

**CITY OF FARMER CITY, ILLINOIS**

**Annual Financial Report**

**For the Fiscal Year Ended April 30, 2021**

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## **Independent Auditor's Report**

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

We were engaged to audit the financial statements of the City of Farmer City, Illinois ("City"), which comprise financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information as of and for the year ended April 30, 2021, 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. 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 of Farmer City, as of April 30, 2021, 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 40; the Illinois Municipal Retirement Fund – Schedule of Employer Contributions on page 41; and budgetary comparison information on pages 43 through 50 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.

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.

*Striegel Knobloch & Company LLC*

Bloomington, Illinois  
December 22, 2021

## **BASIC FINANCIAL STATEMENTS**

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

**April 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,980,781	\$ 1,130,016	\$ 4,110,797
Investments	300,000	746,608	1,046,608
Receivables, net:			
Property taxes	848,838	22,740	871,578
Intergovernmental	154,147	-	154,147
Accounts	50	204,686	204,736
Prepaid expenses	36,955	44,504	81,459
Capital assets, net of accumulated depreciation	4,484,334	4,932,251	9,416,585
Total assets	8,805,105	7,080,805	15,885,910
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension obligations	186,999	145,457	332,456
Total assets and deferred outflows of resources	\$ 8,992,104	\$ 7,226,262	\$ 16,218,366
<b>Liabilities</b>			
Accounts payable	\$ 4,744	\$ 115,098	\$ 119,842
Meter deposits	-	32,731	32,731
Accrued expenses	11,413	8,682	20,095
Accrued vacation	32,462	23,936	56,398
Accrued interest	28,358	36,632	64,990
Bonds payable:			
Due within one year	55,000	135,000	190,000
Due in more than one year	1,820,000	2,495,000	4,315,000
Unamortized bond			
Premiums and discounts	-	52,827	52,827
IMRF pension liability	288,535	224,436	512,971
Total liabilities	2,240,512	3,124,342	5,364,854
<b>Deferred Inflows of Resources</b>			
Deferred property tax	848,838	22,740	871,578
Deferred inflows related to pension obligations	384,804	299,319	684,123
Total deferred inflows of resources	1,233,642	322,059	1,555,701

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

**April 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>Net Position</b>			
Invested in capital assets, net of related debt	2,609,334	2,302,251	4,911,585
Restricted for:			
Tax increment financing district II	465,227	-	465,227
Tax increment financing district III	19,558	-	19,558
Capital projects	530,687	-	530,687
Motor fuel tax	189,831	-	189,831
Hotel-Motel tax	15,013	-	15,013
Business district tax	115,793	-	115,793
ESDA	5,169	-	5,169
Audit	57,451	-	57,451
Social security	114,739	-	114,739
Insurance	446,045	-	446,045
School crossing guard	9,027	-	9,027
Illinois municipal retirement fund	67,229	-	67,229
Library	45,593	-	45,593
Unrestricted	827,254	1,477,610	2,304,864
 Total net position	 5,517,950	 3,779,861	 9,297,811
 Total liabilities, deferred inflows of resources, and net position	 \$ 8,992,104	 \$ 7,226,262	 \$ 16,218,366

The accompanying notes are an integral part of this statement.



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

**For the Year Ended April 30, 2021**

	Expenses	Program Revenues				Net (Expenses), Revenues, and Changes in Net Assets		Total
		Fines, Fees, Licenses, and Permits	User Charges	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>								
General government	\$ 828,468	\$ 19,835	\$ -	44,314	\$ -	\$ (764,319)	\$ -	\$ (764,319)
Public safety	533,556	23,228	-	-	43,681	(466,647)	-	(466,647)
Public works	193,465	-	-	-	-	(193,465)	-	(193,465)
Streets and alleys	286,859	-	-	-	67,123	(219,736)	-	(219,736)
Culture and recreation	83,729	994	-	7,546	17,800	(57,389)	-	(57,389)
Interest on long-term debt	69,088	-	-	-	-	(69,088)	-	(69,088)
Changes in pension obligations	(119,038)	-	-	-	-	119,038	-	119,038
<b>Total governmental activities</b>	<b>1,876,127</b>	<b>44,057</b>	<b>-</b>	<b>51,860</b>	<b>128,604</b>	<b>(1,651,606)</b>	<b>-</b>	<b>(1,651,606)</b>
<b>Business-type activities:</b>								
Electric	2,201,068	28,782	2,443,176	-	-	-	270,890	270,890
Water	379,449	4,984	427,304	-	-	-	52,839	52,839
Sewer	414,567	4,672	350,374	-	-	-	(59,521)	(59,521)
Garbage	138,388	-	138,272	-	-	-	(116)	(116)
<b>Total business-type activities</b>	<b>3,133,472</b>	<b>38,438</b>	<b>3,359,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264,092</b>	<b>264,092</b>
<b>Total primary government</b>	<b>\$ 5,009,599</b>	<b>\$ 82,495</b>	<b>\$ 3,359,126</b>	<b>\$ 51,860</b>	<b>\$ 128,604</b>	<b>\$ (1,651,606)</b>	<b>\$ 264,092</b>	<b>\$ (1,387,514)</b>
<b>General revenues:</b>								
<b>Taxes:</b>								
Property taxes						837,594	23,051	860,645
Income tax						264,610	-	264,610
Motor fuel tax						72,933	-	72,933
Replacement tax						27,330	-	27,330
Sales tax						201,364	-	201,364
Excise tax						13,903	-	13,903
Use tax						91,639	-	91,639
Video gaming tax						44,780	-	44,780
Cannabis tax						1,999	-	1,999
Business district tax						86,631	-	86,631
Hotel-Motel taxes						6,040	-	6,040
Miscellaneous income						33,373	3,190	36,563
Unrestricted investment earnings						4,382	4,705	9,087
Inter-office charges						405,000	(405,000)	-
Interfund transfers						(16,710)	16,710	-
<b>Total general revenues</b>						<b>2,074,868</b>	<b>(357,344)</b>	<b>1,717,524</b>
<b>Change in net position</b>						<b>423,262</b>	<b>(93,252)</b>	<b>330,010</b>
<b>Net Position – beginning, restated</b>						<b>5,094,688</b>	<b>3,873,113</b>	<b>8,967,801</b>
<b>Net Position – ending</b>						<b>\$ 5,517,950</b>	<b>\$ 3,779,861</b>	<b>\$ 9,297,811</b>

The accompanying notes are an integral part of this statement.

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

**April 30, 2021**

	General Fund	Tax Increment Financing Fund II	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and equivalents	\$ 896,758	\$ 465,227	\$ 532,521	\$ 1,086,275	\$ 2,980,781
Investments	300,000	-	-	-	300,000
Receivables, net:					
Property taxes	102,332	374,031	-	372,475	848,838
Intergovernmental	132,813	-	-	21,334	154,147
Other	50	-	-	-	50
Prepaid expenses	913	-	-	36,042	36,955
<b>Total assets</b>	<b><u>\$ 1,432,866</u></b>	<b><u>\$ 839,258</u></b>	<b><u>\$ 532,521</u></b>	<b><u>\$ 1,516,126</u></b>	<b><u>\$ 4,320,771</u></b>
<b>Liabilities</b>					
Accounts payable	\$ 2,910	\$ -	\$ 1,834	\$ -	\$ 4,744
Accrued expenses	3,450	-	-	7,963	11,413
<b>Total liabilities</b>	<b><u>6,360</u></b>	<b><u>-</u></b>	<b><u>1,834</u></b>	<b><u>7,963</u></b>	<b><u>16,157</u></b>
<b>Deferred Inflows of Resources</b>					
Deferred property tax	102,332	374,031	-	372,475	848,838
<b>Fund Balance</b>					
Nonspendable	913	-	-	36,042	36,955
Restricted for:					
Tax increment financing districts	-	465,227	-	19,558	484,785
Capital projects	-	-	530,687	-	530,687
Motor fuel tax	-	-	-	189,831	189,831
Hotel-Motel tax	-	-	-	15,013	15,013
Business district tax	-	-	-	115,793	115,793
ESDA	-	-	-	5,169	5,169
Audit	-	-	-	57,451	57,451
Social security	-	-	-	114,739	114,739
Insurance	-	-	-	446,045	446,045
School crossing guard	-	-	-	9,027	9,027
Illinois municipal retirement fund	-	-	-	67,229	67,229
Library	-	-	-	45,593	45,593
Committed:					
Public safety	-	-	-	14,198	14,198
Unassigned	1,323,261	-	-	-	1,323,261
<b>Total fund balance</b>	<b><u>1,324,174</u></b>	<b><u>465,227</u></b>	<b><u>530,687</u></b>	<b><u>1,135,688</u></b>	<b><u>3,455,776</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 1,432,866</u></b>	<b><u>\$ 839,258</u></b>	<b><u>\$ 532,521</u></b>	<b><u>\$ 1,516,126</u></b>	<b><u>\$ 4,320,771</u></b>

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, 2021**

Fund balance of governmental funds	\$ 3,455,776
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$9,334,492 net of accumulated depreciation of \$4,850,158 are not current financial resources and, therefore, are not reported in the governmental fund.	4,484,334
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.	(486,340)
Long-term liabilities are not payable with current financial resources and are not reported in the governmental funds.	
Bonds payable	(1,875,000)
Accrued vacation	(32,462)
Accrued interest	(28,358)
	<hr/>
Net position of governmental activities	<u>\$ 5,517,950</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, 2021**

	General Fund	Tax Increment Financing Fund II	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 119,502	\$ 375,023	\$ -	\$ 343,069	\$ 837,594
Income tax	264,610	-	-	-	264,610
Motor fuel tax	-	-	-	72,933	72,933
Replacement tax	27,330	-	-	-	27,330
Sales tax	201,364	-	-	-	201,364
Excise tax	13,903	-	-	-	13,903
Use tax	91,639	-	-	-	91,639
Video gaming tax	44,780	-	-	-	44,780
Cannabis tax	1,999	-	-	-	1,999
Other taxes	-	-	-	92,671	92,671
Donations	1,500	-	-	-	1,500
Fines, fees, permits and licenses	43,119	-	-	939	44,058
Grants					
Operating	42,814	-	-	7,546	50,360
Capital	18,681	25,000	17,800	67,123	128,604
Interest income	2,588	274	416	1,104	4,382
Miscellaneous	22,282	-	336	10,755	33,373
<b>Total revenues</b>	<b>896,111</b>	<b>400,297</b>	<b>18,552</b>	<b>596,140</b>	<b>1,911,100</b>
Expenditures:					
Current:					
General government	363,560	-	-	228,608	592,168
Public safety	502,161	-	-	5,055	507,216
Public works	-	35,913	15,399	72,030	123,342
Streets and alleys	217,385	-	-	24,153	241,538
Culture and recreation	37,209	-	-	43,850	81,059
Debt service:					
Principal	-	160,000	-	-	160,000
Interest	-	71,754	-	-	71,754
Capital outlay	-	31,409	1,364,139	47,692	1,443,240
<b>Total expenditures</b>	<b>1,120,315</b>	<b>299,076</b>	<b>1,379,538</b>	<b>421,388</b>	<b>3,220,317</b>
Excess (deficiency) of revenues over (under) expenditures	(224,204)	101,221	(1,360,986)	174,752	(1,309,217)
Other financing sources (uses):					
Inter-office charges	435,000	(5,000)	-	(25,000)	405,000
Transfers in	13,938	-	27,000	-	40,938
Transfers out	-	-	(49,998)	(7,650)	(57,648)
<b>Total other financing sources (uses)</b>	<b>448,938</b>	<b>(5,000)</b>	<b>(22,998)</b>	<b>(32,650)</b>	<b>388,290</b>
Net change in fund balance	224,734	96,221	(1,383,984)	142,102	(920,927)
Fund balance, beginning of year, as restated	1,099,440	369,006	1,914,671	993,586	4,376,703
Fund balance, end of year	<u>\$ 1,324,174</u>	<u>\$ 465,227</u>	<u>\$ 530,687</u>	<u>\$ 1,135,688</u>	<u>\$ 3,455,776</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, 2021**

Net change in fund balance – total governmental funds	\$ (920,927)
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 (\$348,292) for the year is less than capital outlays (\$1,443,239) reported in the governmental funds.	1,094,947
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	160,000
Net change in pension obligation is not recognized in the fund financial statements since it does not use current financial resources.	119,038
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 vacation	(32,462)
Accrued interest	2,666
	423,262
Change in net position of governmental activities	\$ 423,262

The accompanying notes are an integral part of this statement.

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

**April 30, 2021**

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 226,538	\$ 834,781	\$ 68,697	\$ -	\$ 1,130,016
Investments	596,626	109,982	40,000	-	746,608
Property taxes receivable	-	-	22,740	-	22,740
Accounts receivable, net	140,550	19,346	33,310	11,480	204,686
Prepaid expenses	31,435	6,961	6,108	-	44,504
Total current assets	<u>995,149</u>	<u>971,070</u>	<u>170,855</u>	<u>11,480</u>	<u>2,148,554</u>
Capital assets:					
Land	-	40,000	-	-	40,000
Buildings	128,494	422,619	3,300,000	-	3,851,113
Systems & Infrastructure	9,162,858	1,980,371	2,674,186	-	13,817,415
Equipment	241,687	795,448	261,125	-	1,298,260
Accumulated depreciation	<u>(6,533,312)</u>	<u>(2,448,548)</u>	<u>(5,092,677)</u>	<u>-</u>	<u>(14,074,537)</u>
Total capital assets	<u>2,999,727</u>	<u>789,890</u>	<u>1,142,634</u>	<u>-</u>	<u>4,932,251</u>
Total assets	<u>3,994,876</u>	<u>1,760,960</u>	<u>1,313,489</u>	<u>11,480</u>	<u>7,080,805</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows					
related to pension obligations	<u>101,028</u>	<u>35,717</u>	<u>8,712</u>	<u>-</u>	<u>145,457</u>
Total assets and deferred outflows of resources	<u>\$ 4,095,904</u>	<u>\$ 1,796,677</u>	<u>\$ 1,322,201</u>	<u>\$ 11,480</u>	<u>\$ 7,226,262</u>

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

**April 30, 2021**

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
<b>Liabilities</b>					
Current liabilities:					
Meter deposits	\$ -	\$ 32,731	\$ -	\$ -	\$ 32,731
Accounts payable	93,818	1,124	216	19,940	115,098
Bonds payable, current	85,000	25,000	25,000	-	135,000
Accrued expenses	6,102	2,212	368	-	8,682
Accrued vacation	16,902	6,317	717	-	23,936
Accrued interest	12,846	11,893	11,893	-	36,632
<b>Total current liabilities</b>	<b>214,668</b>	<b>79,277</b>	<b>38,194</b>	<b>19,940</b>	<b>352,079</b>
Noncurrent liabilities					
Unamortized bond premiums	-	37,589	37,589	-	75,178
Unamortized bond discounts	(22,351)	-	-	-	(22,351)
IMRF pension liability	155,883	55,110	13,443	-	224,436
Bonds payable less current maturities	945,000	775,000	775,000	-	2,495,000
<b>Total noncurrent liabilities</b>	<b>1,078,532</b>	<b>867,699</b>	<b>826,032</b>	<b>-</b>	<b>2,772,263</b>
<b>Total liabilities</b>	<b>1,293,200</b>	<b>946,976</b>	<b>864,226</b>	<b>19,940</b>	<b>3,124,342</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to:					
Property tax	-	-	22,740	-	22,740
Pension obligations	207,894	73,497	17,928	-	299,319
<b>Total deferred inflows of resources</b>	<b>207,894</b>	<b>73,497</b>	<b>40,668</b>	<b>-</b>	<b>322,059</b>
<b>Fund Net Position</b>					
Invested in capital assets, net of related debt	1,969,727	(10,110)	342,634	-	2,302,251
Unrestricted	625,083	786,314	74,673	(8,460)	1,477,610
<b>Total fund net position</b>	<b>2,594,810</b>	<b>776,204</b>	<b>417,307</b>	<b>(8,460)</b>	<b>3,779,861</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 4,095,904</b>	<b>\$ 1,796,677</b>	<b>\$ 1,322,201</b>	<b>\$ 11,480</b>	<b>\$ 7,226,262</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, 2021**

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Operating revenues:					
Charges for services	\$ 2,378,313	\$ 427,304	\$ 350,374	\$ 138,272	\$ 3,294,263
Bad debt recoveries	36,000	4,000	-	-	40,000
Other	94,852	6,967	4,672	-	106,491
<b>Total operating revenues</b>	<b>2,509,165</b>	<b>438,271</b>	<b>355,046</b>	<b>138,272</b>	<b>3,440,754</b>
Operating expenses:					
Personnel services	445,303	173,249	32,434	-	650,986
Operations and contractual services	1,525,545	52,896	144,632	138,388	1,861,461
Materials and supplies	31,675	57,276	106,158	-	195,109
Depreciation	200,570	72,841	104,156	-	377,567
<b>Total operating expenses</b>	<b>2,203,093</b>	<b>356,262</b>	<b>387,380</b>	<b>138,388</b>	<b>3,085,123</b>
<b>Operating income (loss)</b>	<b>306,072</b>	<b>82,009</b>	<b>(32,334)</b>	<b>(116)</b>	<b>355,631</b>
Non-operating revenues (expenses):					
Sewer chlorination levy	-	-	23,051	-	23,051
Interest revenue	3,941	686	78	-	4,705
Interest expense	(33,975)	(27,187)	(27,187)	-	(88,349)
<b>Total non-operating revenues (expenses)</b>	<b>(30,034)</b>	<b>(26,501)</b>	<b>(4,058)</b>	<b>-</b>	<b>(60,593)</b>
<b>Net income (loss) before other financing sources (uses)</b>	<b>276,038</b>	<b>55,508</b>	<b>(36,392)</b>	<b>(116)</b>	<b>295,038</b>
Other financing sources (uses):					
Inter-office charges	(275,000)	(70,000)	(60,000)	-	(405,000)
Transfers in	-	9,435	95,563	-	104,998
Transfers out	(86,435)	(1,853)	-	-	(88,288)
<b>Total other financing sources (uses)</b>	<b>(361,435)</b>	<b>(62,418)</b>	<b>35,563</b>	<b>-</b>	<b>(388,290)</b>
<b>Change in net position</b>	<b>(85,397)</b>	<b>(6,910)</b>	<b>(829)</b>	<b>(116)</b>	<b>(93,252)</b>
Net position, beginning of year, restated	2,680,207	783,114	418,136	(8,344)	3,873,113
<b>Net position, end of year</b>	<b>\$ 2,594,810</b>	<b>\$ 776,204</b>	<b>\$ 417,307</b>	<b>\$ (8,460)</b>	<b>\$ 3,779,861</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, 2021**

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Cash flows from (used in) operating activities:					
Cash received from customers	\$ 2,468,668	\$ 437,226	\$ 360,836	\$ 138,845	\$ 3,405,575
Cash payments to employees for services	(509,988)	(201,971)	(33,295)	-	(745,254)
Cash payments to suppliers for goods and services	(1,546,118)	(117,225)	(260,134)	(138,845)	(2,062,322)
Net cash provided by (used in) operating activities	412,562	118,030	67,407	-	597,999
Cash flows from (used in) non-capital financing activities:					
Transfers (to) from other funds	(86,435)	7,582	95,563	-	16,710
Inter-office charges	(275,000)	(70,000)	(60,000)	-	(405,000)
Purchase of investments	(596,625)	(109,983)	(40,000)	-	(746,608)
Proceeds from sewer chlorination levy	-	-	23,051	-	23,051
Net cash provided by (used in) non-capital financing activities	(958,060)	(172,401)	18,614	-	(1,111,847)
Cash flows from (used in) capital and related financing activities:					
Purchase of capital assets	(101,303)	(9,435)	(55,962)	-	(166,700)
Principal paid on revenue bonds	(80,000)	(25,000)	(25,000)	-	(130,000)
Interest paid on revenue bonds	(32,630)	(29,019)	(29,020)	-	(90,669)
Net cash provided by (used in) capital and related financing activities	(213,933)	(63,454)	(109,982)	-	(387,369)
Cash flows from (used in) investing activities:					
Interest from investments	3,941	686	78	-	4,705
Net cash provided by (used in) investing activities	3,941	686	78	-	4,705
Net increase (decrease) in cash and equivalents	(755,490)	(117,139)	(23,883)	-	(896,512)
Cash and cash equivalents, unrestricted:					
Beginning of year, restated	982,028	951,920	92,580	-	2,026,528
End of year	\$ 226,538	\$ 834,781	\$ 68,697	\$ -	\$ 1,130,016
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 306,072	\$ 82,009	\$ (32,334)	\$ (116)	\$ 355,631
Adjustments:					-
Depreciation	200,570	72,841	104,156	-	377,567
Expenses related to pension obligations	(56,588)	(22,960)	(1,263)	-	(80,811)
Change in assets and liabilities:					-
(Increase) decrease in:					-
Accounts receivable	(40,497)	(1,499)	5,790	573	(35,633)
Prepaid expenses	909	15	104	-	1,028
(Decrease) increase in:					-
Accounts payable	10,193	(7,068)	(9,448)	(457)	(6,780)
Accrued expenses	(8,097)	(5,762)	402	-	(13,457)
Meter deposits	-	454	-	-	454
Net cash provided by (used in) operating activities	\$ 412,562	\$ 118,030	\$ 67,407	\$ -	\$ 597,999

The accompanying notes are an integral part of this statement.

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

**April 30, 2021**

**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 City Council. 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 judgments 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, 2021**

**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* – A special revenue fund used to account for and report all financial resources that are restricted, committed, or assigned to expenditures related to the Tax Increment Financing District II redevelopment project. Revenues are generated from local property taxes.

*Capital Projects Fund* – A capital project fund used to account for and report the financial resources that are restricted, committed, or assigned to expenditures related to the City's non-enterprise capital purchases.

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.

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

**April 30, 2021**

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

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

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.

*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* – An enterprise fund that accounts for the provision of electric services to residents. All activities necessary to providing such services are accounted for in this fund, including, but not limited to, administration and billing operations, capital outlay and maintenance, financing, and related debt service. Revenues are generated from charges for services.

*Water Fund* – An enterprise fund that accounts for the provision of water services to residents. All activities necessary to providing such services are accounted for in this fund, including, but not limited to, administration and billing operations, capital outlay and maintenance, financing, and related debt service. Revenues are generated from charges for services.

*Sewer Fund* – An enterprise fund that accounts for the provision of sewer services to residents. All activities necessary to providing such services are accounted for in this fund, including, but not limited to, administration and billing operations, capital outlay and maintenance, financing, and related debt service. Revenues are generated from charges for services.

*Garbage Fund* – An enterprise fund that accounts for the provision of refuse pickup and disposal services to residents. All activities necessary to providing such services are accounted for in this fund, including, but not limited to, administration and billing operations, capital outlay and maintenance, financing, and related debt service. Revenues are generated from charges for services.

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.

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

**April 30, 2021**

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

Assets, Liabilities, and Net Position or Equity – Continued

Deposits and Investments

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, which approximates fair market value.

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.

Internal and Interfund Balances and Activities

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

Interfund services are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/ expenses initially made from it that are properly applicable to another fund are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

Capital Assets

Capital assets consisting of property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost exceeding \$5,000 and an estimated useful life in excess of twenty-four consecutive months.

All capital 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.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend the useable life of the underlying asset are not capitalized.

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

**April 30, 2021**

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

Assets, Liabilities, and Net Position or Equity – Continued

Capital Assets – Continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest expense was incurred by the City for construction projects during the current fiscal year.

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, 2021, the City was obligated for \$56,397 of accumulated vacation pay.

Restricted Assets

Throughout the fiscal year, certain assets of the Water Fund and Tax Increment Financing Fund II are restricted as to use by various parties. For the fiscal year ended April 30, 2021, the City had \$0 in restricted asset balances.

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.

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

**April 30, 2021**

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

Assets, Liabilities, and Net Position or Equity – Continued

Fund Equity - Continued

- 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.

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 City's policy to consider restricted to have been depleted before unrestricted is applied.

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

**April 30, 2021**

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

Assets, Liabilities, and Net Position or Equity – Continued

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.

**Note 2 – Deposits and Investments:**

Deposits

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 cash equivalents.” The City’s cash and cash 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 \$4,110,797, and the bank balance was \$4,326,500, at April 30, 2021. The institutions’ balances are categorized as follows:

Demand deposits

Amount insured by FDIC	\$ 250,001
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>1,550,202</u>
Total demand deposits	<u>\$ 1,800,203</u>



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

**April 30, 2021**

**Note 2 – Deposits and Investments – Continued:**

Time deposits

Amount insured by FDIC	353,694
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>2,172,603</u>
Total time deposits	<u>\$ 2,526,297</u>
 Total institutions' balances	 <u>\$ 4,326,500</u>
Total balance uninsured and uncollateralized	<u>\$ -</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, 2021, \$3,722,805 of the City's bank balance of \$4,326,500 was exposed to custodial credit risk. The City mitigates this risk by entering into collateral agreements for uninsured cash amounts on deposit.

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>
FNM 16010 MA	3136AQ6J4	1.50%	10/25/2044	1,377,044
FNMA Pool #AL274	3138EKBJ3	3.00%	07/01/2027	1,653,875
Other Securities – The Illinois Funds				<u>1,263,612</u>
				<u>\$ 7,090,311</u>

Investments

The City invests excess unrestricted cash reserves with the Illinois Metropolitan Investment Fund (IMET). IMET is an actively managed investment fund for Illinois units of local government, which offers two investment options, the IMET 1-3 Year Series and the IMET Convenience Series. Both investment options are comprised of collateralized bank deposits, FDIC insured certificates of deposit, and U.S. Government securities. At April 30, 2021, the City's funds invested with IMET were as follows:

<u>Fund</u>	<u>Shares held</u>	<u>Price per share</u>	<u>Fair Value</u>
Convenience Fund	485,132.780	\$ 1.0000	\$ 485,133
1-3 Year Fund	28,850.694	20.9110	<u>561,475</u>
			<u>\$ 1,046,608</u>

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to the investment, the City will not be able to recover the value of their investments that are in the possession of an outside party. The City limits the exposure to credit risk by limiting investments to securities in accordance with their respective policies, prequalifying institutions, and diversifying the portfolio so the impact of potential losses from any one type of security or from one individual issuer will be minimized.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The City limits the exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations and investing funds in secured investment pools.

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

**April 30, 2021**

**Note 3 – Capital Assets:**

Capital asset activity for the year ended April 30, 2021, 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	\$ 104,390	\$ -	\$ -	\$ 104,390
Work in process	<u>189,208</u>	<u>1,319,584</u>	<u>-</u>	<u>1,508,792</u>
Total capital assets not being depreciated	<u>293,598</u>	<u>1,319,584</u>	<u>-</u>	<u>1,613,182</u>
Capital assets being depreciated:				
Buildings	1,344,767	-	-	1,347,767
Equipment	1,459,374	-	-	1,459,374
Infrastructure	4,672,057	79,101	-	4,751,158
Land improvements	<u>118,457</u>	<u>44,554</u>	<u>-</u>	<u>163,011</u>
Total capital assets being depreciated	<u>7,597,655</u>	<u>123,655</u>	<u>-</u>	<u>7,721,310</u>
Less accumulated depreciation for:				
Building	(1,262,697)	(5,657)	-	(1,268,354)
Equipment	(1,249,352)	(43,223)	-	(1,292,575)
Infrastructure	(1,987,843)	(290,772)	-	(2,278,615)
Land improvements	<u>(1,974)</u>	<u>(8,640)</u>	<u>-</u>	<u>(10,614)</u>
Total accumulated depreciation	<u>(4,501,866)</u>	<u>(348,292)</u>	<u>-</u>	<u>(4,850,158)</u>
Total capital assets being depreciated, net	<u>3,095,789</u>	<u>1,279,008</u>	<u>-</u>	<u>2,871,152</u>
Governmental activities capital assets, net	<u>\$ 3,389,387</u>	<u>\$ 1,468,216</u>	<u>\$ -</u>	<u>\$ 4,484,334</u>

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

**April 30, 2021**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital assets not being depreciated:				
Land	\$ <u>40,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>40,000</u>
Total capital assets not being depreciated	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Capital assets being depreciated:				
Buildings and systems	14,914,586	42,182	-	14,956,768
Infrastructure	2,661,762	49,998	-	2,711,760
Equipment	<u>1,223,740</u>	<u>74,520</u>	<u>-</u>	<u>1,298,260</u>
Total capital assets being depreciated	<u>18,800,088</u>	<u>166,700</u>	<u>-</u>	<u>18,966,788</u>
Less accumulated depreciation for:				
Buildings and systems	(12,281,310)	(246,165)	-	(12,527,475)
Infrastructure	(372,476)	(84,095)	-	(456,571)
Equipment	<u>(1,043,184)</u>	<u>(47,307)</u>	<u>-</u>	<u>(1,090,491)</u>
Total accumulated depreciation	<u>(13,696,970)</u>	<u>(377,567)</u>	<u>-</u>	<u>(14,074,537)</u>
Total capital assets being depreciated, net	<u>5,103,118</u>	<u>(210,867)</u>	<u>-</u>	<u>4,892,251</u>
Business-type activities capital assets, net	<u>\$ 5,143,118</u>	<u>\$ (210,867)</u>	<u>\$ -</u>	<u>\$ 4,932,251</u>

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

Governmental activities:	
General government	\$ 203,838
Public safety	26,340
Public works	70,123
Streets and alleys	45,321
Recreation	<u>2,670</u>
Total depreciation expense – governmental activities	<u>\$ 348,292</u>
Business-type activities:	
Electric light plant and system	\$ 200,570
Water	72,841
Sewer	<u>104,156</u>
Total depreciation expense – business-type activities	<u>\$ 377,567</u>

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

**April 30, 2021**

**Note 4 – Long-Term Debt:**

Governmental Activities

Alternate Revenue Bonds – Series 2019B

During the fiscal year ended April 30, 2020, the City issued \$1,930,000 of General Obligation Bonds (Alternative Revenue Source), Series 2019B. Proceeds of this issue were used for improvements within the TIF II and TIF III (Farmer City Forward) Districts. Repayment commenced December 1, 2019 with regular payments due December 1<sup>st</sup> and June 1<sup>st</sup> annually and a final payment due December 1, 2043.

Remaining liabilities under the Series 2019B Alternate Revenue Bond at April 30, 2021 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>
2022	1.80%	\$ 55,000	\$ 68,060	\$ 123,060
2023	1.80%	60,000	67,070	127,070
2024	1.80%	60,000	65,990	125,990
2025	2.20%	60,000	64,670	124,670
2026	2.20%	60,000	63,350	123,350
2027 to 2031	2.20 to 4.00%	335,000	288,630	623,630
2032 to 2036	4.00%	410,000	217,600	627,600
2037 to 2041	4.00%	490,000	129,200	619,200
2042 to 2044	4.00%	<u>345,000</u>	<u>28,000</u>	<u>373,000</u>
		<u>\$ 1,875,000</u>	<u>\$ 992,570</u>	<u>\$ 2,867,570</u>

Business-Type Activities

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, 2021 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>
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 to 2031	2.80% to 4.00%	490,000	73,960	563,960
2032	4.00%	<u>105,000</u>	<u>4,200</u>	<u>109,200</u>
		<u>\$ 1,030,000</u>	<u>\$ 212,423</u>	<u>\$ 1,242,423</u>

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

April 30, 2021

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

Business-Type Activities – Continued

Alternate Revenue Bonds – Series 2019A

During the fiscal year ended April 30, 2020, the City issued \$1,650,000 of General Obligation Bonds (Alternative Revenue Source, Series 2019A. Proceeds of this issue were used to support major infrastructure improvements in the Water and Sewer Funds. Repayment commenced December 1, 2019 with regular payments due December 1<sup>st</sup> and June 1<sup>st</sup> annually and a final payment due December 1, 2043.

Remaining liabilities under the Series 2019A Alternate Revenue Bond at April 30, 2021 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>
2022	1.90%	\$ 50,000	\$ 57,087	\$ 107,087
2023	1.90%	50,000	56,138	106,138
2024	1.90%	50,000	55,187	105,187
2025	1.90%	50,000	54,238	104,238
2026	2.25%	55,000	53,113	108,113
2027 to 2031	2.25 to 4.00%	285,000	243,913	528,913
2032 to 2036	4.00%	345,000	185,400	530,400
2037 to 2041	4.00%	420,000	110,400	530,400
2042 to 2044	4.00%	<u>295,000</u>	<u>23,800</u>	<u>318,800</u>
		<u>\$ 1,600,000</u>	<u>\$ 839,276</u>	<u>\$ 2,439,276</u>

Changes in general long-term liability activity for the year ended April 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
General Obligation:					
Series 2007	\$ 105,000	\$ -	\$ 105,000	\$ -	\$ -
Alternate Revenue:					
Series 2019B	<u>1,930,000</u>	<u>-</u>	<u>55,000</u>	<u>1,875,000</u>	<u>55,000</u>
	<u>2,035,000</u>	<u>-</u>	<u>160,000</u>	<u>1,875,000</u>	<u>55,000</u>
<u>Business-Type Activities</u>					
Alternate Revenue:					
Series 2017	\$ 1,110,000	\$ -	\$ 80,000	\$ 1,030,000	\$ 85,000
Series 2019A	<u>1,650,000</u>	<u>-</u>	<u>50,000</u>	<u>1,600,000</u>	<u>50,000</u>
Total	<u>2,760,000</u>	<u>-</u>	<u>130,000</u>	<u>2,630,000</u>	<u>135,000</u>
	<u>\$ 4,795,000</u>	<u>\$ -</u>	<u>\$ 290,000</u>	<u>\$ 4,505,000</u>	<u>\$ 190,000</u>

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

**April 30, 2021**

**Note 5 – Property Taxes:**

The City’s tax levy ordinance related to the taxes collected in 2021 was adopted December 2020. 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, 2021, consist of the following:

	2020 Tax Levy Year
General Fund	\$ 102,332
Tax Increment Financing Fund II	374,031
Non-Major Governmental Funds	372,475
Proprietary Funds	22,740
Total	\$ 871,578

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

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. Interfund receivables/payables between various funds reflect advances made and received that are still outstanding as of fiscal year end, as applicable. All interfund balances are expected to be repaid in a future fiscal year.

Transfers are used to provide resources from unrestricted funds revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers consist of the following transactions:

	Transfer From	Transfer To
<u>General Fund:</u>		
DUI <sup>(1)</sup>	\$ 7,650	\$ -
Electric <sup>(2)</sup>	4,435	-
Water <sup>(2)</sup>	1,853	-
	\$ 13,938	\$ -
<u>Capital Projects Fund:</u>		
Electric <sup>(3)</sup>	\$ 27,000	-
Water <sup>(4)</sup>	-	9,435
Sewer <sup>(4)</sup>	-	40,563
	\$ 27,000	\$ 49,998
<u>DUI Fund:</u>		
General <sup>(1)</sup>	\$ -	\$ 7,650

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

April 30, 2021

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

<u>Electric Fund:</u>		
Sewer <sup>(3)</sup>	\$ -	\$ 55,000
Capital Projects <sup>(3)</sup>	-	27,000
General <sup>(2)</sup>	-	4,435
	<u>\$ -</u>	<u>\$ 86,435</u>
<u>Water Fund:</u>		
Capital Projects <sup>(4)</sup>	\$ 9,435	\$ -
General <sup>(2)</sup>	-	1,853
	<u>\$ 9,435</u>	<u>\$ 1,853</u>
<u>Sewer Fund:</u>		
Electric <sup>(3)</sup>	\$ 55,000	\$ -
Capital Projects <sup>(4)</sup>	40,563	-
	<u>\$ 95,563</u>	<u>\$ -</u>

<sup>(1)</sup>DUI revenues deposited into the General Fund

<sup>(2)</sup>Accounting error related to health insurance

<sup>(3)</sup>Redistribution of municipal utility taxes

<sup>(4)</sup>Capitalization of expenditures for proprietary assets

Inter-office charges are year-end transfers into the General fund to support the administrative duties conducted on behalf the other funds. For the year ended April 30, 2021, inter-office charges included:

	Transfer From	Transfer To
General Fund	\$ -	\$ 435,000
Tax Increment Financing II	5,000	-
Business District #1	20,000	-
DUI	5,000	-
Water	70,000	-
Sewer	60,000	-
Electric	275,000	-
	<u>\$ 435,000</u>	<u>\$ 435,000</u>

**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.

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

April 30, 2021

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

Plan Description - Continued

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 <sup>2</sup>/<sub>3</sub> % 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 <sup>2</sup>/<sub>3</sub> % 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 ½ of the increase in the Consumer Price Index of the original pension amount.

Plan Membership

At December 31, 2020, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	29
Inactive, non-retired members	14
Active members	<u>21</u>
Total	<u><u>64</u></u>

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 2020 was 15.99%. 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, 2020, and the total pension liability used to calculate the net pension liability / (asset) was determined by an annual actuarial valuation as of that date.



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

**April 30, 2021**

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

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, 2020, 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	2.25%
Salary increase	2.85% to 13.75%, including inflation

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.

For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

For active members, the Pub-2010, Amount-Weighted, below-median income, General Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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 table on the following page.

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

April 30, 2021

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

Long-Term Expected Real Rate of Return – Continued

Asset Class	Target Allocation	Return 12/31/20	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	37%	22.07%	6.35%	5.00%
International equities	18%	13.52%	7.65%	6.00%
Fixed income	28%	7.87%	1.40%	1.30%
Real estate	9%	4.20%	7.10%	6.20%
Alternatives	7%			
Private equity		N/A	10.35%	6.95%
Hedge funds		N/A	N/A	N/A
Commodities		N/A	3.90%	2.85%
Cash equivalents	1%	2.56%	0.70%	0.70%

Discount Rate

The discount rate used to measure the December 31, 2020 total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2019, measurement date was 7.25%. 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 2.00% for tax-exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2020, to arrive at a discount rate of 7.25% used to determine the total pension liability. The year ending December 31, 2120, is the last year in the 2021 to 2120 projection period for which projected benefit payments are fully funded.

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:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 7,260,623	\$ 6,543,801	\$ 5,952,011
Plan fiduciary net position	<u>6,030,830</u>	<u>6,030,830</u>	<u>6,030,830</u>
Net position liability / (asset)	<u>\$ 1,229,793</u>	<u>\$ 512,971</u>	<u>\$ (78,819)</u>

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

**April 30, 2021**

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

Change in Net Pension Liability / (Asset)

The City's change in net position liability / (asset) for the calendar year ended December 31, 2020, was as follows:

	<u>Increase / (Decrease)</u>		
	<u>Total Pension</u>	<u>Plan Fiduciary</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability/(Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>( a) - (b)</u>
Balance at December 31, 2019	\$ 6,268,111	\$ 5,321,389	\$ 946,722
Service cost	119,439	-	119,439
Interest on total pension liability	443,728	-	443,728
Differences between expected and actual experience of the total pension liability	138,498	-	138,498
Change of assumptions	(11,084)	-	(11,084)
Benefit payments, including refunds of employee contributions	(414,891)	(414,891)	-
Contributions – employer	-	174,720	(174,720)
Contributions – employee	-	55,370	(55,370)
Net investment income	-	751,196	(751,196)
Other (Net Transfer)	-	143,046	(143,046)
	<u>-</u>	<u>143,046</u>	<u>(143,046)</u>
Balance at December 31, 2020	<u>\$ 6,543,801</u>	<u>\$ 6,030,830</u>	<u>\$ 512,971</u>

Pension Expense and Deferred Inflows/Outflows of Resources

For the year ended December 31, 2020, the City recognized pension income of \$25,129 for the Regular Plan. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
Difference between expected and actual experience	\$ 97,303	\$ 174
Changes in assumptions	1,221	7,710
Net difference between projected and actual earnings on pension plan investments	<u>233,932</u>	<u>676,239</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>332,456</u>	<u>684,123</u>
Pension plan contributions made subsequent To the measurement date	<u>58,055</u>	<u>-</u>
Total deferred amounts related to pension	<u>\$ 390,511</u>	<u>\$ 684,123</u>

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

**April 30, 2021**

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

Pension Expense and Deferred Inflows/ Outflows of Resources - Continued

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, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ (90,298)
2022	(21,659)
2023	(166,329)
2024	(73,381)
2025	-
Thereafter	<u>-</u>
Total	\$ <u>(351,667)</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.

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 – Legal Debt Margin:**

The statutory debt limit of the City is 8.625% of assessed valuation, less any applicable debt. The legal debt margin at April 30, 2021 is as follows:

Total Assessed Valuation – 2020 Tax Year	\$ <u>22,740,483</u>
Statutory Debt Limitation:	
8.625% of Assessed Valuation	\$ <u>1,961,367</u>
Less: Total Applicable Debt:	<u>-</u>
Legal Debt Margin	\$ <u>1,961,367</u>

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

**April 30, 2021**

**Note 10 – Intergovernmental Receivables:**

Intergovernmental taxes receivable as of April 30, 2021, consist of the following:

Income tax – General Fund	\$	64,351
Replacement tax – General Fund		6,884
Sales tax – General Fund		33,491
Excise tax – General Fund		2,085
Use tax – General Fund		12,071
Video gaming tax – General Fund		13,426
Cannabis tax – General Fund		504
Motor fuel tax – Motor Fuel Tax Fund		6,711
Business district tax – Business District Tax Fund		14,624
Total	\$	154,147

**Note 11 – Restatement of Fund Balance:**

During the year ended April 30, 2021, it was discovered that errors had been made in recording certain amounts in the prior year.

The following financial statement items were affected by this correction at April 30, 2020:

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
<i>Statement of Revenues, Expenditures, And Changes in Fund Balance – Governmental Funds</i>			
General Fund:			
Compensated absences	\$ 27,854	\$ -	\$ (27,854)
Fund balance	1,071,586	1,099,440	27,854
Tax Increment Financing Fund II:			
Due From – TIF III	\$ 25,905	\$ -	\$ (25,905)
Due To – TIF III	(825,783)	-	825,783
Fund balance	(430,872)	369,006	799,878
Capital Projects Fund:			
Due From – Water	\$ 850,000	\$ -	\$ (850,000)
Due From – Sewer	850,000	-	(850,000)
Fund balance	214,671	1,914,671	1,700,000
Tax Increment Financing Fund III:			
Due To – TIF II	\$ (25,905)	\$ -	\$ 25,905
Due From – TIF II	825,782	-	(825,783)
Fund balance	831,843	31,966	(799,878)

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

**April 30, 2021**

**Note 11 – Restatement of Fund Balance – Continued:**

<u>Statement of Revenues, Expenses, And Changes in Fund Net Position – Proprietary Funds</u>	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
Water Fund:			
Due From – Capital Projects	\$ 850,000	\$ -	\$ (850,000)
Fund balance	1,633,114	783,114	(850,000)
Sewer Fund:			
Cash and cash equivalents	\$ 133,817	\$ 92,578	\$ (41,239)
Due From – Capital Projects	850,000	-	(850,000)
Fund balance	1,309,375	418,136	(891,239)

**Note 12 – Fair Value Measurements:**

The City has determined the fair value of its investments through application of GASB Statement No. 72 *Fair Value Measurement and Application*. Fair value measurements are categorized into one of three levels based on the lowest level of significant input:

- Level 1 – Value is based on observable inputs that reflect quoted prices in active markets, for identical assets or liabilities, for which the government has access to.
- Level 2 – Value is based on inputs that reflect quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- Level 3 – Value is based on unobservable inputs for the asset or liability.

The fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The fair value of the City’s investments, measured on a recurring basis, are as follows at April 30, 2021:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reported Date, using:</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
IMET Convenience Fund	\$ 485,133	\$ 485,133	\$ -	\$ -
IMET 1-3 Year Fund	561,475	561,367	-	-
	<u>\$ 1,046,608</u>	<u>\$ 1,046,608</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 13 – Subsequent Events:**

No events have occurred subsequent to April 30, 2021 that are required to be disclosed in these financial statements. This evaluation was made as of December 22, 2021, 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**

	2020	2019	2018	2017	2016	2015
<b>Total pension liability:</b>						
Service cost	\$ 119,439	\$ 104,933	\$ 99,756	\$ 101,415	\$ 102,665	\$ 100,734
Interest on the total pension liability	443,728	430,563	407,218	393,962	363,424	342,811
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience on the total pension liability	138,498	(506)	121,648	70,887	133,614	(5,279)
Changes in assumptions	(11,084)	-	154,434	(151,093)	(24,681)	-
Benefit payments, including refunds of employee contributions	<u>(414,891)</u>	<u>(306,436)</u>	<u>(246,388)</u>	<u>(228,791)</u>	<u>(157,624)</u>	<u>(168,232)</u>
Net change in total pension liability	275,690	228,554	536,668	186,380	417,398	270,034
Total pension liability - beginning	<u>6,268,111</u>	<u>6,039,557</u>	<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>\$ 6,543,801</u>	<u>\$ 6,268,111</u>	<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	\$ 174,720	\$ 152,903	\$ 194,628	\$ 147,314	\$ 139,281	\$ 133,376
Employee contributions	55,370	46,839	43,195	42,177	42,859	39,590
Net investment income	751,196	847,715	(230,954)	654,289	262,995	19,137
Benefit payments, including refunds of member contributions	(414,891)	(306,436)	(246,388)	(228,791)	(157,624)	(168,232)
Other (net transfer)	<u>143,046</u>	<u>15,909</u>	<u>162,695</u>	<u>(12,682)</u>	<u>15,304</u>	<u>(112,719)</u>
Net change in plan fiduciary net position	709,441	756,930	(76,824)	602,307	302,815	(88,848)
Plan fiduciary net position - beginning	<u>5,321,389</u>	<u>4,564,459</u>	<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>\$ 6,030,830</u>	<u>\$ 5,321,389</u>	<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>\$ 512,971</u>	<u>\$ 946,722</u>	<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	92.16%	84.90%	75.58%	84.34%	75.97%	76.26%
Covered-employee payroll	1,092,682	1,040,868	959,900	937,264	938,554	879,782
Employer's net pension liability as a percentage of covered-employee payroll	46.95%	90.96%	153.67%	91.93%	136.12%	132.19%

**Note to schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 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%
2019	152,904	152,903	1	1,040,868	14.69%
2020	174,720 *	174,720	-	1,092,682	15.99%

*\* Estimated based on contribution rate of 15.99% and covered valuation payroll of \$1,092,682*

**Note to schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 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	23-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	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.25%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, fully generational projections 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, fully generational projections scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other information	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, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with
	Original	Final		Final Budget Over / (Under)
<b>Cash receipts</b>				
Property tax	\$ 115,000	\$ 115,000	\$ 119,502	\$ 4,502
Income tax	175,000	175,000	233,515	58,515
Replacement tax	13,000	13,000	23,087	10,087
Sales tax	180,000	180,000	191,997	11,997
Excise tax	15,000	15,000	14,396	(604)
Use tax	55,000	55,000	91,074	36,074
Video gaming tax	30,000	30,000	38,274	8,274
Cannabis tax	-	-	1,665	1,665
Donations	-	-	1,500	1,500
Fines, fees, permits and licenses	44,425	44,425	43,119	(1,306)
Grants	-	-	61,495	61,495
Interest	20,000	20,000	2,588	(17,412)
Miscellaneous	32,855	32,855	21,602	(11,253)
	<u>680,280</u>	<u>680,280</u>	<u>843,814</u>	<u>163,534</u>
<b>Total cash receipts</b>				
<b>Cash disbursements</b>				
General government	386,705	386,705	454,929	68,224
Public safety	468,050	468,050	502,161	34,111
Streets and alleys	217,900	217,900	217,385	(515)
Recreation	35,450	35,450	37,209	1,759
Capital outlay	19,551	19,551	-	(19,551)
	<u>1,127,656</u>	<u>1,127,656</u>	<u>1,211,684</u>	<u>84,028</u>
<b>Total cash disbursements</b>				
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(447,376)</u>	<u>(447,376)</u>	<u>(367,870)</u>	<u>79,506</u>
<b>Other financing sources (uses):</b>				
Inter-office charges	400,000	400,000	435,000	35,000
Transfer in	25,000	25,000	13,938	(11,062)
	<u>425,000</u>	<u>425,000</u>	<u>448,938</u>	<u>23,938</u>
<b>Total other financing sources (uses)</b>				
Net change in fund balance	<u>\$ (22,376)</u>	<u>\$ (22,376)</u>	81,068	<u>\$ 103,444</u>
Fund balance (budgetary basis) – beginning of year, restated			<u>1,115,690</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 1,196,758</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, 2021**

Total cash receipts sources for general fund activities \$ 843,814

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	51,617
Prepaid expenses	<u>680</u>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance \$ 896,111

Total cash disbursements for general fund activities \$ 1,211,684

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	(40,744)
Accrued expenses	<u>(50,625)</u>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance \$ 1,120,315

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

**For the Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
<b>Cash receipts</b>				
Property tax	\$ 348,000	\$ 348,000	\$ 375,023	\$ 27,023
Grants	108,000	108,000	25,000	(83,000)
Interest	1,000	1,000	274	(726)
	<u>457,000</u>	<u>457,000</u>	<u>400,297</u>	<u>(56,703)</u>
<b>Total cash receipts</b>				
<b>Cash disbursements</b>				
Public works	46,700	46,700	43,538	(3,162)
Capital outlay	305,000	305,000	31,409	(273,591)
Debt service - principal	155,000	155,000	160,000	5,000
Debt service - interest	104,050	104,050	71,754	(32,296)
	<u>610,750</u>	<u>610,750</u>	<u>306,701</u>	<u>(304,049)</u>
<b>Total cash disbursements</b>				
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(153,750)</u>	<u>(153,750)</u>	<u>93,596</u>	<u>247,346</u>
<b>Other financing sources (uses):</b>				
Inter-office charges	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (158,750)</u>	<u>\$ (158,750)</u>	88,596	<u>\$ 247,346</u>
Fund balance (budgetary basis) – beginning of year			<u>376,631</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 465,227</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, 2021**

*There were no differences between budgetary basis cash receipts to GAAP revenues.*

Total cash disbursements for TIF II activities	\$ 306,701
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>(7,625)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 299,076</u></u>

**CITY OF FARMER CITY, ILLINOIS**  
**Budgetary Comparison Schedule – Capital Projects Fund – Unaudited**

**For the Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
<b>Cash receipts</b>				
Grants	\$ 17,800	\$ 17,800	\$ 17,800	\$ -
Interest	100	100	416	316
Other	-	-	336	336
	<u>17,900</u>	<u>17,900</u>	<u>18,552</u>	<u>652</u>
<b>Total cash receipts</b>				
<b>Cash disbursements</b>				
Public works	40,000	40,000	13,565	(26,435)
Capital outlay	1,685,000	1,685,000	1,364,139	(320,861)
	<u>1,725,000</u>	<u>1,725,000</u>	<u>1,377,704</u>	<u>(347,296)</u>
<b>Total cash disbursements</b>				
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(1,707,100)</u>	<u>(1,707,100)</u>	<u>(1,359,152)</u>	<u>347,948</u>
<b>Other financing sources (uses):</b>				
Transfers in	60,000	60,000	27,000	(33,000)
Transfers out	-	-	(49,998)	(49,998)
	<u>60,000</u>	<u>60,000</u>	<u>(22,998)</u>	<u>(82,998)</u>
<b>Total other financing sources (uses)</b>				
Net change in fund balance	<u>\$ (1,647,100)</u>	<u>\$ (1,647,100)</u>	(1,382,150)	<u>\$ 264,950</u>
Fund balance (budgetary basis) – beginning of year , restated			<u>1,914,671</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 532,521</u>	

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

**For the Year Ended April 30, 2021**

*There were no differences between budgetary basis cash receipts to GAAP revenues.*

Total cash disbursements for Capital Projects activities	\$ 1,377,704
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>1,834</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 1,379,538</u></u>



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

**For the Year Ended April 30, 2021**

	<u>General Fund</u>	<u>Tax Increment Financing Fund II</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Fund balance - Budgetary basis	\$ 1,196,758	\$ 465,227	532,521	1,086,275	\$ 3,280,781
Add back:					
Intergovernmental receivables	132,813	-	-	21,334	154,147
Other receivables	50	-	-	-	50
Prepaid expenses	913	-	-	36,042	36,955
Less:					
Accounts payable	(2,910)	-	(1,834)	-	(4,744)
Accrued expenses	(3,450)	-	-	(7,963)	(11,413)
Fund balance - GAAP basis	<u>\$ 1,324,174</u>	<u>\$ 465,227</u>	<u>\$ 530,687</u>	<u>\$ 1,135,688</u>	<u>\$ 3,455,776</u>

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

**April 30, 2021**

**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.

All budgets are adopted on the cash basis of accounting, which is an accounting framework other than those generally accepted in the United States of America (U.S. GAAP). The budgetary cash basis reports revenues (receipts) upon receipt of cash and expenditures (disbursements) when cash is paid.

**Note 2 – Expenditures in Excess of Budget:**

The following major funds had disbursements in excess of budgeted amounts during the fiscal year:

Fund	Amount
General Fund	\$ 84,028

**Note 3 – Restatement of Budgetary Basis Fund Balance**

Beginning fund balance, budgetary basis, has been restated to conform to the budgetary basis of accounting at April 30, 2021, for the following funds:

<u>General Fund</u>	
As previously stated	\$ 1,087,836
As restated	<u>1,115,690</u>
Change	<u>\$ 27,854</u>
 <u>Capital Projects Fund</u>	
As previously stated	\$ 1,939,646
As restated	<u>1,914,671</u>
	<u>\$ (24,975)</u>

**OTHER SCHEDULES**

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

**April 30, 2021**

	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	\$ 45,693	\$ 5,169	\$ 117,499	\$ 9,090	\$ 72,269	\$ 57,451	\$ 183,121
Property tax receivable	34,111	573	52,512	4,548	136,989	27,400	-
Intergovernmental tax receivable	-	-	-	-	-	-	6,710
Prepaid expenses	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 79,804</u>	<u>\$ 5,742</u>	<u>\$ 170,011</u>	<u>\$ 13,638</u>	<u>\$ 209,258</u>	<u>\$ 84,851</u>	<u>\$ 189,831</u>
<b>Liabilities</b>							
Accrued expenses	\$ 100	-	\$ 2,760	\$ 63	\$ 5,040	-	-
<b>Total current liabilities</b>	<u>100</u>	<u>-</u>	<u>2,760</u>	<u>63</u>	<u>5,040</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>							
Deferred inflows related to property tax receivable	34,111	573	52,512	4,548	136,989	27,400	-
<b>Fund Balance</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted for:							
Tax Increment Financing III	-	-	-	-	-	-	-
Motor Fuel Tax	-	-	-	-	-	-	189,831
Hotel-Motel Tax	-	-	-	-	-	-	-
Business District Tax	-	-	-	-	-	-	-
ESDA	-	5,169	-	-	-	-	-
Audit	-	-	-	-	-	57,451	-
Social Security	-	-	114,739	-	-	-	-
Working Cash	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-
Tax Increment Financing III	-	-	-	-	-	-	-
School Crossing Guard	-	-	-	9,027	-	-	-
IMRF	-	-	-	-	67,229	-	-
Library	45,593	-	-	-	-	-	-
Committed:							
Public safety	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balance</b>	<u>45,593</u>	<u>5,169</u>	<u>114,739</u>	<u>9,027</u>	<u>67,229</u>	<u>57,451</u>	<u>189,831</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 79,804</u>	<u>\$ 5,742</u>	<u>\$ 170,011</u>	<u>\$ 13,638</u>	<u>\$ 209,258</u>	<u>\$ 84,851</u>	<u>\$ 189,831</u>

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

**April 30, 2021**

	Hotel- Motel Tax Fund	Business District Tax Fund	Insurance Fund	Tax Increment Financing Fund III	DUI Fund	Total Non-Major Governmental Funds
<b>Assets</b>						
Cash and equivalents	\$ 15,013	\$ 101,169	\$ 446,045	19,558	\$ 14,198	\$ 1,086,275
Property tax receivable	-	-	52,515	63,827	-	372,475
Intergovernmental tax receivable	-	14,624	-	-	-	21,334
Prepaid expenses	-	-	36,042	-	-	36,042
<b>Total assets</b>	<b>\$ 15,013</b>	<b>\$ 115,793</b>	<b>\$ 534,602</b>	<b>\$ 83,385</b>	<b>\$ 14,198</b>	<b>\$ 1,516,126</b>
<b>Liabilities</b>						
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,963
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,963</b>
<b>Deferred inflows of resources</b>						
Deferred inflows related to property tax receivable	-	-	52,515	63,827	-	372,475
<b>Fund balance</b>						
Nonspendable	-	-	36,042	-	-	36,042
Restricted for:						
Tax Increment Financing District III	-	-	-	19,558	-	19,558
Motor Fuel Tax	-	-	-	-	-	189,831
Hotel-Motel Tax	15,013	-	-	-	-	15,013
Business District Tax	-	115,793	-	-	-	115,793
ESDA	-	-	-	-	-	5,169
Audit	-	-	-	-	-	57,451
Social Security	-	-	-	-	-	114,739
Insurance	-	-	446,045	-	-	446,045
School Crossing Guard	-	-	-	-	-	9,027
Library	-	-	-	-	-	45,593
Committed:						
Public safety	-	-	-	-	14,198	14,198
Unassigned	-	-	-	-	-	-
<b>Total fund balance</b>	<b>15,013</b>	<b>115,793</b>	<b>482,087</b>	<b>19,558</b>	<b>14,198</b>	<b>1,068,459</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 15,013</b>	<b>\$ 115,793</b>	<b>\$ 534,602</b>	<b>\$ 83,385</b>	<b>\$ 14,198</b>	<b>\$ 1,448,897</b>

**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, 2021**

	Library Fund	ESDA Fund	Social Security Fund	School Crossing Guard Fund	Illinois Municipal Retirement Fund	Audit Fund	Motor Fuel Tax
<b>Revenues:</b>							
Property Taxes	\$ 34,577	\$ 585	\$ 52,439	\$ 4,610	\$ 136,577	\$ 23,153	-
Motor fuel tax	-	-	-	-	-	-	72,933
Other taxes	-	-	-	-	-	-	-
Fines, fees, permits and licenses	799	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Operating	7,546	-	-	-	-	-	-
Capital	-	-	-	-	-	-	67,123
Other income	2,855	-	-	-	-	-	-
Interest	11	4	78	5	63	54	150
Total revenue	<u>45,788</u>	<u>589</u>	<u>52,517</u>	<u>4,615</u>	<u>136,640</u>	<u>23,207</u>	<u>140,206</u>
<b>Current expenditures:</b>							
General government	-	-	51,131	-	99,472	19,220	-
Public safety	-	-	-	5,055	-	-	-
Public works	-	-	-	-	-	-	-
Streets and alleys	-	-	-	-	-	-	24,153
Recreation	43,850	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>43,850</u>	<u>-</u>	<u>51,131</u>	<u>5,055</u>	<u>99,472</u>	<u>19,220</u>	<u>24,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,938</u>	<u>589</u>	<u>1,386</u>	<u>(440)</u>	<u>37,168</u>	<u>3,987</u>	<u>116,053</u>
<b>Other financing sources (uses):</b>							
Inter-office charges	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,938	589	1,386	(440)	37,168	3,987	116,053
Fund balance, beginning of year	<u>43,655</u>	<u>4,580</u>	<u>113,353</u>	<u>9,467</u>	<u>30,061</u>	<u>53,464</u>	<u>73,778</u>
Fund balance, end of year	<u>\$ 45,593</u>	<u>\$ 5,169</u>	<u>\$ 114,739</u>	<u>\$ 9,027</u>	<u>\$ 67,229</u>	<u>\$ 57,451</u>	<u>\$ 189,831</u>

- Continued -

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

**For the Year Ended April 30, 2021**

	Hotel- Motel Tax Fund	Business District Tax	Insurance Fund	Tax Increment Financing Fund III	DUI Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>						
Property Taxes	\$ -	\$ -	\$ 53,790	\$ 37,338	\$ -	\$ 343,069
Motor fuel tax	-	-	-	-	-	72,933
Other taxes	6,040	86,631	-	-	-	92,671
Fines, fees, permits and licenses	-	-	-	-	140	939
Grants						
Operating	-	-	-	-	-	7,546
Capital	-	-	-	-	-	67,123
Other income	-	-	-	-	7,900	10,755
Interest	8	491	228	1	11	1,104
	<u>6,048</u>	<u>87,122</u>	<u>54,018</u>	<u>37,339</u>	<u>8,051</u>	<u>596,140</u>
Total revenue						
<b>Current expenditures:</b>						
General government	-	-	58,785	-	-	228,608
Public safety	-	-	-	-	-	5,055
Public works	10,500	59,476	-	2,054	-	72,030
Streets and alleys	-	-	-	-	-	24,153
Culture and recreation	-	-	-	-	-	43,850
Capital outlay	-	-	-	47,692	-	47,692
	<u>10,500</u>	<u>59,476</u>	<u>58,785</u>	<u>49,746</u>	<u>-</u>	<u>421,388</u>
Total expenditures						
Excess (deficiency) of revenues over (under) expenditures	<u>(4,452)</u>	<u>27,646</u>	<u>(4,767)</u>	<u>(12,407)</u>	<u>8,051</u>	<u>174,752</u>
<b>Other financing sources (uses):</b>						
Inter-office charges	-	(20,000)	-	-	(5,000)	(25,000)
Transfers out	-	-	-	-	(7,650)	(7,650)
	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>(12,650)</u>	<u>(32,650)</u>
Total financing sources (uses)						
Net change in fund balance	(4,452)	7,646	(4,767)	(12,407)	(4,599)	142,102
Fund balance, beginning of year	<u>19,465</u>	<u>108,147</u>	<u>486,854</u>	<u>31,965</u>	<u>18,797</u>	<u>993,586</u>
Fund balance, end of year	<u>\$ 15,013</u>	<u>\$ 115,793</u>	<u>\$ 482,087</u>	<u>\$ 19,558</u>	<u>\$ 14,198</u>	<u>\$ 1,135,688</u>

**SUPPLEMENTAL STATISTICAL SECTION**



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

**April 30, 2021**

	Tax Years			
	2020	2019	2018	2017
Rate Setting Assessed Valuation	\$ 22,740,483	\$ 23,088,713	\$ 22,767,021	\$ 22,407,555
Increment Valuation (for TIF)	\$ 4,499,301	\$ 4,242,919	\$ 3,672,749	\$ 3,442,240
Tax Rates:				
General				
Corporate	0.25000	0.25000	0.23549	0.25000
Police Protection	0.07500	0.07500	0.07065	0.07500
Parks	0.07500	0.07500	0.07065	0.07500
Street Lighting	0.05000	0.05000	0.04710	0.05000
Total General	<u>0.45000</u>	<u>0.45000</u>	<u>0.42389</u>	<u>0.45000</u>
Sewer	0.10000	0.10000	0.09420	0.10000
Lease Purchase	0.00000	0.00000	0.00000	0.00000
Social Security and Illinois				
Municipal Retirement Fund	0.83332	0.81995	0.72926	0.73500
Library	0.15000	0.15000	0.14130	0.15000
Civil Defense	0.00252	0.00254	0.00236	0.00280
Liability Insurance	0.23093	0.23335	0.31085	0.46130
School Crossing Guard	0.02000	0.02000	0.01885	0.02000
Audit	0.12049	0.10044	0.09326	0.07050
Total	<u>1.90726</u>	<u>1.87628</u>	<u>1.81397</u>	<u>1.98960</u>
Tax Extensions:				
General				
Corporate	\$ 56,851	\$ 57,722	\$ 53,614	\$ 56,019
Police Protection	17,055	17,317	16,085	16,806
Parks	17,055	17,317	16,085	16,806
Street Lighting	11,370	11,544	10,723	11,204
Total General	<u>102,331</u>	<u>103,900</u>	<u>96,507</u>	<u>100,835</u>
Sewer	22,740	23,089	21,447	22,407
Lease Purchase	-	-	-	-
Social Security and Illinois				
Municipal Retirement Fund	189,501	189,316	166,031	164,693
Library	34,111	34,633	32,170	33,611
Civil Defense	573	586	537	634
Liability Insurance	52,515	53,878	70,771	103,373
School Crossing Guard	4,548	4,618	4,292	4,482
Audit	27,400	23,190	21,233	15,793
Total	<u>\$ 433,719</u>	<u>\$ 433,210</u>	<u>\$ 412,988</u>	<u>\$ 445,828</u>

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

**April 30, 2021**

	Tax Years			
	2019	2018	2017	2016
Tax Collections (including Roads & Bridges and Mobile Home Privelidge Tax):				
General:				
Corporate	57,628	53,541	\$ 56,106	\$ 54,881
Police Protection	17,288	16,062	16,832	16,464
Parks	17,288	16,062	16,832	16,464
Roads & Bridges	15,771	15,113	18,481	18,111
Street Lighting	11,526	10,708	11,221	10,976
Total General	119,501	111,486	119,472	116,896
Sewer	23,051	21,417	22,442	21,952
Lease Purchase	-	-	-	7,332
Social Security and Illinois				
Municipal Retirement Fund	189,016	165,800	164,949	130,339
Library	34,577	32,125	33,664	32,929
Civil Defense	585	537	635	643
Liability Insurance	53,790	70,673	103,534	108,009
School Crossing Guard	4,610	4,286	4,489	4,390
Audit	23,153	21,203	15,818	13,744
Tax Increment Financing Fund II	375,023	353,169	347,671	330,764
Tax Increment Financing Fund III	37,338	19,530	-	-
Working Cash	-	-	-	573
Total Tax Collected	860,644	800,226	812,674	767,571
Less: Non-levied taxes included above:				
Tax Increment Financing Fund II	375,023	353,169	347,671	330,764
Tax Increment Financing Fund III	37,338	19,530	-	-
Roads & Bridges	15,771	15,113	18,481	18,111
Total non-levied taxes	428,132	387,812	366,152	348,875
Net Levied Tax Collected	\$ 432,512	\$ 412,414	\$ 446,522	\$ 418,696
Percentage of Extension Collected	99.84%	99.86%	100.16%	98.43%