

CITY OF FARMER CITY, ILLINOIS

Annual Financial Report

For the Fiscal Year Ended April 30, 2022

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Independent Auditor's Report

The Honorable Mayor and City Council
City of Farmer City, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Farmer City, Illinois (the "City") as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

CITY OF FARMER CITY, ILLINOIS
Independent Auditor's Report – Continued

April 30, 2022

Auditor's Responsibilities for the Audit of the Financial Statements – Continued

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Illinois Municipal Retirement Fund – Schedule of Changes in the City's Net Position Liability and Related Ratios on pages 41 through 43; the Illinois Municipal Retirement Fund – Schedule of Employer Contributions on page 44; and Budgetary Comparison Schedules on pages 46 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CITY OF FARMER CITY, ILLINOIS
Independent Auditor's Report – Continued

April 30, 2022

Required Supplementary Information – Continued

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.

Supplementary 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in this report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Striegel Knobloch & Co L.L.C.

Bloomington, Illinois
June 22, 2023

BASIC FINANCIAL STATEMENTS

CITY OF FARMER CITY, ILLINOIS

Statement of Net Position

April 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,650,519	\$ 968,207	\$ 3,618,726
Investments	300,000	825,359	1,125,359
Receivables, net:			
Property taxes	871,114	22,589	893,703
Intergovernmental	175,934	-	175,934
Accounts	61,046	288,588	349,634
Prepaid expenses	34,644	46,748	81,392
Capital assets, net of accumulated depreciation	4,937,546	4,525,314	9,462,860
Total assets	9,030,803	6,676,805	15,707,608
Deferred Outflows of Resources			
Deferred outflows related to pension obligations	124,697	99,219	223,916
Total assets and deferred outflows of resources	\$ 9,155,500	\$ 6,776,024	\$ 15,931,524
Liabilities			
Accounts payable	\$ 60,583	\$ 43,304	\$ 103,887
Meter deposits	-	30,258	30,258
Accrued expenses	15,240	9,541	24,781
Compensated absences	33,263	22,187	55,450
Accrued interest	27,946	35,439	63,385
Bonds payable:			
Due within one year	60,000	135,000	195,000
Due in more than one year	1,760,000	2,360,000	4,120,000
Unamortized bond			
Premiums and discounts	-	51,654	51,654
IMRF pension liability	792	630	1,422
Total liabilities	1,957,824	2,688,013	4,645,837
Deferred Inflows of Resources			
Deferred property tax	871,114	22,589	893,703
Deferred inflows related to pension obligations	542,401	431,577	973,978
Total deferred inflows of resources	1,413,515	454,166	1,867,681

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

April 30, 2022

	Governmental Activities	Business-Type Activities	Total
Net Position			
Invested in capital assets, net of related debt	3,117,546	2,030,314	5,147,860
Restricted for:			
Tax increment financing district II	70,934	-	70,934
Tax increment financing district III	81,272	-	81,272
Insurance	417,987	-	417,987
Motor fuel tax	196,571	-	196,571
Business district tax	197,326	-	197,326
ESDA	5,748	-	5,748
Audit	59,172	-	59,172
Social security	110,504	-	110,504
School crossing guard	6,119	-	6,119
Illinois municipal retirement fund	114,555	-	114,555
Library	48,429	-	48,429
Unrestricted	1,357,998	1,603,531	2,961,529
 Total net position	 5,784,161	 3,633,845	 9,418,006
 Total liabilities, deferred inflows of resources, and net position	 \$ 9,155,500	 \$ 6,776,024	 \$ 15,931,524

The accompanying notes are an integral part of this statement.

CITY OF FARMER CITY, ILLINOIS
Statement of Activities

For the Year Ended April 30, 2022

	Program Revenues					Net (Expenses), Revenues, and Changes in Net Assets		Total
	Expenses	Fines, Fees, Licenses, and Permits	User Charges	Operating Grants and Contributions	Capital and other Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:								
General government	\$ 877,733	\$ 17,758	\$ -	11,895	\$ -	\$ (848,080)	\$ -	\$ (848,080)
Public safety	451,435	48,612	-	-	-	(402,823)	-	(402,823)
Public works	172,979	-	-	-	-	(172,979)	-	(172,979)
Streets and alleys	357,735	-	-	-	44,749	(312,986)	-	(312,986)
Culture and recreation	244,610	954	51,721	13,361	-	(178,574)	-	(178,574)
Interest on long-term debt	67,648	-	-	-	-	(67,648)	-	(67,648)
Changes in pension obligations	(67,844)	-	-	-	-	67,844	-	67,844
Total governmental activities	2,104,296	67,324	51,721	25,256	44,749	(1,915,246)	-	(1,915,246)
Business-type activities:								
Electric	2,347,510	27,744	2,375,980	-	-	-	56,214	56,214
Water	409,860	6,651	414,862	-	-	-	11,653	11,653
Sewer	559,062	6,515	369,033	-	131,594	-	(51,920)	(51,920)
Garbage	141,339	-	142,096	-	-	-	757	757
Total business-type activities	3,457,771	40,910	3,301,971	-	131,594	-	16,704	16,704
Total primary government	\$ 5,562,067	\$ 108,234	\$ 3,353,692	\$ 25,256	\$ 176,343	\$ (1,915,246)	\$ 16,704	\$ (1,898,542)
General revenues:								
Taxes:								
Property taxes						866,711	22,814	889,525
Income tax						291,109	-	291,109
Motor fuel tax						81,204	-	81,204
Replacement tax						56,436	-	56,436
Sales tax						250,518	117,104	367,622
Excise tax						11,250	-	11,250
Use tax						74,157	-	74,157
Video gaming tax						80,743	-	80,743
Cannabis tax						3,050	-	3,050
Business district tax						111,083	-	111,083
Hotel-Motel taxes						15,842	-	15,842
Miscellaneous income						38,005	6,000	44,005
Gain on sale of assets						13,252	-	13,252
Unrestricted investment earnings (losses)						3,544	(24,085)	(20,541)
Inter-office charges						265,000	(265,000)	-
Interfund transfers						19,553	(19,553)	-
Total general revenues						2,181,457	(162,720)	2,018,737
Change in net position						266,211	(146,016)	120,195
Net Position – beginning						5,517,950	3,779,861	9,297,811
Net Position – ending						\$ 5,784,161	\$ 3,633,845	\$ 9,418,006

The accompanying notes are an integral part of this statement.

CITY OF FARMER CITY, ILLINOIS
Balance Sheet – Governmental Funds

April 30, 2022

	General Fund	Tax Increment Financing Fund II	Capital Projects Fund	Insurance Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and equivalents	\$ 1,174,371	\$ 71,284	\$ 160,780	\$ 419,660	\$ 824,424	\$ 2,650,519
Investments	300,000	-	-	-	-	300,000
Receivables, net:						
Property taxes	101,652	381,222	-	47,901	340,339	871,114
Intergovernmental	152,121	-	-	-	23,813	175,934
Other	50	-	-	-	-	50
Prepaid expenses	849	-	-	33,795	-	34,644
Total assets	\$ 1,729,043	\$ 452,506	\$ 160,780	\$ 501,356	\$ 1,188,576	\$ 4,032,261
Liabilities						
Accounts payable	\$ 16,411	\$ 350	\$ -	\$ -	\$ 43,822	\$ 60,583
Accrued expenses	5,269	-	-	1,673	8,298	15,240
Total liabilities	21,680	350	-	1,673	52,120	75,823
Deferred Inflows of Resources						
Deferred property tax	101,652	381,222	-	47,901	340,339	871,114
Fund Balance						
Nonspendable	849	-	-	33,795	-	34,644
Restricted for:						
Tax Increment						
Financing Districts	-	70,934	-	-	81,272	152,206
Insurance	-	-	-	417,987	-	417,987
Motor fuel tax	-	-	-	-	196,571	196,571
Business district tax	-	-	-	-	197,326	197,326
ESDA	-	-	-	-	5,748	5,748
Audit	-	-	-	-	59,172	59,172
Social security	-	-	-	-	110,504	110,504
School crossing guard	-	-	-	-	6,119	6,119
Illinois Municipal Retirement Fund	-	-	-	-	114,555	114,555
Library	-	-	-	-	48,429	48,429
Committed:						
Public safety	-	-	-	-	14,252	14,252
Assigned	-	-	160,780	-	-	160,780
Unassigned	1,604,862	-	-	-	(37,831)	1,567,031
Total fund balance	1,605,711	70,934	160,780	451,782	796,117	3,085,324
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,729,043	\$ 452,506	\$ 160,780	\$ 501,356	\$ 1,188,576	\$ 4,032,261

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, 2022

Fund balance of governmental funds	\$	3,085,324
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of \$9,967,092 net of accumulated depreciation of \$5,029,596 are not current financial resources and, therefore, are not reported in the governmental funds		4,937,546
Insurance recoveries expected to be received on the involuntary disposal of capital assets are not current financial resources and, accordingly, are not reported in the governmental funds		60,996
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.		(418,496)
The following liabilities are not payable with current financial resources and are not reported in the governmental funds.		
Bonds payable		(1,820,000)
Compensated absences		(33,263)
Accrued interest		(27,946)
		(1,881,209)
Net position of governmental activities	\$	5,784,161

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, 2022

	General Fund	Tax Increment Financing Fund II	Capital Projects Fund	Insurance Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 118,964	\$ 374,292	\$ -	\$ 52,685	\$ 320,770	\$ 866,711
Income tax	291,109	-	-	-	-	291,109
Motor fuel tax	-	-	-	-	81,204	81,204
Replacement tax	56,436	-	-	-	-	56,436
Sales tax	250,518	-	-	-	-	250,518
Excise tax	11,250	-	-	-	-	11,250
Use tax	74,157	-	-	-	-	74,157
Video gaming tax	80,743	-	-	-	-	80,743
Cannabis tax	3,050	-	-	-	-	3,050
Other taxes	-	-	-	-	126,925	126,925
Donations	464	-	-	-	-	464
Fines, fees, permits and licenses	66,320	-	-	-	1,004	67,324
Grants						
Operating	11,431	-	-	-	13,361	24,792
Capital	-	-	-	-	44,749	44,749
Interest income	2,233	286	157	179	689	3,544
Pool income	51,721	-	-	-	-	51,721
Rental income	11,501	-	-	-	-	11,501
Miscellaneous	18,245	4,736	2,649	-	874	26,504
Total revenues	1,048,142	379,314	2,806	52,864	589,576	2,072,702
Expenditures:						
Current:						
General government	389,468	-	-	83,169	172,986	645,623
Public safety	422,664	-	-	-	7,476	430,140
Public works	-	-	75,679	-	27,300	102,979
Streets and alleys	208,493	-	-	-	119,438	327,931
Culture and recreation	142,251	-	-	-	46,587	188,838
Debt service:						
Principal	-	55,000	-	-	-	55,000
Interest	-	68,060	-	-	-	68,060
Capital outlay	17,888	645,554	258,946	-	-	922,388
Total expenditures	1,180,764	768,614	334,625	83,169	373,787	2,740,959
Excess (deficiency) of revenues over (under) expenditures	(132,622)	(389,300)	(331,819)	(30,305)	215,789	(668,257)
Other financing sources (uses):						
Proceeds from sale of assets	13,252	-	-	-	-	13,252
Inter-office charges	265,000	-	-	-	-	265,000
Transfers in	149,166	7	13,252	-	-	162,425
Transfers out	(13,259)	(5,000)	(51,340)	-	(73,273)	(142,872)
Total other financing sources (uses)	414,159	(4,993)	(38,088)	-	(73,273)	297,805
Net change in fund balance	281,537	(394,293)	(369,907)	(30,305)	142,516	(370,452)
Fund balance, beginning of year	1,324,174	465,227	530,687	482,087	653,601	3,455,776
Fund balance, end of year	\$ 1,605,711	\$ 70,934	\$ 160,780	\$ 451,782	\$ 796,117	\$ 3,085,324

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, 2022

Net change in fund balance – total governmental funds	\$ (370,452)
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 (\$408,181) for the year is less than capital outlays (\$922,338) reported in the governmental funds.	514,207
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	55,000
Net change in pension obligation is not recognized in the fund financial statements since it does not use current financial resources.	67,844
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:	
Compensated absences	(800)
Accrued interest	412
	412
Change in net position of governmental activities	\$ 266,211

The accompanying notes are an integral part of this statement.

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

April 30, 2022

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 16,111	\$ 818,102	\$ 133,994	\$ -	\$ 968,207
Investments	675,377	109,982	40,000	-	825,359
Property taxes receivable	-	-	22,589	-	22,589
Accounts receivable, net	197,618	35,373	43,928	11,669	288,588
Prepaid expenses	34,237	7,058	5,453	-	46,748
Total current assets	923,343	970,515	245,964	11,669	2,151,491
Capital assets:					
Land	-	40,000	-	-	40,000
Buildings	128,494	422,619	3,245,000	-	3,796,113
Systems & Infrastructure	9,162,858	1,980,371	2,683,805	-	13,827,034
Equipment	229,519	770,307	175,589	-	1,175,415
Accumulated depreciation	(6,732,703)	(2,509,834)	(5,070,711)	-	(14,313,248)
Total capital assets	2,788,168	703,463	1,033,683	-	4,525,314
Total assets	3,711,511	1,673,978	1,279,647	11,669	6,676,805
Deferred Outflows of Resources					
Deferred outflows related to pension obligations	69,170	24,091	5,958	-	99,219
Total assets and deferred outflows of resources	\$ 3,780,681	\$ 1,698,069	\$ 1,285,605	\$ 11,669	\$ 6,776,024

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

April 30, 2022

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Liabilities					
Current liabilities:					
Meter deposits	\$ -	\$ 30,258	\$ -	\$ -	\$ 30,258
Accounts payable	2,278	1,460	20,194	19,372	43,304
Bonds payable, current	85,000	25,000	25,000	-	135,000
Accrued expenses	6,368	2,711	462	-	9,541
Compensated absences	14,478	7,238	471	-	22,187
Accrued interest	12,049	11,695	11,695	-	35,439
Total current liabilities	<u>120,173</u>	<u>78,362</u>	<u>57,822</u>	<u>19,372</u>	<u>275,729</u>
Noncurrent liabilities					
Unamortized bond premiums	-	35,955	35,955	-	71,910
Unamortized bond discounts	(20,256)	-	-	-	(20,256)
IMRF pension liability	439	153	38	-	630
Bonds payable less current maturities	<u>860,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>	<u>2,360,000</u>
Total noncurrent liabilities	<u>840,183</u>	<u>786,108</u>	<u>785,993</u>	<u>-</u>	<u>2,412,284</u>
Total liabilities	<u>960,356</u>	<u>864,470</u>	<u>843,815</u>	<u>19,372</u>	<u>2,688,013</u>
Deferred Inflows of Resources					
Deferred inflows related to:					
Property tax	-	-	22,589	-	22,589
Pension obligations	<u>300,873</u>	<u>104,789</u>	<u>25,915</u>	<u>-</u>	<u>431,577</u>
Total deferred inflows of resources	<u>300,873</u>	<u>104,789</u>	<u>48,504</u>	<u>-</u>	<u>454,166</u>
Fund Net Position					
Invested in capital assets, net of related debt	1,843,168	(71,537)	258,683	-	2,030,314
Unrestricted	<u>676,284</u>	<u>800,347</u>	<u>134,603</u>	<u>(7,703)</u>	<u>1,603,531</u>
Total fund net position	<u>2,519,452</u>	<u>728,810</u>	<u>393,286</u>	<u>(7,703)</u>	<u>3,633,845</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,780,681</u>	<u>\$ 1,698,069</u>	<u>\$ 1,285,605</u>	<u>\$ 11,669</u>	<u>\$ 6,776,024</u>

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, 2022

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Operating revenues:					
Charges for services	\$ 2,375,980	\$ 414,862	\$ 369,033	\$ 142,096	\$ 3,301,971
Other	150,848	6,651	6,515	-	164,014
Total operating revenues	<u>2,526,828</u>	<u>421,513</u>	<u>375,548</u>	<u>142,096</u>	<u>3,465,985</u>
Operating expenses:					
Personnel services	477,312	187,457	43,222	-	707,991
Operations and contractual services	1,577,008	52,713	156,431	141,339	1,927,491
Materials and supplies	41,764	68,202	219,935	-	329,901
Depreciation	219,297	74,777	112,762	-	406,836
Total operating expenses	<u>2,315,381</u>	<u>383,149</u>	<u>532,350</u>	<u>141,339</u>	<u>3,372,219</u>
Operating income (loss)	<u>211,447</u>	<u>38,364</u>	<u>(156,802)</u>	<u>757</u>	<u>93,766</u>
Non-operating revenues (expenses):					
Sewer chlorination levy	-	-	22,814	-	22,814
Grants	-	-	131,594	-	131,594
Interest revenue	268	506	85	-	859
Interest expense	(32,129)	(26,711)	(26,712)	-	(85,552)
Inter-office charges	(150,000)	(65,000)	(50,000)	-	(265,000)
Investment earnings and (losses)	(24,944)	-	-	-	(24,944)
Total non-operating revenues (expenses)	<u>(206,805)</u>	<u>(91,205)</u>	<u>77,781</u>	<u>-</u>	<u>(220,229)</u>
Net income before transfers	<u>4,642</u>	<u>(52,841)</u>	<u>(79,021)</u>	<u>757</u>	<u>(126,463)</u>
Transfers:					
Transfers in	19,553	25,000	55,000	-	99,553
Transfers out	(99,553)	(19,553)	-	-	(119,106)
Total transfers	<u>(80,000)</u>	<u>5,447</u>	<u>55,000</u>	<u>-</u>	<u>(19,553)</u>
Change in net position	<u>(75,358)</u>	<u>(47,394)</u>	<u>(24,021)</u>	<u>757</u>	<u>(146,016)</u>
Net position, beginning of year	<u>2,594,810</u>	<u>776,204</u>	<u>417,307</u>	<u>(8,460)</u>	<u>3,779,861</u>
Net position, end of year	<u>\$ 2,519,452</u>	<u>\$ 728,810</u>	<u>\$ 393,286</u>	<u>\$ (7,703)</u>	<u>\$ 3,633,845</u>

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, 2022

	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Cash flows from (used in) operating activities:					
Cash received from customers	\$ 2,525,839	\$ 418,483	\$ 374,558	\$ 141,907	\$ 3,460,787
Cash payments to employees for services	(510,343)	(198,576)	(46,132)	-	(755,051)
Cash payments to suppliers for goods and services	(1,712,848)	(120,177)	(355,639)	(141,907)	(2,330,571)
Net cash provided by (used in) operating activities:	302,648	99,730	(27,213)	-	375,165
Cash flows from (used in) non-capital financing activities:					
Transfers (to) from other funds	(80,000)	5,447	55,000	-	(19,553)
Inter-office charges	(150,000)	(65,000)	(50,000)	-	(265,000)
Grants	-	-	131,594	-	131,594
Proceeds from sewer chlorination levy	-	-	22,814	-	22,814
Net cash provided by (used in) non-capital financing activities	(230,000)	(59,553)	159,408	-	(130,145)
Cash flows from (used in) capital and related financing activities:					
Purchase of capital assets	(63,818)	(3,818)	(13,439)	-	(81,075)
Principal paid on revenue bonds	(85,000)	(25,000)	(25,000)	-	(135,000)
Interest paid on revenue bonds	(30,830)	(28,544)	(28,544)	-	(87,918)
Net cash provided by (used in) capital and related financing activities	(179,648)	(57,362)	(66,983)	-	(303,993)
Cash flows from (used in) investing activities:					
Purchase of investments	(103,695)	-	-	-	-
Interest from investments	268	506	85	-	859
Net cash provided by (used in) investing activities	(103,427)	506	85	-	859
Net increase (decrease) in cash and equivalents	(210,427)	(16,679)	65,297	-	(161,809)
Cash and cash equivalents, unrestricted:					
Beginning of year	226,538	834,781	68,697	-	1,130,016
End of year	\$ 16,111	\$ 818,102	\$ 133,994	\$ -	\$ 968,207
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 211,447	\$ 38,364	\$ (156,802)	\$ 757	\$ 93,766
Adjustments:					
Depreciation	219,297	74,777	112,762	-	406,836
Expenses related to pension obligations	(30,607)	(12,040)	(2,664)	-	(45,311)
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(989)	(557)	(990)	(189)	(2,725)
Prepaid expenses	(2,802)	(97)	655	-	(2,244)
(Decrease) increase in:					
Accounts payable	(91,540)	336	19,978	(568)	(71,794)
Accrued expenses	266	499	94	-	859
Compensate absences	(2,424)	921	(246)	-	(1,749)
Meter deposits	-	(2,473)	-	-	(2,473)
Net cash provided by (used in) operating activities	\$ 302,648	\$ 99,730	\$ (27,213)	\$ -	\$ 375,165

The accompanying notes are an integral part of this statement.

CITY OF FARMER CITY, ILLINOIS
Notes to Financial Statements

April 30, 2022

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 judgements are recorded only when payment is due.

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

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

April 30, 2022

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.

Insurance Fund – A special revenue fund used to account for and report all activity related to the City's insurance needs.

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, 2022

Note 1 – Summary of Significant Accounting Policies – Continued:

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

Proprietary Fund Types - Continued

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, 2022

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:

- Insured commercial banks, savings, and loan institutions
- Obligations of the U.S. Treasury and U.S. Agencies
- Insured credit union shares
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations
- Repurchase agreements
- Short-term commercial paper rated within the three highest classifications by at least two standard rating services
- The Illinois Metropolitan Investment Fund
- The Illinois Investment Funds Pool

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, 2022

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.

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, 2022, the City was obligated for \$55,450 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, 2022, 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, 2022

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, 2022

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 with financial institutions was \$3,618,726, and the bank balance was \$3,768,717, at April 30, 2022. The institutions’ balances are categorized as follows:

Demand deposits

Amount insured by FDIC	\$ 250,000
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>2,098,723</u>
Total demand deposits	<u>\$ 2,348,723</u>

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

April 30, 2022

Note 2 – Deposits and Investments – Continued:

Time deposits

Amount insured by FDIC	250,000
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>1,169,994</u>
Total time deposits	<u>\$ 1,419,994</u>
 Total institutions' balances	 <u>\$ 3,768,717</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, 2022, \$3,268,717 of the City's bank balance of \$3,768,717 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	802,801
FNMA Pool #AL274	3138EKB3	3.00%	07/01/2027	992,733
Other Securities – The Illinois Funds				<u>1,819,861</u>
				<u>\$ 3,615,395</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 Core 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, 2022, the City's funds invested with IMET Core Fund were as follows:

<u>Fund</u>	<u>Shares held</u>	<u>Price per share</u>	<u>Fair Value</u>
Core Fund	26,850.694	20.0870	\$ 536,531
Convenience Fund	588,827.800	1.000	<u>588,828</u>
			<u>\$ 1,125,359</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, 2022

Note 3 – Capital Assets:

Capital asset activity for the year ended April 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 104,390	\$ -	\$ -	\$ 104,390
Work in process	<u>1,508,792</u>	<u>117,798</u>	<u>(1,626,590)</u>	<u>-</u>
Total capital assets not being depreciated	<u>1,613,182</u>	<u>117,798</u>	<u>(1,626,590)</u>	<u>104,390</u>
Capital assets being depreciated:				
Buildings	1,347,767	1,626,590	(55,000)	2,919,357
Equipment	1,459,374	162,650	(234,739)	1,387,285
Infrastructure	4,751,158	294,953	-	5,046,112
Land improvements	<u>163,011</u>	<u>346,987</u>	<u>-</u>	<u>509,998</u>
Total capital assets being depreciated	<u>7,721,310</u>	<u>2,431,180</u>	<u>(289,739)</u>	<u>9,862,752</u>
Less accumulated depreciation for:				
Building	(1,268,354)	(46,242)	55,000	(1,259,596)
Equipment	(1,292,575)	(45,268)	173,743	(1,164,100)
Infrastructure	(2,278,615)	(292,225)	-	(2,570,840)
Land improvements	<u>(10,614)</u>	<u>(24,446)</u>	<u>-</u>	<u>(35,060)</u>
Total accumulated depreciation	<u>(4,850,158)</u>	<u>(408,181)</u>	<u>228,743</u>	<u>(5,029,596)</u>
Total capital assets being depreciated, net	<u>2,871,152</u>	<u>2,022,999</u>	<u>(60,996)</u>	<u>4,833,156</u>
Governmental activities capital assets, net	<u>\$ 4,484,334</u>	<u>\$ 2,140,797</u>	<u>\$ (1,687,586)</u>	<u>\$ 4,937,546</u>

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

April 30, 2022

Note 3 – Capital Assets – Continued:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Total capital assets not being depreciated	40,000	-	-	40,000
Capital assets being depreciated:				
Buildings and systems	14,956,767	-	(55,000)	14,901,767
Infrastructure	2,711,761	9,620	-	2,721,381
Equipment	1,298,260	71,455	(194,300)	1,175,414
Total capital assets being depreciated	18,966,788	81,075	(249,300)	18,798,563
Less accumulated depreciation for:				
Buildings and systems	(12,527,475)	(248,452)	55,000	(12,720,927)
Infrastructure	(456,571)	(114,490)	-	(571,061)
Equipment	(1,090,491)	(43,894)	113,124	(1,021,261)
Total accumulated depreciation	(14,074,537)	(406,836)	168,124	(14,313,248)
Total capital assets being depreciated, net	4,892,251	(325,761)	(81,176)	4,485,314
Business-type activities capital assets, net	\$ 4,932,251	\$ (325,761)	\$ (81,176)	\$ 4,525,314

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

Governmental activities:	
General government	\$ 229,216
Public safety	25,135
Public works	70,000
Streets and alleys	28,058
Recreation	55,772
Total depreciation expense – governmental activities	\$ 408,181
Business-type activities:	
Electric light plant and system	\$ 219,297
Water	74,777
Sewer	112,762
Total depreciation expense – business-type activities	\$ 406,836

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

April 30, 2022

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 1st and June 1st annually and a final payment due December 1, 2043.

Remaining liabilities under the Series 2019B Alternate Revenue Bond at April 30, 2022 were as follows:

Maturity Date	Interest Rate	Principal Due	Interest Due for Year Payable Semi-Annually	Total Amount Due in Fiscal Year
2023	3.80%	60,000	67,070	127,070
2024	3.80%	60,000	65,990	125,990
2025	3.90%	60,000	64,670	124,670
2026	4.00%	60,000	63,350	123,350
2027	4.00%	65,000	62,030	127,030
2028 to 2032	4.00%	345,000	276,400	621,400
2033 to 2037	4.00%	425,000	201,200	626,200
2038 to 2042	4.00%	510,000	109,600	619,600
2043 to 2044	4.00%	235,000	14,200	249,200
		<u>\$ 1,820,000</u>	<u>\$ 924,510</u>	<u>\$ 2,744,510</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, 2022 were as follows:

Maturity Date	Interest Rate	Principal Due	Interest Due for Year Payable Semi-Annually	Total Amount Due in Fiscal Year
2023	2.25%	85,000	28,918	113,918
2024	2.50%	85,000	27,005	112,005
2025	2.50%	90,000	24,880	114,880
2026	2.50%	90,000	22,630	112,630
2027	2.80%	95,000	20,380	115,380
2028 to 2032	2.80% to 4.00%	500,000	57,780	557,780
		<u>\$ 945,000</u>	<u>\$ 181,583</u>	<u>\$ 1,126,593</u>

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

April 30, 2022

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 1st and June 1st annually and a final payment due December 1, 2043.

Remaining liabilities under the Series 2019A Alternate Revenue Bond at April 30, 2022 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>
2023	1.90%	50,000	56,137	106,137
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	2.25%	55,000	51,875	106,875
2028 to 2032	2.25 to 4.00%	295,000	234,438	529,438
2033 to 2037	4.00%	360,000	171,600	531,600
2038 to 2042	4.00%	435,000	93,600	528,600
2043 to 2044	4.00%	200,000	12,000	212,000
		<u>\$ 1,550,000</u>	<u>\$ 782,188</u>	<u>\$ 2,332,188</u>

Changes in general long-term liability activity for the year ended April 30, 2022, 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>					
Alternate Revenue:					
Series 2019B	\$ 1,875,000	\$ -	\$ 55,000	\$ 1,820,000	\$ 60,000
	<u>1,875,000</u>	<u>-</u>	<u>55,000</u>	<u>1,820,000</u>	<u>60,000</u>
<u>Business-Type Activities</u>					
Alternate Revenue:					
Series 2017	\$ 1,030,000	\$ -	\$ 85,000	\$ 945,000	\$ 85,000
Series 2019A	1,600,000	-	50,000	1,550,000	50,000
Total	<u>2,630,000</u>	<u>-</u>	<u>135,000</u>	<u>2,495,000</u>	<u>135,000</u>
	<u>\$ 4,505,000</u>	<u>\$ -</u>	<u>\$ 190,000</u>	<u>\$ 4,315,000</u>	<u>\$ 195,000</u>

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

April 30, 2022

Note 5 – Property Taxes:

The City’s tax levy ordinance related to the taxes collected in 2022 was adopted December 2021. 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, 2022, consist of the following:

	2021 Tax Levy Year
General Fund	\$ 101,652
Tax Increment Financing Fund II	381,222
Insurance Fund	47,901
Non-Major Governmental Funds	340,339
Proprietary Funds	22,589
Total	\$ 893,703

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.

Unless otherwise noted, 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>		
TIF II	\$ 5,000	\$ 7
TIF III	2,000	-
Business District	20,000	-
Capital Projects	51,340	13,252 ⁽¹⁾
Electric	19,553 ⁽²⁾	-
Hotel-Motel	51,273 ⁽³⁾	-
	\$ 149,166	\$ 13,259
<u>TIF II Fund:</u>		
General	\$ 7	\$ 5,000
<u>TIF III Fund:</u>		
General	\$ -	\$ 2,000

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

April 30, 2022

Note 6 – Interfund Loans and Transfers – Continued:

<u>Business District Fund:</u>		
General	\$ <u> -</u>	\$ <u> 20,000</u>
 <u>Capital Projects Fund:</u>		
General	\$ <u> 13,252⁽¹⁾</u>	\$ <u> 51,340</u>
 <u>Hotel-Motel Fund:</u>		
General	\$ <u> -</u>	\$ <u> 51,273⁽³⁾</u>
 <u>Electric Fund:</u>		
General	\$ -	\$ 19,553 ⁽²⁾
Water	19,553 ⁽²⁾	25,000 ⁽⁴⁾
Sewer	-	55,000 ⁽⁴⁾
	<u>\$ 19,553</u>	<u>\$ 99,553</u>
 <u>Water Fund:</u>		
Electric	\$ <u> 25,000⁽⁴⁾</u>	\$ <u> 19,553⁽²⁾</u>
 <u>Sewer Fund:</u>		
Electric	\$ <u> 55,000⁽⁴⁾</u>	\$ <u> -</u>

⁽¹⁾ Sale proceeds from property acquired by the City prior to establishing the Capital Projects Fund

⁽²⁾ Reclassification of utility overpayments made by the City on property it owns, whose cash deposits were double-recorded in the wrong fund.

⁽³⁾ Reclassification of cash deposits recorded in the wrong fund

⁽⁴⁾ Redistribution of municipal utility taxes

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, 2022, inter-office charges included:

	Transfer From	Transfer To
General Fund	\$ -	\$ 265,000
Water	65,000	-
Sewer	50,000	-
Electric	150,000	-
	<u>\$ 265,000</u>	<u>\$ 265,000</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.

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

April 30, 2022

Note 7 – Defined Benefit Pension Plan - Continued:

Plan Description

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

For *Regular Tier 1*, pension benefits vest after eight years of qualifying service credit. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 ²/₃ % of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter to a maximum of 75% of their final rate of earnings. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at age 62 (with reduced benefits) or after age 67 (with full benefits) with ten years of service, or age 62 with 35 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 ²/₃ % of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earning for each year of credited services up to 15 years and 2% for each year thereafter to a maximum of 75% of their final rate of earnings. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age of 67, by the lesser of 3% of the original pension amount or ½ of the increase in the Consumer Price Index of the original pension amount.

Plan Membership

At December 31, 2021, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	29
Inactive, non-retired members	16
Active members	<u>20</u>
Total	<u><u>65</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 2021 was 13.97%. 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, 2021, 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, 2022

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, 2021, 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, 2022

Note 7 – Defined Benefit Pension Plan - Continued:

Long-Term Expected Real Rate of Return – Continued

Asset Class	Target Allocation	Return 12/31/21	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	39%	24.89%	3.25%	1.90%
International equities	15%	9.78%	4.89%	3.15%
Fixed income	25%	-0.44%	-0.50%	-0.60%
Real estate	10%	21.95%	4.20%	3.30%
Alternatives	10%	46.46%		
Private equity		N/A	8.85%	5.50%
Hedge funds		N/A	N/A	N/A
Commodities		N/A	2.90%	1.70%
Cash equivalents	1%	2.44%	-0.90%	-0.90%

Discount Rate

The discount rate used to measure the December 31, 2021 total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2020, 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 1.84% for tax-exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2021, to arrive at a discount rate of 7.25% used to determine the total pension liability. The year ending December 31, 2121, is the last year in the 2022 to 2121 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	\$ 7,395,709	\$ 6,666,187	\$ 6,059,860
Plan fiduciary net position	<u>6,664,765</u>	<u>6,664,765</u>	<u>6,664,765</u>
Net position liability / (asset)	<u>\$ 730,944</u>	<u>\$ 1,422</u>	<u>\$ (604,905)</u>

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

April 30, 2022

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, 2021, 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, 2020	\$ 6,543,801	\$ 6,030,830	\$ 512,971
Service cost	109,917	-	109,917
Interest on total pension liability	463,773	-	463,773
Differences between expected and actual experience of the total pension liability	(47,521)	-	(47,521)
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(403,783)	(403,783)	-
Contributions – employer	-	167,848	(167,848)
Contributions – employee	-	54,632	(54,632)
Net investment income	-	1,057,888	(1,057,888)
Other (Net Transfer)	-	(242,650)	242,650
	<u>-</u>	<u>(242,650)</u>	<u>242,650</u>
Balance at December 31, 2021	<u>\$ 6,666,187</u>	<u>\$ 6,664,765</u>	<u>\$ 1,422</u>

Pension Expense and Deferred Inflows/Outflows of Resources

For the year ended December 31, 2021, the City recognized pension expense of \$107,458 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	\$ 54,186	\$ 32,648
Changes in assumptions	-	4,336
Net difference between projected and actual earnings on pension plan investments	<u>116,966</u>	<u>936,994</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>171,152</u>	<u>973,978</u>
Pension plan contributions made subsequent To the measurement date	<u>52,764</u>	<u>-</u>
Total deferred amounts related to pension	<u>\$ 223,916</u>	<u>\$ 973,978</u>

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

April 30, 2022

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, 2021. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Outflows of Resources
2022	(110,980)
2023	(308,414)
2024	(203,463)
2025	(127,205)
2026	-
Thereafter	<u>-</u>
Total	<u>\$ (750,062)</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, 2022 is as follows:

Total Assessed Valuation – 2021 Tax Year	<u>\$ 22,589,338</u>
Statutory Debt Limitation:	
8.625% of Assessed Valuation	<u>\$ 1,948,330</u>
Less: Total Applicable Debt:	<u>-</u>
Legal Debt Margin	<u>\$ 1,948,330</u>

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

April 30, 2022

Note 10 – Intergovernmental Receivables:

Intergovernmental taxes receivable as of April 30, 2022, consist of the following:

Income tax – General Fund	\$	75,070
Replacement tax – General Fund		13,193
Sales tax – General Fund		36,127
Excise tax – General Fund		1,758
Use tax – General Fund		11,567
Video gaming tax – General Fund		13,898
Cannabis tax – General Fund		507
Motor fuel tax – Motor Fuel Tax Fund		6,836
Business district tax – Business District Tax Fund		16,978
Total	\$	175,934

Note 11 – 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, 2022:

	<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 Core Fund	\$ 536,531	\$ 536,531	\$ -	\$ -
IMET Convenience Fund	588,828	588,828	-	-
	\$ 1,125,359	\$ 1,125,359	\$ -	\$ -

Note 12 – Deficit Fund Balance:

The following funds had a deficit fund balance at April 30, 2022:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Hotel-Motel	\$ (37,831)	Misapplied cash deposits leading to available funds overstatement

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

April 30, 2022

Note 13 – Impaired Assets and Insurance Recoveries:

In February 2022, one of the City’s public works buildings, and the contents thereof, were destroyed in a no-fault fire. At April 30, 2022 none of the equipment or other assets were replaced, however insurance recoveries were expected to be received subsequent to fiscal year end. GASB Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* states:

“Insurance recoveries associated with events resulting in impairment ... should be netted with the impairment losses. [Should] recoveries occur in a year other than the year of loss, insurance proceeds should be recognized only when realized or realizable.”

Moreover, in a direct reference to the Financial Accounting Standards Board (FASB) Statements, GASB Statement No. 42, notes:

“Contingencies that result in gains are not reflected in the accounts. Guidance on recording receivables for insurance recoveries [that occur in a subsequent period] is consistent with [FASB Statement No. 33 Accounting for Contingencies] and reporting recoveries realized in a subsequent period as revenue.”

In accordance with the above guidance, the following disposals and expected insurance recovery receivables have been recorded in the Statement of Net Position and Statement of Fund Net Position – Proprietary Funds at April 30, 2022 as follows:

<u>Fund</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Insurance Recoveries Receivable</u>
General	\$ 289,739	\$ 228,743	\$ 60,996
Electric	75,986	19,906	56,080
Water	28,960	13,491	15,469
Sewer	144,355	134,727	9,628
	<u>\$ 539,040</u>	<u>\$ 396,867</u>	<u>\$ 142,173</u>

Note 14 – Subsequent Events:

No events have occurred subsequent to April 30, 2022 that are required to be disclosed in these financial statements. This evaluation was made as of June 22, 2023, 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

	2021	2020	2019	2018
Total pension liability:				
Service cost	109,917	\$ 119,439	\$ 104,933	\$ 99,756
Interest on the total pension liability	463,773	443,728	430,563	407,218
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience on the total pension liability	(47,521)	138,498	(506)	121,648
Changes in assumptions	-	(11,084)	-	154,434
Benefit payments, including refunds of employee contributions	(403,783)	(414,891)	(306,436)	(246,388)
Net change in total pension liability	122,386	275,690	228,554	536,668
Total pension liability - beginning	6,543,801	6,268,111	6,039,557	5,502,889
Total pension liability - ending (a)	<u>\$ 6,666,187</u>	<u>\$ 6,543,801</u>	<u>\$ 6,268,111</u>	<u>\$ 6,039,557</u>
Plan fiduciary net position:				
Employer contributions	\$ 167,848	\$ 174,720	\$ 152,903	\$ 194,628
Employee contributions	54,632	55,370	46,839	43,195
Net investment income	1,057,888	751,196	847,715	(230,954)
Benefit payments, including refunds of member contributions	(403,783)	(414,891)	(306,436)	(246,388)
Other (net transfer)	(242,650)	143,046	15,909	162,695
Net change in plan fiduciary net position	633,935	709,441	756,930	(76,824)
Plan fiduciary net position - beginning	6,030,830	5,321,389	4,564,459	4,641,283
Plan fiduciary net position - ending (b)	<u>\$ 6,664,765</u>	<u>\$ 6,030,830</u>	<u>\$ 5,321,389</u>	<u>\$ 4,564,459</u>
Employer's net pension liability (a) - (b)	<u>\$ 1,422</u>	<u>\$ 512,971</u>	<u>\$ 946,722</u>	<u>\$ 1,475,098</u>
Plan fiduciary net position as a percentage of the total pension liability	99.98%	92.16%	84.90%	75.58%
Covered-employee payroll	1201498	1,092,682	1,040,868	959,900
Employer's net pension liability as a percentage of covered-employee payroll	0.12%	46.95%	90.96%	153.67%

Note to schedule:

The City implemented GASB Statement No. 68 in fiscal year 2016. Information for years prior to 2016 is not available.

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

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

Note to schedule:

The City implemented GASB Statement No. 68 in fiscal year 2016. Information for years prior to 2016 is not available.

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

Most Recent Calendar Year

Notes to Schedule:

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

Changes in assumptions:

- 2014 Changes are primarily from adopting an IMRF specific mortality table with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.
- 2015 Changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.
- 2016 Changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.
- 2017 Changes are primarily from adopting an IMRF specific mortality table with fully generational projection scale MP-2017 (base year 2017) developed from the RP-2014 mortality tables.
- 2018 Assumed investment rate of return was lowered from 7.50% to 7.25%.
- 2019 No changes
- 2020 Changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.
- 2021 No changes

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%
2021	167,849 *	167,848	1	1,201,498	13.97%

* Estimated based on contribution rate of 13.97% and covered valuation payroll of \$1,201,498

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	22-year closed 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, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
Cash receipts				
Property tax	\$ 119,000	\$ 119,000	\$ 118,964	\$ (36)
Income tax	200,000	200,000	280,392	80,392
Replacement tax	15,000	15,000	50,127	35,127
Sales tax	200,000	200,000	247,882	47,882
Excise tax	15,000	15,000	11,578	(3,422)
Use tax	55,000	55,000	74,659	19,659
Video gaming tax	39,000	39,000	80,271	41,271
Cannabis tax	1,750	1,750	3,047	1,297
Donations	1,000	1,000	464	(536)
Fines, fees, permits and licenses	37,550	37,550	66,320	28,770
Grants	75,000	75,000	11,431	(63,569)
Interest	3,000	3,000	2,233	(767)
Miscellaneous	78,740	78,740	81,467	2,727
	<u>840,040</u>	<u>840,040</u>	<u>1,028,835</u>	<u>188,795</u>
Total cash receipts				
Cash disbursements				
General government	381,601	381,601	374,213	(7,388)
Public safety	469,075	469,075	422,664	(46,411)
Streets and alleys	294,738	294,738	208,493	(86,245)
Recreation	101,825	101,825	142,251	40,426
Capital outlay	1,500	1,500	17,888	16,388
	<u>1,248,739</u>	<u>1,248,739</u>	<u>1,165,509</u>	<u>(83,230)</u>
Total cash disbursements				
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(408,699)</u>	<u>(408,699)</u>	<u>(136,674)</u>	<u>272,025</u>
Other financing sources (uses):				
Inter-office charges	400,000	400,000	265,000	(135,000)
Proceeds from sale of asset	-	-	13,252	13,252
Transfer in	25,000	25,000	149,166	124,166
Transfer out	(5,000)	(5,000)	(13,259)	(8,259)
	<u>420,000</u>	<u>420,000</u>	<u>414,159</u>	<u>(5,841)</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ 11,301</u>	<u>\$ 11,301</u>	277,485	<u>\$ 266,184</u>
Fund balance (budgetary basis) – beginning of year			<u>1,196,886</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 1,474,371</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, 2022

Total cash receipts sources for general fund activities \$ 1,028,835

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 19,307

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance \$ 1,048,142

Total cash disbursements for general fund activities \$ 1,165,509

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 13,500
Accrued expenses 1,819
Prepaid expenses (64)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance \$ 1,180,764

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

For the Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
Cash receipts				
Property tax	\$ 350,000	\$ 350,000	\$ 374,292	\$ 24,292
Grants	108,000	108,000	-	(108,000)
Interest	300	300	286	(14)
Miscellaneous	-	-	4,736	4,736
	<u>458,300</u>	<u>458,300</u>	<u>379,314</u>	<u>(78,986)</u>
Total cash receipts				
Cash disbursements				
Capital outlay	697,600	697,600	645,204	(52,396)
Debt service - principal	55,000	55,000	55,000	-
Debt service - interest	68,060	68,060	68,060	-
	<u>820,660</u>	<u>820,660</u>	<u>768,264</u>	<u>(52,396)</u>
Total cash disbursements				
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(362,360)</u>	<u>(362,360)</u>	<u>(388,950)</u>	<u>(26,590)</u>
Other financing sources (uses):				
Transfers in	-	-	7	7
Transfers out	(5,000)	(5,000)	(5,000)	-
	<u>(5,000)</u>	<u>(5,000)</u>	<u>(4,993)</u>	<u>7</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ (367,360)</u>	<u>\$ (367,360)</u>	(393,943)	<u>\$ (26,583)</u>
Fund balance (budgetary basis) – beginning of year			<u>465,227</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 71,284</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, 2022

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

Total cash disbursements for TIF II activities	\$ 768,264
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>350</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 768,614</u></u>

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

For the Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)*	Variance with Final Budget Over / (Under)
	Original	Final		
Cash receipts				
Interest	\$ -	\$ -	\$ 157	\$ 157
Miscellaneous	-	-	2,649	2,649
Total cash receipts	-	-	2,806	2,806
Cash disbursements				
Public works	2,900	2,900	77,513	74,613
Capital outlay	164,770	164,770	258,946	94,176
Total cash disbursements	167,670	167,670	336,459	168,789
Excess (deficiency) of cash receipts over (under) cash disbursements	(167,670)	(167,670)	(333,653)	(165,983)
Other financing sources (uses):				
Transfers in	-	-	13,252	13,252
Transfers out	-	-	(51,340)	(51,340)
Total other financing sources (uses)	-	-	(38,088)	(38,088)
Net change in fund balance	<u>\$ (167,670)</u>	<u>\$ (167,670)</u>	(371,741)	<u>\$ (204,071)</u>
Fund balance (budgetary basis) – beginning of year			532,521	
Fund balance (budgetary basis) – end of year			<u>\$ 160,780</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, 2022

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

Total cash disbursements for Capital Projects activities	\$ 336,459
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>\$ 334,625</u></u>

CITY OF FARMER CITY, ILLINOIS
Budgetary Comparison Schedule – Insurance Fund – Unaudited

For the Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over / (Under)
	Original	Final		
Cash receipts				
Property taxes	\$ 54,000	\$ 54,000	\$ 52,685	\$ (1,315)
Interest	265	265	179	(86)
Total cash receipts	<u>54,265</u>	<u>54,265</u>	<u>52,864</u>	<u>(1,401)</u>
Cash disbursements				
General government	<u>65,000</u>	<u>65,000</u>	<u>83,707</u>	<u>18,707</u>
Total cash disbursements	<u>65,000</u>	<u>65,000</u>	<u>83,707</u>	<u>18,707</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(10,735)</u>	<u>(10,735)</u>	<u>(30,843)</u>	<u>(20,108)</u>
Net change in fund balance	<u>\$ (10,735)</u>	<u>\$ (10,735)</u>	(30,843)	<u>\$ (20,108)</u>
Fund balance (budgetary basis) – beginning of year			<u>450,503</u>	
Fund balance (budgetary basis) – end of year			<u>\$ 419,660</u>	

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

For the Year Ended April 30, 2022

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

Total cash disbursements for Insurance activities	\$ 83,707
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	1,691
Prepaid expenses	<u>(2,229)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 83,169</u></u>

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

For the Year Ended April 30, 2022

	General Fund	Tax Increment Financing Fund II	Capital Projects Fund	Insurance Fund	Non-Major Governmental Funds	Total
Fund balance - Budgetary basis	\$ 1,474,371	\$ 71,284	160,780	419,660	824,424	\$ 2,950,519
Add back:						
Intergovernmental receivables	152,121	-	-	-	23,813	175,934
Other receivables	50	-	-	-	-	50
Prepaid expenses	849	-	-	33,795	-	34,644
Less:						
Accounts payable	(16,411)	(350)	-	-	(43,822)	(60,583)
Accrued expenses	(5,269)	-	-	(1,673)	(8,298)	(15,240)
Fund balance - GAAP basis	<u>\$ 1,605,711</u>	<u>\$ 70,934</u>	<u>\$ 160,780</u>	<u>\$ 451,782</u>	<u>\$ 796,117</u>	<u>\$ 3,085,324</u>

CITY OF FARMER CITY, ILLINOIS
Notes to Required Supplementary Information

April 30, 2022

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:

<u>Fund</u>	<u>Amount</u>
Capital Projects	\$ 168,789
Insurance	\$ 18,707

SUPPLEMENTAL INFORMATION

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

April 30, 2022

	Library Fund	ESDA Fund	Social Security Fund	School Crossing Guard Fund	Illinois Municipal Retirement Fund	Audit Fund
Assets						
Cash and equivalents	\$ 48,625	\$ 5,748	\$ 113,452	\$ 6,210	\$ 119,618	\$ 59,172
Property tax receivable	33,884	572	57,025	4,518	148,261	34,216
Intergovernmental tax receivable	-	-	-	-	-	-
Total assets	\$ 82,509	\$ 6,320	\$ 170,477	\$ 10,728	\$ 267,879	\$ 93,388
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	196	-	2,948	91	5,063	-
Total current liabilities	196	-	2,948	91	5,063	-
Deferred inflows of resources						
Deferred inflows related to property tax receivable	33,884	572	57,025	4,518	148,261	34,216
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted for:						
Tax Increment						
Financing District III	-	-	-	-	-	-
Motor Fuel Tax	-	-	-	-	-	-
Hotel-Motel Tax	-	-	-	-	-	-
Business District Tax	-	-	-	-	-	-
ESDA	-	5,748	-	-	-	-
Audit	-	-	-	-	-	59,172
Social Security	-	-	110,504	-	-	-
School Crossing Guard	-	-	-	6,119	-	-
IMRF	-	-	-	-	114,555	-
Library	48,429	-	-	-	-	-
Committed:						
Public safety	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	48,429	5,748	110,504	6,119	114,555	59,172
Total liabilities, deferred inflows of resources, and fund balance	\$ 82,509	\$ 6,320	\$ 170,477	\$ 10,728	\$ 267,879	\$ 93,388

- Continued -

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

April 30, 2022

	Hotel- Motel Tax Fund	Business District Tax Fund	Motor Fuel Tax	Tax Increment Financing Fund III	DUI Fund	Total Non-Major Governmental Funds
Assets						
Cash and equivalents	\$ 4,591	\$ 181,748	\$ 189,736	81,272	\$ 14,252	\$ 824,424
Property tax receivable	-	-	-	61,863	-	340,339
Intergovernmental tax receivable	-	16,978	6,835	-	-	23,813
Total assets	\$ 4,591	\$ 198,726	\$ 196,571	\$ 143,135	\$ 14,252	\$ 1,188,576
Liabilities						
Accounts payable	\$ 42,422	\$ 1,400	\$ -	\$ -	\$ -	\$ 43,822
Accrued expenses	-	-	-	-	-	8,298
Total current liabilities	42,422	1,400	-	-	-	52,120
Deferred inflows of resources						
Deferred inflows related to property tax receivable	-	-	-	61,863	-	340,339
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted for:						
Tax Increment Financing						
District III	-	-	-	81,272	-	81,272
Motor Fuel Tax	-	-	196,571	-	-	196,571
Business District Tax	-	197,326	-	-	-	197,326
ESDA	-	-	-	-	-	5,748
Audit	-	-	-	-	-	59,172
Social Security	-	-	-	-	-	110,504
School Crossing Guard	-	-	-	-	-	6,119
IMRF	-	-	-	-	-	114,555
Library	-	-	-	-	-	48,429
Committed:						
Public safety	-	-	-	-	14,252	14,252
Unassigned	(37,831)	-	-	-	-	(37,831)
Total fund balance	(37,831)	197,326	196,571	81,272	14,252	796,117
Total liabilities, deferred inflows of resources, and fund balance	\$ 4,591	\$ 198,726	\$ 196,571	\$ 143,135	\$ 14,252	\$ 1,188,576

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, 2022

	Library Fund	ESDA Fund	Social Security Fund	School Crossing Guard Fund	Illinois Municipal Retirement Fund	Audit Fund
Revenues:						
Property Taxes	\$ 34,222	\$ 575	\$ 52,682	\$ 4,563	\$ 137,433	\$ 27,489
Motor fuel tax	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Fines, fees, permits and licenses	954	-	-	-	-	-
Grants	-	-	-	-	-	-
Operating	13,361	-	-	-	-	-
Capital	-	-	-	-	-	-
Other income	874	-	-	-	-	-
Interest	12	4	78	5	84	32
Total revenue	<u>49,423</u>	<u>579</u>	<u>52,760</u>	<u>4,568</u>	<u>137,517</u>	<u>27,521</u>
Current expenditures:						
General government	-	-	56,995	-	90,191	25,800
Public safety	-	-	-	7,476	-	-
Public works	-	-	-	-	-	-
Streets and alleys	-	-	-	-	-	-
Recreation	46,587	-	-	-	-	-
Total expenditures	<u>46,587</u>	<u>-</u>	<u>56,995</u>	<u>7,476</u>	<u>90,191</u>	<u>25,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,836</u>	<u>579</u>	<u>(4,235)</u>	<u>(2,908)</u>	<u>47,326</u>	<u>1,721</u>
Other financing sources (uses):						
Inter-office charges	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,836	579	(4,235)	(2,908)	47,326	1,721
Fund balance, beginning 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>
Fund balance, end of year	<u>\$ 48,429</u>	<u>\$ 5,748</u>	<u>\$ 110,504</u>	<u>\$ 6,119</u>	<u>\$ 114,555</u>	<u>\$ 59,172</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, 2022

	Hotel- Motel Tax Fund	Business District Tax	Motor Fuel Tax	Tax Increment Financing Fund III	DUI Fund	Total Non-Major Governmental Funds
Revenues:						
Property Taxes	\$ -	\$ -	\$ -	\$ 63,806	\$ -	\$ 320,770
Motor fuel tax	-	-	81,204	-	-	81,204
Other taxes	15,842	111,083	-	-	-	126,925
Fines, fees, permits and licenses	-	-	-	-	50	1,004
Grants						
Operating	-	-	-	-	-	13,361
Capital	-	-	44,749	-	-	44,749
Other income	-	-	-	-	-	874
Interest	2	212	225	31	4	689
	<u>15,844</u>	<u>111,295</u>	<u>126,178</u>	<u>63,837</u>	<u>54</u>	<u>589,576</u>
Total revenue						
	<u>15,844</u>	<u>111,295</u>	<u>126,178</u>	<u>63,837</u>	<u>54</u>	<u>589,576</u>
Current expenditures:						
General government	-	-	-	-	-	172,986
Public safety	-	-	-	-	-	7,476
Public works	17,415	9,762	-	123	-	27,300
Streets and alleys	-	-	119,438	-	-	119,438
Culture and recreation	-	-	-	-	-	46,587
	<u>17,415</u>	<u>9,762</u>	<u>119,438</u>	<u>123</u>	<u>-</u>	<u>373,787</u>
Total expenditures						
	<u>17,415</u>	<u>9,762</u>	<u>119,438</u>	<u>123</u>	<u>-</u>	<u>373,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,571)</u>	<u>101,533</u>	<u>6,740</u>	<u>63,714</u>	<u>54</u>	<u>215,789</u>
Other financing sources (uses):						
Inter-office charges	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(51,273)	(20,000)	-	(2,000)	-	(73,273)
	<u>(51,273)</u>	<u>(20,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>(73,273)</u>
Total financing sources (uses)						
	<u>(51,273)</u>	<u>(20,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>(73,273)</u>
Net change in fund balance	(52,844)	81,533	6,740	61,714	54	142,516
Fund balance, beginning of year	<u>15,013</u>	<u>115,793</u>	<u>189,831</u>	<u>19,558</u>	<u>14,198</u>	<u>653,601</u>
Fund balance, end of year	<u>\$ (37,831)</u>	<u>\$ 197,326</u>	<u>\$ 196,571</u>	<u>\$ 81,272</u>	<u>\$ 14,252</u>	<u>\$ 796,117</u>

OTHER INFORMATION

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

April 30, 2022

	Tax Years			
	2021	2020	2019	2018
Rate Setting Assessed Valuation	\$ 22,589,338	\$ 22,740,483	\$ 23,088,713	\$ 22,767,021
Increment Valuation (for TIF)	\$ 4,546,139	\$ 4,499,301	\$ 4,242,919	\$ 3,672,749
Tax Rates:				
General				
Corporate	0.25000	0.25000	0.25000	0.23549
Police Protection	0.07500	0.07500	0.07500	0.07065
Parks	0.07500	0.07500	0.07500	0.07065
Street Lighting	0.05000	0.05000	0.05000	0.04710
Total General	<u>0.45000</u>	<u>0.45000</u>	<u>0.45000</u>	<u>0.42389</u>
Sewer	0.10000	0.10000	0.10000	0.09420
Social Security and Illinois				
Municipal Retirement Fund	0.90877	0.83332	0.81995	0.72926
Library	0.15000	0.15000	0.15000	0.14130
Civil Defense	0.00253	0.00252	0.00254	0.00236
Liability Insurance	0.21205	0.23093	0.23335	0.31085
School Crossing Guard	0.02000	0.02000	0.02000	0.01885
Audit	0.15147	0.12049	0.10044	0.09326
Total	<u>1.99482</u>	<u>1.90726</u>	<u>1.87628</u>	<u>1.81397</u>
Tax Extensions:				
General				
Corporate	\$ 56,473	\$ 56,851	\$ 57,722	\$ 53,614
Police Protection	16,942	17,055	17,317	16,085
Parks	16,942	17,055	17,317	16,085
Street Lighting	11,295	11,370	11,544	10,723
Total General	<u>101,652</u>	<u>102,331</u>	<u>103,900</u>	<u>96,507</u>
Sewer	22,589	22,740	23,089	21,447
Social Security and Illinois				
Municipal Retirement Fund	205,285	189,501	189,316	166,031
Library	33,884	34,111	34,633	32,170
Civil Defense	572	573	586	537
Liability Insurance	47,901	52,515	53,878	70,771
School Crossing Guard	4,518	4,548	4,618	4,292
Audit	34,216	27,400	23,190	21,233
Total	<u>\$ 450,617</u>	<u>\$ 433,719</u>	<u>\$ 433,210</u>	<u>\$ 412,988</u>

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

April 30, 2022

	Tax Years			
	2020	2019	2018	2017
Tax Collections (including Roads & Bridges and Mobile Home Privilege Tax):				
General:				
Corporate	57,037	57,628	53,541	\$ 56,106
Police Protection	17,110	17,288	16,062	16,832
Parks	17,110	17,288	16,062	16,832
Roads & Bridges	16,300	15,771	15,113	18,481
Street Lighting	11,407	11,526	10,708	11,221
Total General	118,964	119,501	111,486	119,472
Sewer	22,814	23,051	21,417	22,442
Social Security and Illinois Municipal Retirement Fund	190,115	189,016	165,800	164,949
Library	34,222	34,577	32,125	33,664
Civil Defense	575	585	537	635
Liability Insurance	52,685	53,790	70,673	103,534
School Crossing Guard	4,563	4,610	4,286	4,489
Audit	27,489	23,153	21,203	15,818
Tax Increment Financing Fund II	374,293	375,023	353,169	347,671
Tax Increment Financing Fund III	63,806	37,338	19,530	-
Total Tax Collected	889,526	860,644	800,226	812,674
Less: Non-levied taxes included above:				
Tax Increment Financing Fund II	374,293	375,023	353,169	347,671
Tax Increment Financing Fund III	63,806	37,338	19,530	-
Roads & Bridges	16,300	15,771	15,113	18,481
Total non-levied taxes	454,399	428,132	387,812	366,152
Net Levied Tax Collected	\$ 435,127	\$ 432,512	\$ 412,414	\$ 446,522
Percentage of Extension Collected	100.32%	99.84%	99.86%	100.16%