

**CITY OF FARMER CITY, ILLINOIS**

**Annual Financial Report**

**For the Fiscal Year Ended April 30, 2019**

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### **Independent Auditor's Report**

The Honorable Mayor and Board of Aldermen  
City of Farmer City, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Farmer City, Illinois ("City"), as of and for the year ended April 30, 2019, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of April 30, 2019, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Illinois Municipal Retirement Fund – Schedule of Changes in the City's Net Position Liability and Related Ratios on page 39; the Illinois Municipal Retirement Fund – Schedule of Employer Contributions on page 40; and budgetary comparison information on pages 42 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2019 on our consideration of the City of Farmer City's internal control over financial reporting and on our test of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Farmer City's internal control over financial reporting and compliance.

*Striegel Knobloch & Company LLC*

Bloomington, Illinois  
August 27, 2019

## **BASIC FINANCIAL STATEMENTS**

**CITY OF FARMER CITY, ILLINOIS**  
**Statement of Net Position**

**April 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments (Notes 1 and 2)	\$ 2,987,106	\$ 3,766,653	\$ 6,753,759
Receivables, net (Note 1):			
Property taxes (Note 5)	745,178	21,447	766,625
Intergovernmental	123,361	-	123,361
Accounts	2,037	214,639	216,676
Prepaid expenses	35,420	46,995	82,415
Restricted assets - cash	-	34,260	34,260
Unamortized bond premium	-	26,542	26,542
Capital assets, net of accumulated depreciation (Notes 1 and 3)	1,921,171	4,047,038	5,968,209
Total assets	5,814,273	8,157,574	13,971,847
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension obligations	437,428	336,472	773,900
Total assets and deferred outflows of resources	\$ 6,251,701	\$ 8,494,046	\$ 14,745,747
<b>Liabilities</b>			
Accounts payable	\$ 177,359	\$ 18,847	\$ 196,206
Accrued expenses	65,451	55,484	120,935
Meter deposits	-	32,484	32,484
Accrued interest	-	17,004	17,004
Bonds payable (Note 4):			
Due within one year	100,000	75,000	175,000
Due in more than one year	105,000	1,110,000	1,215,000
IMRF pension liability	833,762	641,336	1,475,098
Total liabilities	1,281,572	1,950,155	3,231,727
<b>Deferred Inflows of Resources</b>			
Deferred property tax (Note 5)	745,178	21,447	766,625
Deferred inflows related to pension obligations (Note 7)	157,481	121,136	278,617
Total deferred inflows of resources	902,659	142,583	1,045,242

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**CITY OF FARMER CITY, ILLINOIS**  
**Statement of Net Position – Continued**

**April 30, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt (Note 1)	1,716,171	2,862,038	4,578,209
Restricted for (Note 1):			
Debt service	-	34,260	34,260
Tax increment financing district II	801,310	-	801,310
Motor fuel tax	-	-	-
Hotel-Motel tax	20,219	-	20,219
Business district tax	213,129	-	213,129
ESDA	4,039	-	4,039
Audit	46,100	-	46,100
Insurance	474,373	-	474,373
Social security	120,126	-	120,126
Working cash	101,549	-	101,549
Capital projects	(26,073)	-	(26,073)
Tax increment financing district III	(25,905)	-	(25,905)
School crossing guard	12,468	-	12,468
Library	40,605	-	40,605
Unrestricted (Note 1)	<u>569,359</u>	<u>3,505,010</u>	<u>4,074,369</u>
 Total net position	 <u>4,067,470</u>	 <u>6,401,308</u>	 <u>10,468,778</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 6,251,701</u>	 <u>\$ 8,494,046</u>	 <u>\$ 14,745,747</u>

The accompanying notes are an integral part of this statement.

**CITY OF FARMER CITY, ILLINOIS**  
**Statement of Activities**

**For the Year Ended April 30, 2019**

	Program Revenues					Net (Expenses), Revenues, and Changes in Net Assets		Total
	Expenses	Fees, Licenses, and Permits	Fines	User Charges	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>								
General government	\$ 708,068	\$ 42,146	\$ -	\$ 400,000	\$ -	\$ (265,922)	\$ -	\$ (265,922)
Public safety	467,965	-	26,004	7,271	-	(434,690)	-	(434,690)
Public works	396,721	-	-	-	-	(396,721)	-	(396,721)
Streets and alleys	304,474	-	-	-	-	(304,474)	-	(304,474)
Recreation	149,327	-	3,352	29,190	14,280	(102,505)	-	(102,505)
Interest on long-term debt	14,291	-	-	-	-	(14,291)	-	(14,291)
Changes in pension obligations	(21,621)	-	-	-	-	21,621	-	21,621
<b>Total governmental activities</b>	<b>2,019,225</b>	<b>42,146</b>	<b>29,356</b>	<b>436,461</b>	<b>14,280</b>	<b>(1,496,982)</b>	<b>-</b>	<b>(1,496,982)</b>
<b>Business-type activities:</b>								
Electric	2,409,579	-	28,842	2,664,334	-	-	283,597	283,597
Water	430,995	-	5,593	348,363	-	-	(77,039)	(77,039)
Sewer	423,758	-	4,766	274,108	-	-	(144,884)	(144,884)
Garbage	137,775	-	-	134,578	-	-	(3,197)	(3,197)
<b>Total business-type activities</b>	<b>3,402,107</b>	<b>-</b>	<b>39,201</b>	<b>3,421,383</b>	<b>-</b>	<b>-</b>	<b>58,477</b>	<b>58,477</b>
<b>Total primary government</b>	<b>\$ 5,421,332</b>	<b>\$ 42,146</b>	<b>\$ 68,557</b>	<b>\$ 3,857,844</b>	<b>\$ 14,280</b>	<b>\$ (1,496,982)</b>	<b>\$ 58,477</b>	<b>\$ (1,438,505)</b>
				<b>General revenues:</b>				
				<b>Taxes:</b>				
				Property taxes	791,407	22,442	813,849	
				Income tax	210,607	-	210,607	
				Motor fuel tax	51,708	-	51,708	
				Replacement tax	13,652	-	13,652	
				Sales tax	232,116	-	232,116	
				Excise tax	18,600	-	18,600	
				Use tax	61,931	-	61,931	
				Video gaming tax	44,858	-	44,858	
				Business district tax	116,222	-	116,222	
				Hotel-Motel taxes	13,016	-	13,016	
				Unrestricted investment earnings	30,649	12,810	43,459	
				Interfund transfers	27,187	(27,187)	-	
				<b>Total general revenues</b>	<b>1,611,953</b>	<b>8,065</b>	<b>1,620,018</b>	
				<b>Change in net position</b>	<b>114,971</b>	<b>66,542</b>	<b>181,513</b>	
				<b>Net Position – beginning, as restated (Note 9)</b>	<b>3,952,499</b>	<b>6,334,766</b>	<b>10,287,265</b>	
				<b>Net Position – ending</b>	<b>\$ 4,067,470</b>	<b>\$ 6,401,308</b>	<b>\$ 10,468,778</b>	

The accompanying notes are an integral part of this statement.

**CITY OF FARMER CITY, ILLINOIS**  
**Balance Sheet – Governmental Funds**

**April 30, 2019**

	General Fund	Tax Increment Financing Fund II	Insurance Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and equivalents (Notes 1 and 2)	\$ 1,050,344	\$ 914,038	\$ 438,953	\$ 583,771	\$ 2,987,106
Receivables, net:					
Property taxes (Note 5)	96,507	353,637	70,771	224,263	745,178
Intergovernmental	101,591	-	-	21,770	123,361
Other	50	-	-	1,987	2,037
Prepaid expenses	-	-	35,420	-	35,420
Due from other funds (Note 6)	-	25,905	-	101,549	127,454
Total assets	\$ 1,248,492	\$ 1,293,580	\$ 545,144	\$ 933,340	\$ 4,020,556
<b>Liabilities</b>					
Accounts payable	\$ 7,625	\$ 138,633	\$ -	\$ 31,101	\$ 177,359
Accrued expenses	52,785	-	-	12,666	65,451
Due to other funds (Note 6)	-	-	-	127,454	127,454
Total liabilities	60,410	138,633	-	171,221	370,264
<b>Deferred Inflows of Resources</b>					
Deferred property tax (Note 5)	96,507	353,637	70,771	224,263	745,178
<b>Fund Balance</b>					
Nonspendable	-	-	35,420	-	35,420
Restricted for:					
Tax increment financing district II	-	801,310	-	-	801,310
Motor fuel tax	-	-	-	(13,839)	(13,839)
Hotel-Motel tax	-	-	-	20,219	20,219
Business district tax	-	-	-	213,129	213,129
ESDA	-	-	-	4,039	4,039
Audit	-	-	-	46,100	46,100
Insurance	-	-	438,953	-	438,953
Social security	-	-	-	120,126	120,126
Working cash	-	-	-	101,549	101,549
Capital projects	-	-	-	(26,073)	(26,073)
Tax increment financing district III	-	-	-	(25,905)	(25,905)
School crossing guard	-	-	-	12,468	12,468
Library	-	-	-	40,605	40,605
Committed:					
Public safety	-	-	-	31,085	31,085
Unassigned	1,091,575	-	-	14,353	1,105,928
Total fund balance	1,091,575	801,310	474,373	537,856	2,905,114
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,248,492	\$ 1,293,580	\$ 545,144	\$ 933,340	\$ 4,020,556

The accompanying notes are an integral part of this statement.

**CITY OF FARMER CITY, ILLINOIS**  
**Reconciliation of Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**

**April 30, 2019**

Fund balance of governmental funds	\$ 2,905,114
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$6,131,201 net of accumulated depreciation of \$4,210,030 are not current financial resources and, therefore, are not reported in the governmental fund.	1,921,171
Net pension obligations are not reported in the fund financial statement because they are not due and payable, but they are presented in the statement of net position.	(553,815)
Long-term liabilities are not payable with current financial resources and are not reported in the governmental funds.	
Bonds payable	<u>(205,000)</u>
Net position of governmental activities	<u>\$ 4,067,470</u>

The accompanying notes are an integral part of this statement.

**CITY OF FARMER CITY, ILLINOIS**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Governmental Funds**

**For the Year Ended April 30, 2019**

	General Fund	Tax Increment Financing Fund II	Insurance Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 120,648	\$ 347,671	\$ 103,534	\$ 219,554	\$ 791,407
Income tax	210,607	-	-	-	210,607
Motor fuel tax	-	-	-	51,708	51,708
Replacement tax	13,652	-	-	-	13,652
Sales tax	232,116	-	-	-	232,116
Excise tax	18,600	-	-	-	18,600
Use tax	61,931	-	-	-	61,931
Video gaming tax	44,858	-	-	-	44,858
Other taxes	-	-	-	129,238	129,238
Donations	-	-	-	14,280	14,280
Fines, fees, permits and licenses	95,871	-	-	3,352	99,223
Interest income	22,998	1,084	532	6,035	30,649
Miscellaneous	8,740	-	-	-	8,740
Office charges	400,000	-	-	-	400,000
<b>Total revenues</b>	<b>1,230,021</b>	<b>348,755</b>	<b>104,066</b>	<b>424,167</b>	<b>2,107,009</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	423,519	-	46,080	157,166	626,765
Public safety	431,103	-	-	8,108	439,211
Public works	-	185,212	-	141,184	326,396
Streets and alleys	219,316	-	-	34,795	254,111
Recreation	92,013	-	-	54,460	146,473
<b>Debt service:</b>					
Principal	-	95,000	-	-	95,000
Interest	-	20,729	-	-	20,729
Capital outlay	94,078	150,892	-	152,102	397,072
<b>Total expenditures</b>	<b>1,260,029</b>	<b>451,833</b>	<b>46,080</b>	<b>547,815</b>	<b>2,305,757</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,008)</u>	<u>(103,078)</u>	<u>57,986</u>	<u>(123,648)</u>	<u>(198,748)</u>
<b>Other financing sources:</b>					
Transfers in	55,000	-	-	72,132	127,132
Transfers out	<u>(44,945)</u>	<u>(5,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(99,945)</u>
<b>Total other financing sources</b>	<b>10,055</b>	<b>(5,000)</b>	<b>-</b>	<b>22,132</b>	<b>27,187</b>
Net change in fund balance	(19,953)	(108,078)	57,986	(101,516)	(171,561)
Fund balance, beginning of year	<u>1,111,528</u>	<u>909,388</u>	<u>416,387</u>	<u>639,372</u>	<u>3,076,675</u>
Fund balance, end of year	<u>\$ 1,091,575</u>	<u>\$ 801,310</u>	<u>\$ 474,373</u>	<u>\$ 537,856</u>	<u>\$ 2,905,114</u>

The accompanying notes are an integral part of this statement.

**CITY OF FARMER CITY, ILLINOIS**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances - Governmental Funds to the Statement of Activities**

**For the Year Ended April 30, 2019**

Net change in fund balance – total governmental funds	\$ (171,561)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in the fund financial statements because they use current financial resources, but they are presented as assets in the Statement of Activities and depreciated over their estimated economic lives; depreciation (\$233,599) for the year is less than capital outlays (\$397,072) reported in the governmental funds.	163,473
Repayment of loan principal is an expenditure in the fund financial statements; however, the repayment reduces long-term liabilities in the Statement of Net Position	95,000
Net change in pension obligation is not recognized in the fund financial statements since it does not use current financial resources.	21,621
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as as expenditures in the fund financial statements:	
Accrued interest	<u>6,438</u>
Change in net position of governmental activities	<u><u>\$ 114,971</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF FARMER CITY, ILLINOIS**  
**Statement of Net Position – Proprietary Funds**

**April 30, 2019**

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
<b>Assets</b>					
Current assets:					
Cash and equivalents (Notes 1 and 2)	\$ 2,786,367	\$ 917,130	\$ 63,156	\$ -	\$ 3,766,653
Property taxes receivable (Note 5)	-	-	21,447	-	21,447
Accounts receivable, net	145,169	21,684	37,196	10,590	214,639
Prepaid expenses	34,480	6,475	6,040	-	46,995
Restricted cash (Note 2)	-	34,260	-	-	34,260
<b>Total current assets</b>	<b>2,966,016</b>	<b>979,549</b>	<b>127,839</b>	<b>10,590</b>	<b>4,083,994</b>
Noncurrent assets					
Unamortized bond premium	26,542	-	-	-	26,542
Capital assets (Note 3):					
Land	-	40,000	-	-	40,000
Buildings	119,494	422,619	3,300,000	-	3,842,113
Electric, water and sewer systems	8,501,781	1,599,328	2,159,146	-	12,260,255
Equipment	175,641	785,518	245,726	-	1,206,885
Accumulated depreciation	(6,125,728)	(2,295,771)	(4,880,716)	-	(13,302,215)
<b>Total capital assets</b>	<b>2,671,188</b>	<b>551,694</b>	<b>824,156</b>	<b>-</b>	<b>4,047,038</b>
<b>Total assets</b>	<b>5,663,746</b>	<b>1,531,243</b>	<b>951,995</b>	<b>10,590</b>	<b>8,157,574</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pension obligations	234,695	82,643	19,134	-	336,472
<b>Total assets and deferred outflows of resources</b>	<b>\$ 5,898,441</b>	<b>\$ 1,613,886</b>	<b>\$ 971,129</b>	<b>\$ 10,590</b>	<b>\$ 8,494,046</b>

- Continued -

**CITY OF FARMER CITY, ILLINOIS**  
**Statement of Net Position – Proprietary Funds – Continued**

**April 30, 2019**

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
<b>Liabilities</b>					
Current liabilities:					
Meter deposits	\$ -	\$ 32,484	\$ -	\$ -	\$ 32,484
Accounts payable	1,479	1,012	2,569	13,787	18,847
Bonds payable, current (Note 4)	75,000	-	-	-	75,000
Accrued expenses	38,181	15,384	1,919	-	55,484
Accrued interest	17,004	-	-	-	17,004
<b>Total current liabilities</b>	<b>131,664</b>	<b>48,880</b>	<b>4,488</b>	<b>13,787</b>	<b>198,819</b>
Noncurrent liabilities					
IMRF pension liability	447,343	157,522	36,471	-	641,336
Bonds payable less current maturities (Note 4)	1,110,000	-	-	-	1,110,000
<b>Total noncurrent liabilities</b>	<b>1,557,343</b>	<b>157,522</b>	<b>36,471</b>	<b>-</b>	<b>1,751,336</b>
<b>Total liabilities</b>	<b>1,689,007</b>	<b>206,402</b>	<b>40,959</b>	<b>13,787</b>	<b>1,950,155</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to:					
Property tax (Note 5)	-	-	21,447	-	21,447
Pension obligations	84,494	29,753	6,889	-	121,136
<b>Total deferred inflows of resources</b>	<b>84,494</b>	<b>29,753</b>	<b>28,336</b>	<b>-</b>	<b>142,583</b>
<b>Net Position</b>					
Invested in capital assets, net of related debt	1,486,188	551,694	824,156	-	2,862,038
Restricted for debt service	-	34,260	-	-	34,260
Unrestricted	2,638,752	791,777	77,678	(3,197)	3,505,010
<b>Total net position</b>	<b>4,124,940</b>	<b>1,377,731</b>	<b>901,834</b>	<b>(3,197)</b>	<b>6,401,308</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 5,898,441</b>	<b>\$ 1,613,886</b>	<b>\$ 971,129</b>	<b>\$ 10,590</b>	<b>\$ 8,494,046</b>

The accompanying notes are an integral part of this statement.



**CITY OF FARMER CITY, ILLINOIS**  
**Statement of Revenues, Expenses and Changes in**  
**Fund Net Position – Proprietary Funds**

**For the Year Ended April 30, 2019**

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Operating revenues:					
Charges for services	\$ 2,570,694	\$ 340,361	\$ 274,108	\$ 134,578	\$ 3,319,741
Bad debt recoveries	22,500	7,500	-	-	30,000
Other	99,982	6,095	4,766	-	110,843
<b>Total operating revenues</b>	<b>2,693,176</b>	<b>353,956</b>	<b>278,874</b>	<b>134,578</b>	<b>3,460,584</b>
Operating expenses:					
Personnel services	339,954	171,122	31,410	-	542,486
Operations and contractual services	1,750,433	130,373	192,276	137,775	2,210,857
Materials and supplies	66,292	71,188	124,847	-	262,327
Depreciation	207,834	58,312	75,225	-	341,371
<b>Total operating expenses</b>	<b>2,364,513</b>	<b>430,995</b>	<b>423,758</b>	<b>137,775</b>	<b>3,357,041</b>
<b>Operating income (loss)</b>	<b>328,663</b>	<b>(77,039)</b>	<b>(144,884)</b>	<b>(3,197)</b>	<b>103,543</b>
Non-operating revenues (expenses):					
Sewer chlorination levy	-	-	22,442	-	22,442
Interest revenue	9,612	3,082	116	-	12,810
Interest expense	(45,066)	-	-	-	(45,066)
<b>Total non-operating revenues (expenses)</b>	<b>(35,454)</b>	<b>3,082</b>	<b>22,558</b>	<b>-</b>	<b>(9,814)</b>
<b>Net income (loss) before other financing sources (uses)</b>	<b>293,209</b>	<b>(73,957)</b>	<b>(122,326)</b>	<b>(3,197)</b>	<b>93,729</b>
Other financing sources (uses):					
Transfers in	13,860	-	30,000	-	43,860
Transfers out	(71,047)	-	-	-	(71,047)
<b>Total other financing sources (uses)</b>	<b>(57,187)</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>(27,187)</b>
<b>Change in net position</b>	<b>236,022</b>	<b>(73,957)</b>	<b>(92,326)</b>	<b>(3,197)</b>	<b>66,542</b>
Net position, beginning of year, as restated (Note 9)	3,888,918	1,451,688	994,160	-	6,334,766
<b>Net position, end of year</b>	<b>\$ 4,124,940</b>	<b>\$ 1,377,731</b>	<b>\$ 901,834</b>	<b>\$ (3,197)</b>	<b>\$ 6,401,308</b>

The accompanying notes are an integral part of this statement.

**CITY OF FARMER CITY, ILLINOIS**  
**Statement of Cash Flows – Proprietary Funds**

**For the Year Ended April 30, 2019**

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Cash flows from (used in) operating activities:					
Cash received from customers	\$ 2,736,437	\$ 344,466	\$ 277,340	\$ 123,988	\$ 3,482,231
Cash payments to employees for services	(356,374)	(170,780)	(36,766)	-	(563,920)
Cash payments to suppliers for goods and services	(1,899,309)	(220,887)	(330,874)	(123,988)	(2,575,058)
Net cash provided by (used in) operating activities	<u>480,754</u>	<u>(47,201)</u>	<u>(90,300)</u>	<u>-</u>	<u>343,253</u>
Cash flows from (used in) non-capital financing activities:					
Transfers (to) from other funds	(57,187)	-	30,000	-	(27,187)
Advances (on)/receipts from interfund loans	(331,171)	135,124	192,542	-	(3,505)
Proceeds from sewer chlorination levy	-	-	22,442	-	22,442
Net Cash provided by (used in) non-capital financing activities	<u>(388,358)</u>	<u>135,124</u>	<u>244,984</u>	<u>-</u>	<u>(8,250)</u>
Cash flows from (used in) capital and related financing activities:					
Purchase of capital assets	(32,193)	(247,629)	(217,151)	-	(496,973)
Principal paid on revenue bonds	(70,000)	-	-	-	(70,000)
Interest paid on revenue bonds	(38,200)	-	-	-	(38,200)
Net cash provided by (used in) capital and related financing activities	<u>(140,393)</u>	<u>(247,629)</u>	<u>(217,151)</u>	<u>-</u>	<u>(605,173)</u>
Cash flows from (used in) investing activities:					
Interest from investments	9,612	3,082	116	-	12,810
Net cash provided by (used in) investing activities	<u>9,612</u>	<u>3,082</u>	<u>116</u>	<u>-</u>	<u>12,810</u>
Net increase (decrease) in cash and equivalents	(38,385)	(156,624)	(62,351)	-	(257,360)
Cash equivalents, unrestricted, beginning of year	2,824,752	1,073,754	125,507	-	4,024,013
Cash and equivalents, unrestricted, end of year	<u>\$ 2,786,367</u>	<u>\$ 917,130</u>	<u>\$ 63,156</u>	<u>\$ -</u>	<u>\$ 3,766,653</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 328,663	\$ (77,039)	\$ (144,884)	\$ (3,197)	\$ 106,740
Adjustments:					
Depreciation	207,834	58,312	75,225	-	341,371
Expenses related to pension obligations	(18,590)	(4,798)	(6,172)	-	(29,560)
Change in assets and liabilities:					
(Increase) decrease in:					
Restricted cash	-	(14)	-	-	(14)
Accounts receivable	43,261	(7,646)	(1,534)	(10,590)	34,081
Prepaid expenses	1,391	323	371	-	2,085
(Decrease) increase in:					
Accounts payable	(83,975)	(19,649)	(14,122)	13,787	(117,746)
Accrued expenses	2,170	5,140	816	-	8,126
Meter deposits	-	(1,830)	-	-	(1,830)
Net cash provided by (used in) operating activities	<u>\$ 480,754</u>	<u>\$ (47,201)</u>	<u>\$ (90,300)</u>	<u>\$ -</u>	<u>\$ 343,253</u>

The accompanying notes are an integral part of this statement.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements**

**April 30, 2019**

**Note 1 – Summary of Significant Accounting Policies:**

Reporting Entity

The City of Farmer City (the “City”) is a municipal corporation governed by an elected Mayor and a Board of Aldermen. The accompanying financial statements present the operations of the primary government.

In evaluating how to define the government for financial reporting purposes, the City has considered all potential component units. Generally accepted accounting principles require that the financial statements present component units for which the City is considered to be financially accountable. The City has determined that it is not financially accountable for any component units and, therefore, no component units have been made a part of this statement.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which are generally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

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 for fees, licenses and permits, 2) fines, 3) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 4) operating grants and contributions. Taxes and other revenue sources not properly included among program revenues are reported as general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to claims and judgements are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 1 – Summary of Significant Accounting Policies – Continued:**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

The funds are grouped into two fund types and five generic funds as described below:

Governmental Fund Types

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

*General Fund* – This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

*Special Revenue Funds* – These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* – These funds are established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than that payable from enterprise funds.

*Capital Projects Fund* – This fund is established to account for major capital expenditures not financed by enterprise funds.

The City reports the following major governmental funds:

*General Fund* – The principal operating fund of the City, which is used to account for all activities not included in other specified funds.

*Tax Increment Financing Fund II* – Accounts for all revenues and expenditures related to the City's TIF District II redevelopment project.

*Insurance Fund* – Accounts for all revenues and expenditures related to the City's insurance activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Proprietary Fund Types

These funds account for operations that are organized to be self-supported through user charges. The funds included in this category are the Enterprise funds.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 1 – Summary of Significant Accounting Policies – Continued:**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Proprietary Fund Types – Continued

*Enterprise Funds* – These funds are established to account for operations that are financed and conducted in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City reports the following major enterprise funds:

*Electric Light Plant and System Fund* – Accounts for activities related to the operation of the City’s electric system and related services provided to citizens.

*Water Fund* – Accounts for activities related to the operation of the City’s water system and related services provided to citizens.

*Sewer Fund* – Accounts for activities related to the operation of the City’s sewer system and related services provided to citizens.

*Garbage Fund* – Accounts for activities related to refuse pickup and disposal in the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Electric Light Plant and Systems, Water, Sewer, and Garbage Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, and Net Position or Equity

Deposits and Investments

The City’s cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Public Funds Investment Act of the State of Illinois allows municipalities to invest in the following:

- U.S. Treasury obligations
- Direct obligations of any bank as defined by the Illinois Banking Act
- Certain corporate short-term obligations
- Certain public agencies
- Public Treasurers’ Investment Pool
- Certain money market mutual funds

Investments are reported at cost.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 1 – Summary of Significant Accounting Policies – Continued:**

Assets, Liabilities, and Net Position or Equity – Continued

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are either due to/from other funds or advances to/from other funds. Other outstanding balances between funds are reported as due to/from other funds. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets

Capital assets consisting of property, plant, equipment, and infrastructure assets are reported in either the governmental or business-type activities columns in the government-wide financial statements.

All capital assets and intangible assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are stated at their fair market value on the date donated.

Depreciation of all exhaustible capital assets and intangible assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation and amortization are reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Electric light plant and system	20 – 30 years
Waterworks and sewerage system	20 – 30 years
Infrastructure	20 years
Machinery and equipment	5 – 10 years
Furniture and office equipment	5 – 10 years

Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems. The City has elected to report only those infrastructure fixed assets that were acquired or constructed after April 30, 2005.

Compensated Absences

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred. Only the current portion of such amounts would be accrued in governmental funds. The long-term portion of such amounts is reported in the government-wide and proprietary fund financial statements. At April 30, 2019, the City was obligated for \$63,046 of accumulated vacation pay.

Restricted Assets

Certain assets of the Water Fund and Tax Increment Financing Fund II are restricted as to use as described in Notes 4 and 5. There is also a specific deposit in the Water Fund that has been restricted. The money was received from water customers for meter deposits.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 1 – Summary of Significant Accounting Policies – Continued:**

Assets, Liabilities, and Net Position or Equity – Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Fund Equity

The City has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory, prepaid expenses, long-term receivables) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The City establishes (modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment. Assigned fund balances are established by the City through the same process as intended for specific purposes (such as the purchase or construction of capital assets, debt service, or for other purposes).

Net Position

The City has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The objective of this Statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition or improvement of those assets.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 1 – Summary of Significant Accounting Policies – Continued:**

Assets, Liabilities, and Net Position or Equity – Continued

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted to have been depleted before unrestricted is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Budgets and Budgetary Accounting

The City is under the appropriations method as described in the Illinois Compiled Statutes. The Annual Appropriations Ordinance passed by the City is the legally binding document which restricts the City's maximum expenditure of funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.



**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 2 – Deposits and Investments:**

The City maintains a cash pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on the financial statement as “cash and equivalents.” The City’s cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. In addition, investments are separately held by several of the City’s funds. The investments are governed by an investment policy.

The carrying amount of the City’s deposits and investments with financial institutions was \$6,738,383, and the bank balance was \$7,027,505, at April 30, 2019. The institutions’ balances are categorized as follows:

Amount insured by FDIC	\$ 607,897
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>6,127,996</u>
Total insured and collateralized balance	<u>6,735,893</u>
Uninsured and uncollateralized	<u>291,612</u>
Total institutions’ balances	<u>\$ 7,027,505</u>

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits may not be returned to it. As of April 30, 2019, \$291,612 of the City’s bank balance of \$7,027,505 was exposed to custodial credit risk.

The following securities were pledged as collateral for the City’s deposits in excess of the maximum depository insurance:

<u>Security</u>	<u>CUSIP</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Fair Value</u>
FN AL2740	3138EKBJ3	3.00%	07/01/2027	2,973,636
FNR 2013-52MG	3136AEJ32	1.25%	06/25/2043	1,006,803
FHR 4265 DA	3137B5QU0	4.00%	06/15/2026	562,923
Other Securities – The Illinois Funds				1,291,610
Other Securities – Fisher National				<u>438,796</u>
				<u>\$ 6,273,768</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 3 – Capital Assets:**

Capital asset activity for the year ended April 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ <u>104,390</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>104,390</u>
Total capital assets not being depreciated	<u>104,390</u>	<u>-</u>	<u>-</u>	<u>104,390</u>
Capital assets being depreciated:				
Buildings	1,344,617	-	-	1,344,617
Equipment	1,280,729	94,077	-	1,374,806
Infrastructure	<u>3,004,393</u>	<u>302,995</u>	<u>-</u>	<u>3,307,388</u>
Total capital assets being depreciated	<u>5,629,739</u>	<u>397,072</u>	<u>-</u>	<u>6,026,811</u>
Less accumulated depreciation for:				
Building	(1,250,926)	(5,728)	-	(1,256,654)
Equipment	(1,155,278)	(48,241)	-	(1,203,519)
Infrastructure	<u>(1,570,227)</u>	<u>(179,630)</u>	<u>-</u>	<u>(1,749,857)</u>
Total accumulated depreciation	<u>(3,976,431)</u>	<u>(233,599)</u>	<u>-</u>	<u>(4,210,030)</u>
Total capital assets being depreciated, net	<u>1,653,308</u>	<u>163,473</u>	<u>-</u>	<u>1,816,781</u>
Governmental activities capital assets, net	\$ <u>1,757,698</u>	\$ <u>163,473</u>	\$ <u>-</u>	\$ <u>1,921,171</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

April 30, 2019

**Note 3 – Capital Assets – Continued:**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Total capital assets not being depreciated	40,000	-	-	40,000
Capital assets being depreciated:				
Buildings and system	15,737,834	364,534	-	16,102,368
Equipment	1,074,446	132,439	-	1,206,885
Total capital assets being depreciated	16,812,280	496,973	-	17,309,253
Less accumulated depreciation for:				
Buildings and system	(11,994,015)	(304,111)	-	(12,298,126)
Equipment	(966,829)	(37,260)	-	(1,004,089)
Total accumulated depreciation	(12,960,844)	(341,371)	-	(13,302,215)
Total capital assets being depreciated, net	3,851,436	155,602	-	4,007,038
Business-type activities capital assets, net	\$ 3,891,436	\$ 155,602	\$ -	\$ 4,047,038

Depreciation expense was charged to functions/programs of the primary government in the following manner:

Governmental activities:	
General government	\$ 81,303
Public safety	28,754
Public works	70,325
Streets and alleys	50,363
Recreation	2,854
Total depreciation expense – governmental activities	\$ 233,599
Business-type activities:	
Electric light plant and system	\$ 207,834
Water	58,312
Sewer	75,225
Total depreciation expense – business-type activities	\$ 341,371

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 4 – Long-Term Debt:**

Governmental Activities

Series 2007 General Obligation Bonds

The ordinance authorizing the issuance of \$1,000,000 General Obligation Bonds, Series 2007, provides for the creation and continuance of separate accounts designated as the Proceeds Account, Debt Service Account, Depreciation Account, and the Surplus Account. Other than the Debt Service Account, no funds or accounts have been or are expected to be established. The Debt Service Account shall be funded as follows:

There shall be paid into the Debt Service Account on the last business day next preceding the first business day of each month, after the required payment has been determined, a fractional amount (not less than 1/6) of the interest becoming due on the next succeeding interest payment date on all outstanding Certificates authorized to be issued under the terms of this ordinance, and there shall be paid into the Debt Service Account on the first business day of each month not less than a fractional amount of the principal (not less than 1/12) and/or interest (not less than 1/6) becoming due on the next succeeding principal maturity or due date and/or interest due date of all of the Certificates issued under the terms of this ordinance until there shall have been accumulated in the Debt Service Account on or before the day preceding such current due date or maturity date of interest or principal, or both, an amount sufficient to pay such principal or interest, or both, of all Certificates heretofore issued or issued hereunder and including, as applicable, the maturing principal or interest, or both.

Remaining liabilities under the Series 2007 bond issue at April 30, 2019, were as follows:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due for Year Payable Semi-Annually</u>	<u>Total Amount Due in Fiscal Year</u>
2020	5.15%	100,000	10,558	110,558
2021	5.15%	<u>105,000</u>	<u>5,405</u>	<u>110,405</u>
		\$ <u>205,000</u>	\$ <u>15,963</u>	\$ <u>220,963</u>

Business-Type Activities

Alternate Revenue Bonds – Series 2011

During the fiscal year ended April 30, 2012, the City issued \$1,500,000 of General Obligation Bonds (Alternate Revenue Source), Series 2011. Proceeds of this issue were used for improvements to the Electrical System.

During the fiscal year ended April 30, 2018, the City authorized an advance refunding of the Series 2011 General Obligation Bond (Alternate Revenue Source), by issuing \$1,300,000 of General Obligation Bonds (Alternate Revenue Source), Series 2017. \$1,070,000 of the proceeds of this issue were used to pay off the callable portion of the original Series 2011 issue.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

April 30, 2019

**Note 4 – Long-Term Debt - Continued:**

Business-Type Activities – Continued

Alternate Revenue Bonds – Series 2011 – Continued

Remaining liabilities under the Series 2011 Alternate Revenue Bond at April 30, 2019 were as follows:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due for Year Payable Semi-Annually</u>	<u>Total Amount Due in Fiscal Year</u>
2020	3.00%	65,000	975	65,975
		\$ 65,000	\$ 975	\$ 65,975

Alternate Revenue Bonds – Series 2017

During the fiscal year ended April 30, 2018, the City issued \$1,300,000 of General Obligation Bonds (Alternative Revenue Source), Series 2017. Proceeds of this issue were used to pay down the callable portion of the Series 2011 bond issue.

Remaining liabilities under the Series 2017 Alternate Revenue Bond at April 30, 2019 were as follows:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due for Year Payable Semi-Annually</u>	<u>Total Amount Due in Fiscal Year</u>
2020	2.00%	10,000	32,830	42,830
2021	2.25%	80,000	32,630	112,630
2022	2.25%	85,000	30,830	115,830
2023	2.25%	85,000	28,918	113,918
2024	2.50%	85,000	27,005	112,005
2025	2.50%	90,000	24,880	114,880
2026	2.50%	90,000	22,630	112,630
2027	2.80%	95,000	20,380	115,380
2028	2.80%	95,000	17,720	112,720
2029	2.80%	95,000	15,060	110,060
2030	4.00%	100,000	12,400	112,400
2031	4.00%	105,000	8,400	113,400
2032	4.00%	105,000	4,200	109,200
		\$ 1,120,000	\$ 277,883	\$ 1,397,883

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 4 – Long-Term Debt - Continued:**

Changes in general long-term liability activity for the year ended April 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
General obligation					
bonds payable	\$ <u>300,000</u>	\$ <u>-</u>	\$ <u>95,000</u>	\$ <u>205,000</u>	\$ <u>100,000</u>
<u>Business-Type Activities</u>					
Alternate revenue					
bonds payable:					
Series 2011	\$ 125,000	\$ -	\$ 60,000	\$ 65,000	\$ 65,000
Series 2017	<u>1,130,000</u>	<u>-</u>	<u>10,000</u>	<u>1,120,000</u>	<u>10,000</u>
	<u>\$ 1,255,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 1,185,000</u>	<u>\$ 75,000</u>

**Note 5 – Property Taxes:**

The City’s tax levy ordinance related to the taxes collected in 2018 was adopted December 2017. Property taxes are assessed and attached as an enforceable lien on property as of January 1 of each year. Taxes normally are collected between May 1 and September 1 (the last day of payment without penalty or interest) of the following year. The DeWitt County Treasurer is responsible for collecting and disbursing the tax monies to the City.

In accordance with generally accepted accounting principles, property taxes are recognized as revenue in the budgetary year for which they are levied. Property taxes receivable are recorded as deferred revenue since they are budgeted to pay next year’s expenses.

Property taxes receivable as of April 30, 2019, consist of the following:

	2018 Tax Levy Year
General Fund	\$ 96,507
Tax Increment Financing Fund II	353,637
Insurance Fund	70,771
Non-Major Governmental Funds	224,263
Proprietary Funds	<u>21,447</u>
Total	<u>\$ 766,625</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

April 30, 2019

**Note 6 – Interfund Loans and Transfers:**

Individual fund interfund loans at April 30, 2019, were as follows:

	Receivable From	Payable To
<u>Tax Increment Financing (TIF) II Fund:</u>		
Tax Increment Financing (TIF) III	\$ 25,905	\$ -
<u>Tax Increment Financing (TIF) III Fund:</u>		
Tax Increment Financing (TIF) II	-	25,905
<u>Working Cash Fund:</u>		
Capital Project	101,549	-
<u>Capital Projects Fund:</u>		
Working Cash	-	101,549

Interfund transfers consist of the following transactions:

	Transfer From	Transfer To
<u>General Fund:</u>		
Tax Increment Financing (TIF) II	\$ 5,000	\$ -
Business District	30,000	-
Electric	20,000	13,860
DUI	-	31,085
<u>Electric Fund:</u>		
Capital Projects	-	21,047
Sewer	-	30,000
General	13,860	20,000
<u>Sewer Fund:</u>		
Electric	30,000	-
<u>Capital Projects Fund:</u>		
Business District	20,000	-
Electric	21,047	-
<u>Tax Increment Financing (TIF) II Fund:</u>		
General	-	5,000
<u>Business District Fund:</u>		
General	-	30,000
Capital Projects	-	20,000
<u>DUI Fund:</u>		
General	31,085	-

Transfers are used to provide resources from unrestricted funds revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 6 – Interfund Loans and Transfers – Continued:**

Origin of Interfund Balances

During the course of normal operations, the City has various transactions between funds including expenditures and transfers of resources, primarily to provide services. The interfund receivables/payables owed to the various funds reflect advances made and received that are still outstanding as of April 30, 2019. All interfund balances are expected to be repaid in a future fiscal year.

**Note 7 – Defined Benefit Pension Plan:**

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund ("IMRF"), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org](http://www.imrf.org).

Plan Description

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier of IMRF's Regular Plan. IMRF assigns a benefit tier to a member when they are enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member participated in IMRF before January 1, 2011, they participate in the *Regular Tier 1*. If the member participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of qualifying service credit. Participating members 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  $1\frac{2}{3}\%$  of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter to a maximum of 75% of their final rate of earnings. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at age 62 (with reduced benefits) or after age 67 (with full benefits) with ten years of service, or age 62 with 35 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to  $1\frac{2}{3}\%$  of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earning for each year of credited services up to 15 years and 2% for each year thereafter to a maximum of 75% of their final rate of earnings. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age of 67, by the lesser of 3% of the original pension amount or  $\frac{1}{2}$  of the increase in the Consumer Price Index of the original pension amount.



**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

April 30, 2019

**Note 7 – Defined Benefit Pension Plan - Continued:**

Plan Membership

At December 31, 2018, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	25
Inactive, non-retired members	13
Active members	20
Total	58

Contributions

As set by statute, City regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual required contribution rate for calendar year 2018 was 16.30%. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability / (Asset)

The net pension liability / (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability / (asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

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

Actuarial Assumptions

Total pension liabilities for the Regular plan were determined by actuarial valuations performed as of December 31, 2018, using the following actuarial methods and assumptions:

	<u>Regular Plan</u>
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
 Actuarial assumptions:	
Investment rate of return	7.25%
Inflation	2.50%
Salary increase	3.39% to 14.25%, including inflation

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

April 30, 2019

**Note 7 – Defined Benefit Pension Plan - Continued:**

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Morality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/18</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37%	-6.08%	8.50%	7.15%
International equities	18%	-14.16%	9.20%	7.25%
Fixed income	28%	-0.28%	3.75%	3.75%
Real estate	9%	8.36%	7.30%	6.25%
Alternatives	7%			
Private equity		N/A	12.40%	8.50%
Hedge funds		N/A	5.75%	5.50%
Commodities		N/A	4.75%	3.20%
Cash equivalents	1%	N/A	2.50%	2.50%

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2017, measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rate equal to the differences between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.25% was blended with the index rate of 3.71% for tax-exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2018, to arrive at a discount rate of 7.25% used to determine the total pension liability. The year ending December 31, 2118, is the last year in the 2019 to 2118 projection period for which projected benefit payments are fully funded.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 7 – Defined Benefit Pension Plan - Continued:**

Discount Rate Sensitivity

The following is a sensitivity analysis of the net position liability / (asset) to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.25% as well as what the net position liability / (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 6,731,651	\$ 6,039,557	\$ 5,459,742
Plan fiduciary net position	<u>4,564,459</u>	<u>4,564,459</u>	<u>4,564,459</u>
 Net position liability / (asset)	 <u>\$ 2,167,192</u>	 <u>\$ 1,475,098</u>	 <u>\$ 895,283</u>

Change in Net Pension Liability / (Asset)

The City's change in net position liability / (asset) for the calendar year ended December 31, 2018, was as follows:

	<u>Increase / (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at December 31, 2017	\$ 5,502,889	\$ 4,641,283	\$ 861,606
Service cost	99,756	-	99,756
Interest on total pension liability	407,218	-	407,218
Differences between expected and actual experience of the total pension liability	121,648	-	121,648
Change of assumptions	154,434	-	154,434
Benefit payments, including refunds of employee contributions	(246,388)	(246,388)	-
Contributions – employer	-	194,628	(194,628)
Contributions – employee	-	43,195	(43,195)
Net investment income	-	(230,954)	230,954
Other (Net Transfer)	<u>-</u>	<u>162,695</u>	<u>(162,695)</u>
 Balance at December 31, 2018	 <u>\$ 6,039,557</u>	 <u>\$ 4,564,459</u>	 <u>\$ 1,475,098</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

April 30, 2019

**Note 7 – Defined Benefit Pension Plan - Continued:**

Pension Expense and Deferred Inflows/Outflows of Resources

For the year ended December 31, 2018, the City recognized pension expense of \$143,449 for the Regular Plan. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 142,452	\$ -
Changes in assumptions	103,363	66,628
Net difference between projected and actual earnings on pension plan investments	<u>528,085</u>	<u>211,989</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>773,900</u>	<u>278,617</u>
Pension plan contributions made subsequent To the measurement date	<u>42,694</u>	<u>-</u>
Total deferred amounts related to pension	<u>\$ 816,594</u>	<u>\$ 278,617</u>

The amounts reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net position liabilities / (asset) for the year ending December 31, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year Ending December 31,</u></b>	<b><u>Net Deferred Outflows of Resources</u></b>
2019	\$ 196,642
2020	133,190
2021	48,485
2022	116,966
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 495,283</u>

**Note 8 – Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the State of Illinois to form the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for its member municipalities.

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

April 30, 2019

**Note 8 – Risk Management – Continued:**

The City pays an annual premium to IMLRMA for its general insurance coverage which includes workers' compensation, comprehensive general liability, inland marine, automobile physical damage, and property loss. Each area of coverage is subject to limitations that would be comparable to commercial insurance coverage. The agreement for formation of the IMLRMA provides that IMLRMA will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of \$15 million for each insured event. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

**Note 9 – Restatement of Net Position:**

During the year ended April 30, 2019, it was discovered that errors had been made in recording certain amounts related to the callable portion of the Series 2011 alternate revenue bonds, which were refunded in the prior fiscal year. Electric fund net position has been restated to reflect the corrected balances.

The following financial statement items were affected by this correction at April 30, 2018:

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
<i>Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Electric Fund</i>			
Bonds payable, current	\$ 10,000	\$ 70,000	\$ 60,000
Bonds payable, less current maturities	1,120,000	1,185,000	65,000
Unamortized bond discount	79,548	-	(79,548)
Unamortized bond premium	-	28,637	(28,637)
Deferred inflows, related to bond refunding	13,845	-	(13,845)
Net Position	3,891,889	3,888,918	2,971
<i>Statement of Activities – Business-Type Activities</i>			
Bonds payable, due within one year	\$ 10,000	\$ 70,000	\$ 60,000
Bonds payable, due in more than one year	1,120,000	1,185,000	65,000
Unamortized bond premiums and discounts	79,548	-	(79,548)
Unamortized bond premium	-	28,637	(28,637)
Deferred inflows related to bond refunding	13,845	-	(13,845)
Net position	6,337,737	6,334,766	2,971

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Financial Statements - Continued**

**April 30, 2019**

**Note 10 – Deficit Fund Balances:**

Deficits related to the primary government not visible in the basic financial statements are as follows:

<u>Fund</u>	<u>Amount of Deficit</u>
Tax Increment Financing III Fund	\$ (25,905)
Motor Fuel Tax Fund	(13,839)
Capital Projects Fund	<u>(26,073)</u>
Total	<u>\$ (65,817)</u>

**Note 11 – Subsequent Events:**

No events have occurred subsequent to April 30, 2019, that are required to be disclosed in these financial statements. This evaluation was made as of August 27, 2019, the date these financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF FARMER CITY, ILLINOIS**  
**Illinois Municipal Retirement Fund**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**

**Last 10 Calendar Years**

	2018	2017	2016	2015
<b>Total pension liability:</b>				
Service cost	\$ 99,756	\$ 101,415	\$ 102,665	\$ 100,734
Interest on the total pension liability	407,218	393,962	363,424	342,811
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience on the total pension liability	121,648	70,887	133,614	(5,279)
Changes in assumptions	154,434	(151,093)	(24,681)	-
Benefit payments, including refunds of employee contributions	<u>(246,388)</u>	<u>(228,791)</u>	<u>(157,624)</u>	<u>(168,232)</u>
Net change in total pension liability	536,668	186,380	417,398	270,034
Total pension liability - beginning	<u>5,502,889</u>	<u>5,316,509</u>	<u>4,899,111</u>	<u>4,629,077</u>
Total pension liability - ending (a)	<u>\$ 6,039,557</u>	<u>\$ 5,502,889</u>	<u>\$ 5,316,509</u>	<u>\$ 4,899,111</u>
<b>Plan fiduciary net position:</b>				
Employer contributions	\$ 194,628	\$ 147,314	\$ 139,281	\$ 133,376
Employee contributions	43,195	42,177	42,859	39,590
Net investment income	(230,954)	654,289	262,995	19,137
Benefit payments, including refunds of member contributions	(246,388)	(228,791)	(157,624)	(168,232)
Other (net transfer)	<u>162,695</u>	<u>(12,682)</u>	<u>15,304</u>	<u>(112,719)</u>
Net change in plan fiduciary net position	(76,824)	602,307	302,815	(88,848)
Plan fiduciary net position - beginning	<u>4,641,283</u>	<u>4,038,976</u>	<u>3,736,161</u>	<u>3,825,009</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,564,459</u>	<u>\$ 4,641,283</u>	<u>\$ 4,038,976</u>	<u>\$ 3,736,161</u>
Employer's net pension liability (a) - (b)	<u>\$ 1,475,098</u>	<u>\$ 861,606</u>	<u>\$ 1,277,533</u>	<u>\$ 1,162,950</u>
Plan fiduciary net position as a percentage of the total pension liability	75.58%	84.34%	75.97%	76.26%
Covered-employee payroll	959,900	937,264	938,554	879,782
Employer's net pension liability as a percentage of covered-employee payroll	153.67%	91.93%	136.12%	132.19%

**Note to schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.



**CITY OF FARMER CITY, ILLINOIS**  
**Illinois Municipal Retirement Fund**  
**Schedule of Employer Contributions**

**Last 10 Calendar Years**

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a percentage of Covered Valuation Payroll
2015	133,375	133,376	(1)	879,782	15.16%
2016	139,281	139,281	-	938,554	14.84%
2017	140,402	147,314	(6,912)	937,261	15.72%
2018	156,464 *	194,628	(38,164)	959,900	20.28%

\* Estimated based on contribution rate of 16.30% and covered valuation payroll of \$959,900.

**Note to schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

**CITY OF FARMER CITY, ILLINOIS**  
**Illinois Municipal Retirement Fund**  
**Summary of Actuarial Methods and Assumptions**

Valuation date

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25-year closed period until remaining period reaches 15 years (then 15 year rolling period). Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset valuation method	5-Year Smoothed Market, 20% Corridor
Wage growth	3.50%
Inflation	2.75%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.  For disabled retirees, fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Morality Table apply the same adjustment that were applied for non-disabled lives.  For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other information	There were no benefit changes during the year.

**CITY OF FARMER CITY, ILLINOIS**  
**Budgetary Comparison Schedule – General Fund - Unaudited**

**For the Year Ended April 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
<b>Receipts</b>				
Property tax	\$ 125,000	\$ 125,000	\$ 120,648	\$ (4,352)
Income tax	180,000	180,000	223,444	43,444
Replacement tax	13,500	13,500	10,953	(2,547)
Sales tax	190,000	190,000	227,215	37,215
Excise tax	20,000	20,000	18,217	(1,783)
Use tax	50,000	50,000	63,633	13,633
Video gaming tax	45,000	45,000	44,772	(228)
Fines, fees, permits and licenses	107,300	107,300	90,694	(16,606)
Interest	6,500	6,500	22,998	16,498
Miscellaneous	11,900	11,900	8,740	(3,160)
Office charges	400,000	400,000	400,000	-
<b>Total receipts</b>	<u>1,149,200</u>	<u>1,149,200</u>	<u>1,231,314</u>	<u>82,114</u>
<b>Disbursements</b>				
General government	403,130	403,130	422,620	19,490
Public safety	500,000	504,000	431,103	(72,897)
Streets and alleys	267,550	267,550	219,316	(48,234)
Recreation	101,200	101,200	92,013	(9,187)
Capital outlay		-	94,078	94,078
<b>Total disbursements</b>	<u>1,271,880</u>	<u>1,275,880</u>	<u>1,259,130</u>	<u>(16,750)</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(122,680)</u>	<u>(126,680)</u>	<u>(27,816)</u>	<u>98,864</u>
Other financing sources (uses):				
Transfer in	50,500	50,500	55,000	4,500
Transfer out	-	-	(44,945)	(44,945)
<b>Total other financing sources (uses)</b>	<u>50,500</u>	<u>50,500</u>	<u>10,055</u>	<u>(40,445)</u>
Net change in fund balance	<u>\$ (72,180)</u>	<u>\$ (76,180)</u>	(17,761)	<u>\$ 58,419</u>
Fund balance (budgetary basis) – beginning of year			<u>1,068,105</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 1,050,344</u>	

**CITY OF FARMER CITY, ILLINOIS**  
**Reconciliation of Budgetary Basis Cash Receipts and Cash Disbursements**  
**to GAAP Revenues and Expenses – General Fund**

**For the Year Ended April 30, 2019**

Total cash receipts sources for general fund activities	\$ 1,231,314
Differences – Budget to GAAP:	
Receivables are not recorded as budgetary cash receipts or other sources, but are revenue for financial reporting purposes:	
Intergovernmental tax receivable	6,472
Accounts receivable	<u>(5,177)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 1,232,609</u>
Total cash disbursements for general fund activities	\$ 1,259,130
Differences – Budget to GAAP:	
Accruals are not recorded as budgetary cash disbursements or other financing uses, but are expenses for financial reporting purposes:	
Accounts payable	7,679
Accrued expenses	<u>(8,578)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 1,258,231</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Budgetary Comparison Schedule – TIF II Fund - Unaudited**

**For the Year Ended April 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
<b>Receipts</b>				
Property tax	\$ 330,000	\$ 330,000	\$ 347,671	\$ 17,671
Interest	1,500	1,500	1,084	(416)
Total receipts	<u>331,500</u>	<u>331,500</u>	<u>348,755</u>	<u>17,255</u>
<b>Disbursements</b>				
Public works	656,500	726,825	52,174	(674,651)
Capital outlay	225,000	225,000	150,892	(74,108)
Debt service - principal	90,000	90,000	95,000	5,000
Debt service - interest	20,100	20,100	20,729	629
Total disbursements	<u>991,600</u>	<u>1,061,925</u>	<u>318,795</u>	<u>(743,130)</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(660,100)</u>	<u>(730,425)</u>	<u>29,960</u>	<u>760,385</u>
Other financing sources (uses):				
Transfers out	-	-	(5,000)	(5,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Net change in fund balance	<u>\$ (660,100)</u>	<u>\$ (730,425)</u>	24,960	<u>\$ 755,385</u>
Fund balance (budgetary basis) – beginning of year			<u>914,983</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 939,943</u>	

**CITY OF FARMER CITY, ILLINOIS**  
**Reconciliation of Budgetary Basis Cash Receipts and Cash Disbursements**  
**to GAAP Revenues and Expenses – TIF II Fund**

**For the Year Ended April 30, 2019**

Total cash disbursements for TIF II activities	\$ 318,795
Differences – Budget to GAAP:	
Accruals are not recorded as budgetary cash disbursements or other financing uses, but are expenses for financial reporting purposes:	
Accounts payable	<u>133,038</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 451,833</u></u>

**CITY OF FARMER CITY, ILLINOIS**  
**Budgetary Comparison Schedule - Insurance Fund - Unaudited**

**For the Year Ended April 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
<b>Receipts</b>				
Property taxes	\$ 103,370	\$ 103,370	\$ 70,932	\$ (32,438)
Interest	500	500	532	32
Total receipts	<u>103,870</u>	<u>103,870</u>	<u>71,464</u>	<u>(32,406)</u>
<b>Disbursements</b>				
General government	45,000	45,000	31,259	(13,741)
Total disbursements	<u>45,000</u>	<u>45,000</u>	<u>31,259</u>	<u>(13,741)</u>
Excess (deficiency) of receipts over (under) disbursements	<u>\$ 58,870</u>	<u>\$ 58,870</u>	40,205	<u>\$ (18,665)</u>
Fund balance (budgetary basis) – beginning of year			<u>398,748</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 438,953</u>	

**CITY OF FARMER CITY, ILLINOIS**  
**Reconciliation of Budgetary Basis Cash Receipts and Cash Disbursements to GAAP**  
**Revenues and Expenses – Insurance Fund**

**For the Year Ended April 30, 2019**

Total cash receipts for insurance fund activities	\$ 71,464
Differences – Budget to GAAP:	
Receivables are not recorded as budgetary receipts or other financing sources, but are revenue for financial reporting purposes:	
Intergovernmental tax receivable	<u>32,602</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 104,066</u>
Total cash disbursements for insurance fund activities	\$ 31,259
Differences – Budget to GAAP:	
Prepays are not recorded as budgetary disbursements or other fin: not expenses for financial reporting purposes:	
Prepaid expenses	<u>14,821</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 46,080</u>



**CITY OF FARMER CITY, ILLINOIS**  
**Reconciliation of Budgetary Basis Fund Balance**  
**to GAAP Basis Fund Balance**

**For the Year Ended April 30, 2019**

	<u>General Fund</u>	<u>Insurance Fund</u>	<u>TIF II Fund</u>	<u>Total</u>
Fund balance - Budgetary basis	\$ 1,050,344	\$ 438,953	\$ 939,943	\$ 2,429,240
Add back:				
Intergovernmental receivables	101,591	-	-	101,591
Other receivables	50	-	-	50
Prepaid expenses	-	35,420	-	35,420
Less:				
Accounts payable	(7,625)	-	(138,633)	(146,258)
Accrued expenses	(52,785)	-	-	(52,785)
Fund balance - GAAP basis	<u>\$ 1,091,575</u>	<u>\$ 474,373</u>	<u>\$ 801,310</u>	<u>\$ 2,367,258</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Notes to Required Supplementary Information**

**April 30, 2019**

**Note 1 – Budget Policy and Practice:**

The City operates under an Annual Appropriation Ordinance that sets a limit on what may be spent during the fiscal year. The City staff also develops an annual budget in greater detail than the appropriation ordinance. This budget is based on the City's goals of what programs are to be funded, capital projects and purchases desired, levels of taxation, types and amounts of user fees, estimates of state revenues, historical operating expenses and desired cash reserves and fund balance. The appropriation is based on the budget. The appropriation ordinance must be adopted by majority vote of the City Council before the end of the first quarter of the fiscal year. The City staff uses this budget to guide operations during the fiscal year.

**OTHER SCHEDULES**

**CITY OF FARMER CITY, ILLINOIS**  
**Combining Balance Sheet – Non-Major Governmental Funds**

**April 30, 2019**

	Library Fund	ESDA Fund	Social Security Fund	School Crossing Guard Fund	Illinois Municipal Retirement Fund	Audit Fund	Motor Fuel Tax
<b>Assets</b>							
Cash and equivalents (Notes 1 and 2)	\$ 41,534	\$ 4,039	\$ 124,145	\$ 12,468	\$ 22,071	\$ 46,100	\$ 11
Property tax receivable (Note 5)	32,170	537	48,082	4,292	117,949	21,233	-
Intergovernmental tax receivable	-	-	-	-	-	-	4,509
Accounts receivable, net	-	-	-	-	-	-	-
Due from other funds (Note 6)	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 73,704</u>	<u>\$ 4,576</u>	<u>\$ 172,227</u>	<u>\$ 16,760</u>	<u>\$ 140,020</u>	<u>\$ 67,333</u>	<u>\$ 4,520</u>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,359
Accrued expenses	929	-	4,019	-	7,718	-	-
Due to other funds (Note 6)	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<u>929</u>	<u>-</u>	<u>4,019</u>	<u>-</u>	<u>7,718</u>	<u>-</u>	<u>18,359</u>
<b>Deferred inflows of resources</b>							
Deferred inflows related to property tax receivable	32,170	537	48,082	4,292	117,949	21,233	-
<b>Fund Balance</b>							
Restricted for:							
Motor Fuel Tax	-	-	-	-	-	-	(13,839)
Hotel-Motel Tax	-	-	-	-	-	-	-
Business District Tax	-	-	-	-	-	-	-
ESDA	-	4,039	-	-	-	-	-
Audit	-	-	-	-	-	46,100	-
Social Security	-	-	120,126	-	-	-	-
Working Cash	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-
Tax Increment Financing III	-	-	-	-	-	-	-
School Crossing Guard	-	-	-	12,468	-	-	-
Library	40,605	-	-	-	-	-	-
Committed:							
Public safety	-	-	-	-	-	-	-
Unassigned	-	-	-	-	14,353	-	-
<b>Total fund balance</b>	<u>40,605</u>	<u>4,039</u>	<u>120,126</u>	<u>12,468</u>	<u>14,353</u>	<u>46,100</u>	<u>(13,839)</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 73,704</u>	<u>\$ 4,576</u>	<u>\$ 172,227</u>	<u>\$ 16,760</u>	<u>\$ 140,020</u>	<u>\$ 67,333</u>	<u>\$ 4,520</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Combining Balance Sheet – Non-Major Governmental Funds – Continued**

**April 30, 2019**

	Hotel- Motel Tax Fund	Business District Tax Fund	Working Cash Fund	Capital Projects Fund	Tax Increment Financing III Fund	DUI Fund	Total Non-Major Governmental Funds
<b>Assets</b>							
Cash and equivalents (Notes 1 and 2)	\$ 18,232	\$ 195,868	\$ -	\$ 88,218	\$ -	\$ 31,085	\$ 583,771
Property tax receivable (Note 5)	-	-	-	-	-	-	224,263
Intergovernmental tax receivable	-	17,261	-	-	-	-	21,770
Accounts receivable, net	1,987	-	-	-	-	-	1,987
Due from other funds (Note 6)	-	-	101,549	-	-	-	101,549
	<u>20,219</u>	<u>213,129</u>	<u>101,549</u>	<u>88,218</u>	<u>-</u>	<u>31,085</u>	<u>933,340</u>
Total assets	<u>\$ 20,219</u>	<u>\$ 213,129</u>	<u>\$ 101,549</u>	<u>\$ 88,218</u>	<u>\$ -</u>	<u>\$ 31,085</u>	<u>\$ 933,340</u>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 12,742	\$ -	\$ -	\$ 31,101
Accrued expenses	-	-	-	-	-	-	12,666
Due to other funds (Note 6)	-	-	-	101,549	25,905	-	127,454
	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,291</u>	<u>25,905</u>	<u>-</u>	<u>171,221</u>
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,291</u>	<u>25,905</u>	<u>-</u>	<u>171,221</u>
<b>Deferred inflows of resources</b>							
Deferred inflows related to property tax receivable	-	-	-	-	-	-	224,263
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,263</u>
<b>Fund balance</b>							
Restricted for:							
Motor Fuel Tax	-	-	-	-	-	-	(13,839)
Hotel-Motel Tax	20,219	-	-	-	-	-	20,219
Business District Tax	-	213,129	-	-	-	-	213,129
ESDA	-	-	-	-	-	-	4,039
Audit	-	-	-	-	-	-	46,100
Social Security	-	-	-	-	-	-	120,126
Working Cash	-	-	101,549	-	-	-	101,549
Capital Projects	-	-	-	(26,073)	-	-	(26,073)
Tax Increment Financing III	-	-	-	-	(25,905)	-	(25,905)
School Crossing Guard	-	-	-	-	-	-	12,468
Library	-	-	-	-	-	-	40,605
Committed:							
Public safety	-	-	-	-	-	31,085	31,085
Unassigned	-	-	-	-	-	-	14,353
	<u>20,219</u>	<u>213,129</u>	<u>101,549</u>	<u>(26,073)</u>	<u>(25,905)</u>	<u>31,085</u>	<u>537,856</u>
Total fund balance	<u>20,219</u>	<u>213,129</u>	<u>101,549</u>	<u>(26,073)</u>	<u>(25,905)</u>	<u>31,085</u>	<u>537,856</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 20,219</u>	<u>\$ 213,129</u>	<u>\$ 101,549</u>	<u>\$ 88,218</u>	<u>\$ -</u>	<u>\$ 31,085</u>	<u>\$ 933,340</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Non-Major Governmental Funds**

**For the Year Ended April 30, 2019**

	Library Fund	ESDA Fund	Social Security Fund	School Crossing Guard Fund	Illinois Municipal Retirement Fund	Audit Fund
<b>Revenues:</b>						
Property Taxes	\$ 33,664	\$ 635	\$ 45,192	\$ 4,489	\$ 119,757	\$ 15,817
Motor fuel tax	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Donations and grants	14,280	-	-	-	-	-
Fines, fees, permits and licenses	3,352	-	-	-	-	-
Other income	-	-	-	-	-	-
Interest	19	6	162	18	56	55
Total revenue	<u>51,315</u>	<u>641</u>	<u>45,354</u>	<u>4,507</u>	<u>119,813</u>	<u>15,872</u>
<b>Current expenditures:</b>						
General government	-	-	50,726	-	93,690	12,750
Public safety	-	1,388	-	6,720	-	-
Public works	-	-	-	-	-	-
Streets and alleys	-	-	-	-	-	-
Recreation	54,460	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>54,460</u>	<u>1,388</u>	<u>50,726</u>	<u>6,720</u>	<u>93,690</u>	<u>12,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,145)</u>	<u>(747)</u>	<u>(5,372)</u>	<u>(2,213)</u>	<u>26,123</u>	<u>3,122</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(3,145)	(747)	(5,372)	(2,213)	26,123	3,122
Fund balance, beginning of year	<u>43,750</u>	<u>4,786</u>	<u>125,498</u>	<u>14,681</u>	<u>(11,770)</u>	<u>42,978</u>
Fund balance, end of year	<u>\$ 40,605</u>	<u>\$ 4,039</u>	<u>\$ 120,126</u>	<u>\$ 12,468</u>	<u>\$ 14,353</u>	<u>\$ 46,100</u>

**CITY OF FARMER CITY, ILLINOIS**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Non-Major Governmental Funds**

**For the Year Ended April 30, 2019**

	Hotel- Motel Tax Fund	Business District Tax	Working Cash Fund	Capital Projects Fund	Tax Increment Financing III Fund	DUI Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>							
Property Taxes	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 219,554
Motor fuel tax	-	-	-	-	-	-	51,708
Other taxes	13,016	116,222	-	-	-	-	129,238
Donations and grants	-	-	-	-	-	-	14,280
Fines, fees, permits and licenses	-	-	-	-	-	-	3,352
Other income	-	-	-	-	-	-	-
Interest	15	3,454	-	98	-	-	6,035
Total revenue	<u>13,031</u>	<u>119,676</u>	<u>-</u>	<u>98</u>	<u>-</u>	<u>-</u>	<u>424,167</u>
<b>Current expenditures:</b>							
General government	-	-	-	-	-	-	157,166
Public safety	-	-	-	-	-	-	8,108
Public works	11,578	36,483	-	67,218	25,905	-	141,184
Streets and alleys	-	-	-	-	-	-	34,795
Recreation	-	-	-	-	-	-	54,460
Capital outlay	-	-	-	-	-	-	152,102
Total expenditures	<u>11,578</u>	<u>36,483</u>	<u>-</u>	<u>67,218</u>	<u>25,905</u>	<u>-</u>	<u>547,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,453</u>	<u>83,193</u>	<u>-</u>	<u>(67,120)</u>	<u>(25,905)</u>	<u>-</u>	<u>(123,648)</u>
Other financing sources (uses):							
Transfers in	-	-	-	41,047	-	31,085	72,132
Transfers out	-	(50,000)	-	-	-	-	(50,000)
Total financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>41,047</u>	<u>-</u>	<u>31,085</u>	<u>22,132</u>
Net change in fund balance	1,453	33,193	-	(26,073)	(25,905)	31,085	(101,516)
Fund balance, beginning of year	<u>18,766</u>	<u>179,936</u>	<u>101,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,372</u>
Fund balance, end of year	<u>\$ 20,219</u>	<u>\$ 213,129</u>	<u>\$ 101,549</u>	<u>\$ (26,073)</u>	<u>\$ (25,905)</u>	<u>\$ 31,085</u>	<u>\$ 537,856</u>

**SUPPLEMENTAL STATISTICAL SECTION**



**CITY OF FARMER CITY, ILLINOIS**  
**Schedule of Assessed Valuation, Property Tax Rates, and Tax Extensions – Unaudited**

April 30, 2019

	Tax Years			
	2018	2017	2016	2015
Rate Setting Assessed Valuation	\$ 22,767,021	\$ 22,407,555	\$ 22,014,240	\$ 22,301,850
Increment Valuation (for TIF)	\$ 3,672,749	\$ 3,442,240	\$ 3,112,937	\$ 3,140,344
Tax Rates:				
General				
Corporate	0.23549	0.25000	0.25000	0.24930
Police Protection	0.07065	0.07500	0.07500	0.07480
Streets and Bridges	0.00000	0.00000	0.00000	0.00000
Parks	0.07065	0.07500	0.07500	0.07480
Street Lighting	0.04710	0.05000	0.05000	0.04990
Total General	0.42389	0.45000	0.45000	0.44880
Sewer	0.09420	0.10000	0.10000	0.09970
Lease Purchase	0.00000	0.00000	0.03340	0.03490
Social Security and Illinois				
Municipal Retirement Fund	0.72926	0.73500	0.59370	0.52850
Library	0.14130	0.15000	0.15000	0.15000
Civil Defense	0.00236	0.00280	0.00290	0.00240
Bond and Interest	0.00000	0.00000	0.00000	0.00000
Liability Insurance	0.31085	0.46130	0.49200	0.48020
School Crossing Guard	0.01885	0.02000	0.02000	0.02000
Audit	0.09326	0.07050	0.06260	0.05980
Working Cash	0.00000	0.00000	0.00260	0.00250
Total	1.81397	1.98960	1.90720	1.82680
Tax Extensions:				
General				
Corporate	\$ 53,614	\$ 56,019	\$ 55,755	\$ 55,599
Police Protection	16,085	16,806	16,726	16,682
Parks	16,085	16,806	16,726	16,682
Street Lighting	10,723	11,204	11,151	11,129
Total General	96,507	100,835	100,358	100,092
Sewer	21,447	22,407	22,302	22,235
Lease Purchase	-	-	7,449	7,783
Social Security and Illinois				
Municipal Retirement Fund	166,031	164,693	132,415	117,865
Library	32,170	33,611	33,453	33,453
Civil Defense	537	634	653	535
Liability Insurance	70,771	103,373	109,730	107,093
School Crossing Guard	4,292	4,482	4,460	4,460
Audit	21,233	15,793	13,963	13,337
Working Cash	-	-	582	558
Total	\$ 412,988	\$ 445,828	\$ 425,365	\$ 407,411

**CITY OF FARMER CITY, ILLINOIS**  
**Schedule of Property Tax Collections – Unaudited**

**April 30, 2019**

	Tax Years			
	2017	2016	2015	2014
Tax Collections (including Roads & Bridges and Mobile Home Privelidge Tax):				
General:				
Corporate	\$ 56,106	\$ 54,881	\$ 55,557	\$ 48,375
Police Protection	16,832	16,464	16,668	14,514
Parks	16,832	16,464	16,668	14,514
Roads & Bridges	18,481	18,111	18,337	18,314
Street Lighting	11,221	10,976	11,112	9,676
Total General	119,472	116,896	118,342	105,393
Sewer	22,442	21,952	22,222	19,350
Lease Purchase	-	7,332	7,778	7,741
Social Security and Illinois Municipal Retirement Fund	164,949	130,339	117,781	129,645
Library	33,664	32,929	33,334	29,026
Civil Defense	635	643	544	542
Liability Insurance	103,534	108,009	107,010	99,835
School Crossing Guard	4,489	4,390	4,446	3,872
Audit	15,818	13,744	13,334	15,480
Tax Increment Financing Fund II	347,671	330,764	326,276	320,027
Working Cash	-	573	555	5,875
Total Tax Collected	812,674	767,571	751,622	736,786
Less: Non-levied taxes included above:				
Roads & Bridges	18,481	18,111	18,337	18,314
Tax Increment Financing Fund II	347,671	330,764	326,276	320,027
	366,152	348,875	344,613	338,341
Net Levied Tax Collected	\$ 446,522	\$ 418,696	\$ 407,009	\$ 398,445
Percentage of Extension Collected	100.16%	98.43%	99.90%	98.58%

**CITY OF FARMER CITY, ILLINOIS**  
**Schedule of Legal Debt Margin – Unaudited**

**April 30, 2019**

Total Assessed Valuation - 2017 Tax year	<u>\$ 26,439,770</u>
Statutory Debt Limitation (8.625% of Assessed Valuation)	<u>\$ 2,280,430</u>
Less: Total Applicable Debt: -No Applicable Debt-	<u>-</u>
Legal Debt Margin	<u>\$ 2,280,430</u>