,765	78,549	78,867
	86,531	84,004	83,689	83,739	82,352	82,782
	50,009	48,571	48,330	48,419	47,685	47,842
	6,819	6,644	6,562	6,622	6,582	6,524
	57,738	56,101	55,815	55,924	54,998	55,236
	332,939	323,318	321,918	322,299	317,266	318,658
	34,462	26,849	26,442	25,590	25,590	24,889
\$	367,401	\$ 350,167	\$ 348,360	\$ 347,889	\$ 342,856	\$ 343,547
	2019	2018	2017	2016	2015	2014
\$	333,024	\$ 324,078	\$ 327,809	\$ 323,118	\$ 324,941	\$ 313,708
	34,551	33,427	33,791	25,946	27,639	25,584
	59	286	209	107	58	45
\$	367,634	\$ 357,791	\$ 361,809	\$ 349,171	\$ 352,638	\$ 339,337
	100.05%	102.10%	103.80%	100.34%	102.84%	98.76%

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**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 Village President and  
Members of the Board of Trustees  
Village of Coal Valley, 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, each major fund and the aggregate remaining fund information of the Village of Coal Valley, Illinois (the Village), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements and have issued our report thereon dated May 14, 2024.

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 96.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village’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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Village’s 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 were not identified. However, as described in the accompanying Schedule of Findings and Responses, 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 Village’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 and Responses as item 2023-001 to be a material weakness.

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 and Responses as items 2023-002 through 2023-004 to be significant deficiencies.

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

As part of obtaining reasonable assurance about whether the Village'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's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
May 14, 2024

**Village of Coal Valley, Illinois**

**Schedule of Findings and Responses  
Year Ended December 31, 2023**

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**Summary of the Independent Auditor's Results**

Unmodified opinions were issued on the financial statements.

**Summary of Findings Relating to the Basic Financial Statements**

**A. Internal Control**

**Material Weakness**

**2023-001**

Finding: The Village did not properly identify and adjust the Village's funds for adjustments required for the Village's trial balances to be reported in accordance with accounting principles generally accepted in the United States of America (GAAP).

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

Condition: The Village did not identify accrual adjustments and adjust balance sheet accounts at year-end.

Cause: The Village does not adjust for year-end accrual basis of accounting. The Village does not prepare year-end accrual entries such as accounts receivable, accounts payable, and accrued payroll and benefits.

Effect: Financial statements are misstated, and errors are not detected on a timely basis.

Context: The governmental and enterprise funds and the governmental activities and business-type activities year-end balance sheet accounts required several material adjustments.

Identification as a repeat finding: This is a repeat finding.

Recommendation: We recommend the Village identify and adjust for the accrual basis of accounting. Specifically, we recommend the Village identify accounts payable and accounts receivable at year-end.

Response and Corrective Action Plan: The Village will determine year-end accrual basis of accounting adjustments necessary to report properly in accordance with the accounting principals generally accepted in the United States of America.

**Significant Deficiencies**

**2023-002**

Finding: The Village has insufficient segregation of duties over the payroll process.

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

Condition: Two Village employees have access rights to change the employee master file, including entering new employees, employee information including address and direct deposit information, modifying pay rates and adding deductions; enters time to the payroll system, process the payroll and generate the direct deposit advices. The Finance Director/City Administrator also makes payroll transfers for deductions and taxes in addition to reconciling the bank statement. The Finance Director/City Administrator has full access to the general ledger. The Village does not provide a report of all entries posted to the Mayor to review.

**Village of Coal Valley, Illinois**

**Schedule of Findings and Responses  
Year Ended December 31, 2023**

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Cause: The Village has not limited access to the payroll module. There has been turnover in the Finance Department.

Effect: Misappropriations of assets could occur and may not be detected in a timely basis.

Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to its completion.

Identification as a repeat finding: This is a repeat finding.

Recommendation: Ideally, the position responsible for processing the payroll should be segregated from access to make employee master file changes. The key control over the current access levels is the Mayor's review of the direct deposit listing to confirm the amount submitted for the ACH is what cleared the bank and to look for any unknown employees and any unusual pay amounts. In addition, we recommend the following:

- The Village should evaluate the payroll software to determine if password protections within applications in regard to the master file could be limited to another position in office. This position should have no other payroll access. This position would add all new positions, including address, direct deposit information and benefits. In addition, this position should make all updates and changes to the master payroll file. The Village should evaluate implementing all payroll modules, including a timeclock module, available to their financial software.
- The payroll access rights should be removed from the Finance Director/City Administrator so that they are only allowed to view and not edit. After payroll is processed, a Direct Deposit Register should be generated by the Payroll Clerk and routed to the Finance Director/City Administrator. The Finance Director/City Administrator should submit the direct deposit file and compare the amount submitted for the direct deposit ACH to the Direct Deposit Register and approve the direct deposit ACH through the bank. In addition, the Finance Director/City Administrator should review the direct deposit listing to look for any unknown employees and any unusual pay amounts. The amount should also be compared to the prior payroll period and investigate any unusual variances in the total amount paid from one pay period to the next and compare totals to budget for any variances.
- The Finance Director/City Administrator should review the bank reconciliation and ensure that all payroll ACH match the ACH reports for the month.
- The Village should determine if a payroll change/edit report can be printed from the payroll system. This report should list all changes made to the employee master files as well as extra pays or leave time added for the pay period. The changes on this report should be reviewed by a position independent from the payroll processing position.
- The Finance Director/Village Administrator should be reconciling the quarterly 941 payroll forms to the actual salary and wage expenses being recorded in the financial software and investigating and resolving any differences.

Response and Corrective Action Plan: The Village will review current processes and realign duties and system access levels to improve internal controls within the design of the payroll system.

**2023-003**

Finding: The Village has insufficient segregation of duties over the receipt process.

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

Condition: Employees within the Finance Department have access to bill receipts, collect receipts, post receipts, prepare the deposit and take the deposit to the bank. The Finance Director/City Administrator has full access to general ledger, reconciliations, and all financial modules.



**Village of Coal Valley, Illinois**

**Schedule of Findings and Responses  
Year Ended December 31, 2023**

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Cause: The Village had significant turnover in the Finance Department.

Effect: Misappropriations of assets could occur and may not be detected on a timely basis.

Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to its completion.

Identification as a repeat finding: This is a repeat finding. This has been reported as a control deficiency in prior years. Due to the turnover in fiscal year 2023, this is a significant deficiency.

Recommendation: Any position responsible for processing utility billing with customer edit access should be segregated from collecting receipts. Any position responsible for general ledger posting and reconciliation processes should be segregated from collecting or access to receipts. We recommend the Village continue to identify alternatives to having the Finance Director/City Administrator have access to collecting and receipting such as use of locked dropboxes, cashless options, or integrating other department personnel into the process. An employee not in the Finance Department should take daily deposits to the bank.

Response and Corrective Action Plan: The Village will review current processes and realign duties and system access levels to improve internal controls within the design of the receipt system.

**2023-004**

Finding: The Village did not properly reconcile the bank accounts to the Village's general ledger.

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

Condition: The outstanding check listing reported a check that had been voided. The check has not yet been resolved as of the audit fieldwork performed in spring 2024.

Cause: The Village does not reconcile cash accounts to the general ledger.

Effect: Financial statements are misstated, and errors are not detected on a timely basis.

Context: The cash accounts in the General Fund were underreported by approximately \$5,800.

Identification as a repeat finding: This is a repeat finding.

Recommendation: We recommend the Finance Director reconcile each bank account, including comparing to general ledger balances each month. The Mayor should complete a review of the reconciliation process each month. The listing of outstanding checks and outstanding deposits should be detailed reviewed to ensure any remaining items not timely cleared have been resolved.

Response and Corrective Action Plan: The Village will require the Finance Director to reconcile the Village's cash accounts, with comparison to the general ledger and a review by the Mayor.

**B. Instances of Noncompliance**

No matters reported.