

CITY OF FARMER CITY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the fiscal year ended April 30, 2023



CITY OF FARMER CITY, ILLINOIS

CONTENTS
APRIL 30, 2023

INDEPENDENT AUDITORS' REPORT **1 - 3**

BASIC FINANCIAL STATEMENTS

Statement of Net Position	4 and 5
Statement of Activities	6
Balance Sheet - Governmental Funds	7
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	10
Statement of Net Position - Proprietary Funds	11 and 12
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	14
Notes to Financial Statements	15 - 41

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund – Schedule of Changes in the City’s Net Position Liability and Related Ratios	42 and 43
Notes to Schedule of Changes in the City’s Net Pension Liability and Related Ratios	44
Illinois Municipal Retirement Fund – Schedule of Employer Contributions	45

CITY OF FARMER CITY, ILLINOIS

CONTENTS (Continued)

April 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION, Continued

Illinois Municipal Retirement Fund – Summary of Actuarial Methods and Assumptions	46
Budgetary Comparison Schedule - General Fund	47
Reconciliation of Budgetary Basis Cash Receipts and Cash Disbursements to GAAP Revenues and Expenses – General Fund	48
Budgetary Comparison Schedule - TIF II Fund	49
Reconciliation of Budgetary Basis Cash Receipts and Cash Disbursements to GAAP Revenues and Expenses – TIF II Fund	50
Reconciliation of Budgetary Basis Fund Balance to GAAP Basis Fund Balance – TIF II Fund	51
Notes to Required Supplementary Information	52

SUPPLEMENTARY INFORMATION

Combining Balance Sheet - Non-Major Governmental Funds	53 and 54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	55 and 56

OTHER INFORMATION

Schedules of Assessed Valuation, Property Tax Rates, and Tax Extensions	57
Schedules of Property Tax Collections	58



202 N. Prospect Rd., Ste. 206
Bloomington, Illinois 61704
PH: (309) 828-6071
FAX: (309) 827-2465
www.mckcpa.com

INDEPENDENT AUDITORS' 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, as of and for the year ended April 30, 2023, 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 of Farmer City, Illinois, as of April 30, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 of Farmer City, Illinois' 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.

Auditors' 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. 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 of Farmer City, Illinois' 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 of Farmer City, Illinois' 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 Illinois Municipal Retirement Fund pension information and budgetary comparison schedules 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.

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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Farmer City, Illinois’ 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 the annual report. The other information comprises the statistical section 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.

MCK CPAs & Advisors

Bloomington, Illinois
February 6, 2024

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets			
Cash and cash equivalents	\$ 3,247,200	186,258	3,433,458
Investments	749,709	831,534	1,581,243
Receivables, net:			
Property taxes	952,247	23,563	975,810
Intergovernmental	169,079		169,079
Accounts	50	237,956	238,006
Lease	4,729		4,729
Internal balances	(769,593)	769,593	-
Prepaid expenses	32,637	48,726	81,363
			<hr/>
Total current assets	4,386,058	2,097,630	6,483,688
Noncurrent assets			
Lease receivable, less current portion	18,941		18,941
Capital assets, net of accumulated depreciation	5,163,495	4,712,434	9,875,929
			<hr/>
Total Assets	9,568,494	6,810,064	16,378,558
<u>Deferred Outflows of Resources</u>			
Deferred outflows related to pension obligations			
	320,413	259,536	579,949
			<hr/>
Total Assets and Deferred Outflows of Resources	9,888,907	7,069,600	16,958,507

(continued)

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities			
Accounts payable	48,736	163,214	211,950
Meter deposits		30,207	30,207
Accrued expenses	18,397	11,808	30,205
Compensated absences	27,332	26,606	53,938
Accrued interest	27,496	34,246	61,742
Bonds payable, due within one year	60,000	135,000	195,000
Total current liabilities	181,961	401,081	583,042
Noncurrent liabilities			
Unamortized bond premiums	118,908	106,714	225,622
Bonds payable, due in more than one year	1,700,000	2,225,000	3,925,000
IMRF pension liability	636,394	515,483	1,151,877
Total noncurrent liabilities	2,455,302	2,847,197	5,302,499
Total Liabilities	2,637,263	3,248,278	5,885,541
<u>Deferred Inflows of Resources</u>			
Deferred property tax	952,247	23,563	975,810
Deferred lease	23,670		23,670
Deferred inflows related to pension obligations	25,540	20,689	46,229
Total deferred inflows of resources	1,001,457	44,252	1,045,709
<u>Net Position</u>			
Net investment in capital assets	3,403,495	2,368,022	5,771,517
Restricted for:			
Tax increment financing district II	244,637		244,637
Tax increment financing district III	59,203		59,203
Insurance	416,894		416,894
Motor fuel tax	266,792		266,792
Business district tax	212,754		212,754
Audit	91,782		91,782
Social security	109,148		109,148
School crossing guard	2,093		2,093
Illinois municipal retirement fund	174,499		174,499
Library	50,894		50,894
Unrestricted	1,217,996	1,409,048	2,627,044
Total Net Position	6,250,187	3,777,070	10,027,257
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 9,888,907	7,069,600	16,958,507

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF ACTIVITIES
Year ended April 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense)/Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 756,986	32,034	7,250		(717,702)		(717,702)
Public safety	615,857	45,483			(570,374)		(570,374)
Public works	429,745				(429,745)		(429,745)
Streets and alleys	391,764			22,375	(369,389)		(369,389)
Culture and recreation	302,476	36,207			(266,269)		(266,269)
Interest on long-term debt	66,620				(66,620)		(66,620)
Total governmental activities	2,563,448	113,724	7,250	22,375	(2,420,099)	-	(2,420,099)
Business-type activities:							
Electric	2,263,897	2,460,726				196,829	196,829
Water	570,457	432,699				(137,758)	(137,758)
Sewer	419,903	421,406		131,730		133,233	133,233
Garbage	145,808	145,879				71	71
Total business-type activities	3,400,065	3,460,710	-	131,730	-	192,375	192,375
TOTAL	\$ 5,963,513	3,574,434	7,250	154,105	(2,420,099)	192,375	(2,227,724)
General Revenues:							
Taxes							
Property taxes					887,337	22,618	909,955
Income tax					284,888		284,888
Motor fuel tax					77,446		77,446
Replacement tax					64,906		64,906
Sales tax					263,305	159,031	422,336
Excise tax					9,867		9,867
Use tax					74,958		74,958
Video gaming tax					87,929		87,929
Cannabis tax					2,817		2,817
Business district tax					120,003		120,003
Hotel-motel taxes					16,311		16,311
Miscellaneous income					46,349		46,349
Insurance proceeds					637,061	11,752	648,813
Proceeds from sale of assets					1,490		1,490
Unrestricted investment earnings					87,144	8,753	95,897
Inter-office charges					260,000	(260,000)	-
Total general revenues					2,921,811	(57,846)	2,863,965
Change in net position					501,712	134,529	636,241
Net position - beginning, as restated					5,748,475	3,642,541	9,391,016
Net position - ending					\$ 6,250,187	3,777,070	10,027,257

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2023**

	General Fund	Tax Increment Financing Fund II	Non-Major Governmental Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 1,454,407	248,122	1,544,671	3,247,200
Investments	749,709			749,709
Receivables, net:				
Property taxes	106,032	412,295	433,920	952,247
Intergovernmental	145,880		23,199	169,079
Lease	23,670			23,670
Other	50			50
Prepaid expenses	1,622		31,015	32,637
Total Assets	2,481,370	660,417	2,032,805	5,174,592
<u>Liabilities</u>				
Accounts payable	40,554	3,485	4,697	48,736
Accrued expenses	8,728		4,301	13,029
Due to other funds	687,185		82,408	769,593
Total Liabilities	736,467	3,485	91,406	831,358
<u>Deferred Inflows of Resources</u>				
Deferred lease	23,670			23,670
Deferred property tax	106,032	412,295	433,920	952,247
Total Deferred Inflows of Resources	129,702	412,295	433,920	975,917
<u>Fund Balances</u>				
Nonspendable	1,622		31,015	32,637
Restricted for:				
Tax increment financing districts		244,637	59,203	303,840
Insurance			416,894	416,894
Motor fuel tax			266,792	266,792
Business district tax			212,754	212,754
Audit			91,782	91,782
Social security			109,148	109,148
School crossing guard			2,093	2,093
Illinois municipal retirement fund			174,499	174,499
Library			50,894	50,894
Committed:				
Public safety			15,082	15,082
Assigned			136,060	136,060
Unassigned	1,613,579		(58,737)	1,554,842
Total Fund Balances	1,615,201	244,637	1,507,479	3,367,317
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,481,370	660,417	2,032,805	5,174,592

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION**

April 30, 2023

Total fund balances - governmental funds	\$ 3,367,317
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets of \$9,742,362 net of accumulated depreciation of \$4,578,867 are not current financial resources and, therefore, are not reported in the governmental fund.	5,163,495
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.	(341,521)
Long-term liabilities are not payable with current financial resources and are not reported in the governmental funds.	
Bonds payable	(1,760,000)
Bond premium	(118,908)
Accrued expenses	(5,368)
Compensated absences	(27,332)
Accrued interest	(27,496)
	<hr/>
Net position of governmental activities	<u>\$ 6,250,187</u>

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended April 30, 2023

	General Fund	Tax Increment Financing Fund II	Non-Major Governmental Funds	Total
Revenues:				
Property taxes	\$ 117,777	381,212	388,348	887,337
Income tax	284,888			284,888
Motor fuel tax			77,446	77,446
Replacement tax	64,906			64,906
Sales tax	263,305			263,305
Excise tax	9,867			9,867
Use tax	74,958			74,958
Video gaming tax	87,929			87,929
Cannabis tax	2,817			2,817
Other taxes			136,314	136,314
Donations			7,250	7,250
Fines, fees, permits & licenses	65,090		1,685	66,775
Grants				
Capital			22,375	22,375
Interest income	67,253	933	18,958	87,144
Pool income	35,322			35,322
Rental income	11,627			11,627
Miscellaneous	19,767	12,728	13,854	46,349
Total revenues	1,105,506	394,873	666,230	2,166,609
Expenditures:				
Current:				
General government	397,061		202,631	599,692
Public safety	586,579		9,072	595,651
Public works		89,100	140,756	229,856
Streets and alleys	316,626		36,721	353,347
Culture and recreation	170,457		56,353	226,810
Debt service:				
Principal		60,000		60,000
Interest		67,070		67,070
Capital outlay	550,844		99,897	650,741
Total expenditures	2,021,567	216,170	545,430	2,783,167
Excess (deficiency) of revenues over (under) expenditures	(916,061)	178,703	120,800	(616,558)
Other financing sources (uses):				
Inter-office charges	260,000			260,000
Proceeds from sale of assets	1,490			1,490
Insurance proceeds	637,061			637,061
Transfers in	27,000			27,000
Transfers out		(5,000)	(22,000)	(27,000)
Total other financing sources (uses)	925,551	(5,000)	(22,000)	898,551
Net change in fund balances	9,490	173,703	98,800	281,993
Fund balances - beginning	1,605,711	70,934	1,408,679	3,085,324
Fund balances - ending	\$ 1,615,201	244,637	1,507,479	3,367,317

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

Year ended April 30, 2023

Net change in fund balances - governmental funds	\$ 281,993
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 (\$424,792) for the year is less than capital outlays (\$650,741) reported in the governmental funds.	225,949
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.	60,000
Net change in pension obligations is not recognized in the fund financial statements since it does not use current financial resources.	(52,099)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the fund financial statements:	
Accrued expenses	(5,368)
Compensated absences	(5,931)
Accrued interest	450
Amortization of bond premium	<u>(3,282)</u>
Change in net position of governmental activities	<u>\$ 501,712</u>

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2023

	Business-Type Activities Proprietary Funds				Total
	(Major)	(Major)	(Major)	(Nonmajor)	
	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 70,053	27,426	88,779		186,258
Investments	681,552	109,982	40,000		831,534
Due from other funds	69,293	699,252	9,628		778,173
Property taxes receivable			23,563		23,563
Accounts receivable, net	157,665	26,558	40,573	13,160	237,956
Prepaid expenses	35,228	7,941	5,557		48,726
Total current assets	1,013,791	871,159	208,100	13,160	2,106,210
Capital assets:					
Land	2,000	38,000			40,000
Buildings	130,708	422,619	3,245,000		3,798,327
Systems and infrastructure	9,214,526	2,058,371	2,984,345		14,257,242
Equipment	259,670	795,306	209,021		1,263,997
Accumulated depreciation	(6,883,383)	(2,579,884)	(5,183,865)		(14,647,132)
Total capital assets	2,723,521	734,412	1,254,501	-	4,712,434
Total Assets	3,737,312	1,605,571	1,462,601	13,160	6,818,644
<u>Deferred Outflows of Resources</u>					
Deferred outflows related to pension obligations	181,428	62,495	15,613		259,536
Total Assets and Deferred Outflows of Resources	3,918,740	1,668,066	1,478,214	13,160	7,078,180

(continued)

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF NET POSITION (Continued)

PROPRIETARY FUNDS

April 30, 2023

	Business-Type Activities				Total
	Proprietary Funds				
	(Major) Electric Light Plant and System Fund	(Major) Water Fund	(Major) Sewer Fund	(Nonmajor) Garbage Fund	
<u>Liabilities</u>					
Current liabilities:					
Meter deposits		30,207			30,207
Accounts payable		96,720	54,282	12,212	163,214
Due to other funds				8,580	8,580
Bonds payable, current	85,000	25,000	25,000		135,000
Accrued expenses	7,846	3,165	797		11,808
Compensated absences	17,981	7,145	1,480		26,606
Accrued interest	11,252	11,497	11,497		34,246
Total current liabilities	122,079	173,734	93,056	20,792	409,661
Noncurrent liabilities					
Unamortized bond premiums	18,160	44,277	44,277		106,714
IMRF pension liability	360,346	124,127	31,010		515,483
Bonds payable less current maturities	775,000	725,000	725,000		2,225,000
Total noncurrent liabilities	1,153,506	893,404	800,287	-	2,847,197
Total Liabilities	1,275,585	1,067,138	893,343	20,792	3,256,858
<u>Deferred Inflows of Resources</u>					
Deferred inflows related to:					
Property tax			23,563		23,563
Pension obligations	14,462	4,982	1,245		20,689
Total deferred inflows of resources	14,462	4,982	24,808	-	44,252
<u>Net Position</u>					
Invested in capital assets, net of related debt	1,863,521		504,501		2,368,022
Unrestricted	765,172	595,946	55,562	(7,632)	1,409,048
Total Net Position	2,628,693	595,946	560,063	(7,632)	3,777,070
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,918,740	1,668,066	1,478,214	13,160	7,078,180

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year ended April 30, 2023**

	Business-Type Activities				Total
	Proprietary Funds				
	(Major) Electric Light Plant and System Fund	(Major) Water Fund	(Major) Sewer Fund	(Nonmajor) Garbage Fund	
Operating revenues:					
Charges for services	\$ 2,419,671	421,689	413,118	145,879	3,400,357
Other	41,055	11,010	8,288		60,353
Total operating revenues	2,460,726	432,699	421,406	145,879	3,460,710
Operating expenses:					
Personnel services	485,797	201,416	60,786		747,999
Operations and contractual services	1,482,739	180,141	106,705	145,808	1,915,393
Materials and supplies	59,801	93,088	113,496		266,385
Depreciation	209,535	70,050	113,154		392,739
Total operating expenses	2,237,872	544,695	394,141	145,808	3,322,516
Operating income (loss)	222,854	(111,996)	27,265	71	138,194
Non-operating revenues (expenses):					
Sewer chlorination levy			22,618		22,618
State and municipal sales tax	118,767	40,264			159,031
Grants			131,730		131,730
Interest revenue		2,188	389		2,577
Interest expense	(26,025)	(25,762)	(25,762)		(77,549)
Inter-office charges	(150,000)	(60,000)	(50,000)		(260,000)
Insurance proceeds			11,752		11,752
Investments earnings and (losses)	6,176				6,176
Total non-operating revenues (expenses)	(51,082)	(43,310)	90,727	-	(3,665)
Net income (loss) before other financing sources (uses)	171,772	(155,306)	117,992	71	134,529
Other financing sources (uses):					
Transfers in		16,000	55,000		71,000
Transfers out	(71,000)				(71,000)
Total other financing sources (uses)	(71,000)	16,000	55,000	-	-
Change in net position	100,772	(139,306)	172,992	71	134,529
Net position - beginning, as restated	2,527,921	735,252	387,071	(7,703)	3,642,541
Net position - ending	\$ 2,628,693	595,946	560,063	(7,632)	3,777,070

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year ended April 30, 2023

	Business-Type Activities Proprietary Funds				Total
	(Major) Electric Light Plant and System Fund	(Major) Water Fund	(Major) Sewer Fund	(Nonmajor) Garbage Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,513,891	441,463	424,761	144,388	3,524,503
Cash paid to suppliers for goods and services	(1,545,128)	(178,596)	(186,080)	(152,968)	(2,062,772)
Cash paid to employees for services	(472,076)	(198,873)	(58,914)		(729,863)
Net cash flows from operating activities	496,687	63,994	179,767	(8,580)	731,868
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers (to) from other funds	(71,000)	16,000	55,000		-
Advances to (from) other funds	(69,293)	(699,252)	(9,628)	8,580	(769,593)
Inter-office charges	(150,000)	(60,000)	(50,000)		(260,000)
Grants			131,730		131,730
State and municipal sales tax	118,767	40,264			159,031
Proceeds from sewer chlorination levy			22,618		22,618
Net cash flows from noncapital financing activities	(171,526)	(702,988)	149,720	8,580	(716,214)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Purchase of capital assets	(158,100)	(100,999)	(333,972)		(593,071)
Insurance proceeds			11,752		11,752
Principal paid on revenue bonds	(85,000)	(25,000)	(25,000)		(135,000)
Interest paid on revenue bonds	(28,120)	(27,871)	(27,871)		(83,862)
Net cash flows from capital financing activities	(271,220)	(153,870)	(375,091)	-	(800,181)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(6,175)				(6,175)
Interest from investments	6,176	2,188	389		8,753
Net cash flows from investing activities	1	2,188	389	-	2,578
Net increase (decrease) in cash and cash equivalents	53,942	(790,676)	(45,215)	-	(781,949)
Cash and cash equivalents, beginning of year	16,111	818,102	133,994	-	968,207
Cash and cash equivalents, end of year	70,053	27,426	88,779	-	186,258
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	222,854	(111,996)	27,265	71	138,194
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	209,535	70,050	113,154		392,739
Expenses related to pension obligations	10,218	2,636	863		13,717
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	53,165	8,815	3,355	(1,491)	63,844
Prepaid expenses	(991)	(883)	(104)		(1,978)
(Decrease) increase in:					
Accounts payable	(2,278)	95,260	34,088	(7,160)	119,910
Accrued expenses	681	256	137		1,074
Compensated absences	3,503	(93)	1,009		4,419
Meter deposits		(51)			(51)
Net cash flows from operating activities	\$ 496,687	63,994	179,767	(8,580)	731,868

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2023

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 these statements.

New Accounting Pronouncement: The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the fiscal year ended April 30, 2023. This statement requires the City to record a lease liability and intangible right to use asset when the City is the lessee, or a lease receivable and deferred inflow of resources when the City is the lessor, for all contracts with a term over twelve months that meet the definition of a lease.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on all non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these 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 services.

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 and capital grants and contributions. Taxes and other revenue sources not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund financial statements are used to report additional and more detailed information about the City. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

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 the 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 recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recorded only when payment is due.

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

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

Governmental Fund Types: Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities are accounted for through Governmental Funds. 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.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The City reports the following major governmental funds:

General Fund: The General Fund is the principal operating fund of the City. It is used to account for all activities not included in other specified funds.

Tax Increment Financing Fund II: This is 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.

Proprietary Fund Types: Proprietary Funds are those that 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 proprietary 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Electric Light Plant and Systems, Water, Sewer, and non-major 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.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Deposits and Investments: 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.

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 Fund Investment Pool

Amounts Due To and From Other Funds: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are advances due to/from other funds. Other outstanding balances between funds are reported as due to/from other funds. Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Interfund balances between governmental funds and interfund balances between proprietary funds have been eliminated and are not included in the government-wide statement of net position.

Receivables: Taxes receivable consist of property taxes, as well as other taxes received in the first 60 days following the fiscal year end, which are accrued as revenue in the statements. Property taxes are levied annually in December and become a lien as of January 1st. Property taxes are recorded on the balance sheet as taxes receivable and deferred inflows of resources at the beginning of the year in the fund statements. Taxes are due in two equal installments in June and September. All uncollected property taxes at yearend are reported as taxes receivable. No allowance for doubtful taxes receivable is recorded because delinquent taxes are considered fully collectible.

Accounts receivable consist of amounts due from individuals or organizations for goods and services. Receivable amounts exclude any amounts estimated to be uncollectible at year end.

Prepaid Expenses: Payments to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses and are accounted for using the consumption method.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Capital Assets: Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital assets consisting of property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities column 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 is unavailable. Donated capital assets are stated at their fair value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is expensed as incurred. No interest expense was incurred by the City for construction projects during the current fiscal year.

Depreciation of all exhaustible capital assets and intangible assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation and amortization are reported on the proprietary fund statement of net position. 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: It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Accumulated sick leave is not earned until taken by the employee, and therefore the expense is recorded in governmental funds at the time it is used. All vacation pay is accrued when incurred in the government-wide and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund and special revenue funds typically liquidate the governmental activities liability for compensated absences. At April 30, 2023, the City was obligated for \$ 53,938 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, 2023, the City has \$ -0- in restricted asset balances.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Long-Term Debt: In the government-wide financial statements and proprietary 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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Equity Classification in Government -Wide Statements: Equity is classified as net position and displayed in three components:

Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. None of the restricted net position result from enabling legislation adopted by the City.

Unrestricted net position: All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2023

Note 1 - Summary of Significant Accounting Policies, continued

Equity Classification in Governmental Fund Statements: The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

Nonspendable fund balance – Amounts that are not in a spendable form (such as inventory, prepaid expenses, long-term receivables) or are required to be maintained intact.

Restricted fund balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned fund balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

Net Position 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, 2023

Note 1 - Summary of Significant Accounting Policies, 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 City'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: Management of the City has made certain estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the period. Actual results could differ from those estimates.

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.

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 statements 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.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 2 - Deposits and Investments, continued

Deposits, continued

The carrying amount of the City's deposits with financial institutions was \$ 3,505,676 and the bank balance was \$ 3,487,150, at April 30, 2023. The institutions' balances are categorized as follows:

Demand Deposits

Amount insured by FDIC	\$ 251,274
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>2,008,174</u>
Total demand deposits	<u>\$ 2,259,448</u>

Time Deposits

Amount insured by FDIC	\$ 56,897
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>1,170,805</u>
Total time deposits	<u>\$ 1,227,702</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, 2023, \$ 3,178,979 of the City's bank balance of \$ 3,487,150 was exposed to custodial credit risk. The City mitigates this risk by entering into collateral agreements for uninsured cash amounts on deposit.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 2 - Deposits and Investments, continued

Investments

The City invests excess unrestricted cash reserves with the Illinois Metropolitan Investment Fund (IMET). IMET is an actively managed investment fund for Illinois units of local government, which offers two investment options, the IMET 1-3 Year Series and the IMET Convenience Series. Both investment options are comprised of collateralized bank deposits, FDIC insured certificates of deposit, and U.S. Government securities. At April 30, 2023, the City's funds invested with IMET were as follows:

<u>Fund</u>	<u>Shares Held</u>	<u>Price per Share</u>	<u>Fair Value</u>
Core Fund	26,850.694	\$ 20.212	\$ 542,706
Convenience Fund	1,038,537.140	1.000	<u>1,038,537</u>
			<u>\$ 1,581,243</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, 2023

Note 3 - Capital Assets

Capital asset activity for the fiscal year ended April 30, 2023 was as follows:

	Balance April 30, 2022	Additions	Deletions	Balance April 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 104,390	17,450		121,840
Construction in progress		35,160		35,160
	<u>104,390</u>	<u>52,610</u>	<u>-</u>	<u>157,000</u>
Total assets not being depreciated				
Capital assets being depreciated:				
Buildings	2,919,357	5,384	(7,980)	2,916,761
Equipment	1,387,285	521,152	(867,541)	1,040,896
Infrastructure	5,046,112	71,595		5,117,707
Land improvements	509,998			509,998
	<u>9,862,752</u>	<u>598,131</u>	<u>(875,521)</u>	<u>9,585,362</u>
Total assets being depreciated				
Less accumulated depreciation for:				
Buildings	(1,259,596)	(46,444)	7,980	(1,298,060)
Equipment	(1,164,100)	(65,548)	867,541	(362,107)
Infrastructure	(2,570,840)	(286,978)		(2,857,818)
Land improvement	(35,060)	(25,822)		(60,882)
	<u>(5,029,596)</u>	<u>(424,792)</u>	<u>875,521</u>	<u>(4,578,867)</u>
Total accumulated depreciation				
Total assets being depreciated, net				
	<u>4,833,156</u>	<u>173,339</u>	<u>-</u>	<u>5,006,495</u>
Governmental activities, net				
	<u>\$ 4,937,546</u>	<u>225,949</u>	<u>-</u>	<u>5,163,495</u>

Depreciation expense for the year ended April 30, 2023 was charged to functions of the City as follows:

General government	\$ 98,963
Public safety	19,343
Public works	196,607
Streets and alleys	34,213
Culture and recreation	75,666
	<u>766,892</u>
Total depreciation expense - governmental activities	<u>\$ 424,792</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2023

Note 3 - Capital Assets, continued

	Balance April 30, 2022	Additions	Deletions	Balance April 30, 2023
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 40,000			40,000
Capital assets being depreciated:				
Buildings	3,796,113	74,281	(72,067)	3,798,327
Systems and infrastructure	13,827,034	430,208		14,257,242
Equipment	1,175,415	88,582		1,263,997
Total assets being depreciated	18,798,562	593,071	(72,067)	19,319,566
Less accumulated depreciation for:				
Buildings	(3,745,450)	(3,384)	58,855	(3,689,979)
Systems and infrastructure	(9,546,537)	(360,236)		(9,906,773)
Equipment	(1,021,261)	(29,119)		(1,050,380)
Total accumulated depreciation	(14,313,248)	(392,739)	58,855	(14,647,132)
Total assets being depreciated, net	4,485,314	200,332	(13,212)	4,672,434
Business-type activities, net	\$ 4,525,314	200,332	(13,212)	4,712,434

Depreciation expense for the year ended April 30, 2023 was charged to functions of the City as follows:

Electric light plant and system	\$ 209,535
Water	70,050
Sewer	113,154
Total depreciation expense - business-type activities	\$ 392,739

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

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 street and other infrastructure improvements. 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, 2023 were as follows:

<u>Year ending April 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	4.00%	65,000	60,600	125,600
2029-2033	4.00%	360,000	262,600	622,600
2034-2038	4.00%	440,000	184,200	624,200
2039-2043	4.00%	530,000	89,200	619,200
2044	4.00%	120,000	4,800	124,800
Total		\$ 1,760,000	857,440	2,617,440

Business-Type Activities:

Alternate Revenue Bonds – Series 2017: During the fiscal year ended April 30, 2018, the City issued \$ 1,130,000 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. These bonds are due in annual installments of \$ 10,000 to \$ 105,000 commencing December 1, 2018 through 2031, with interest rates ranging from 2% to 4%. Interest is payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2018.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 4 - Long-term Debt, continued

Business-Type Activities, continued:

Remaining liabilities under the Series 2017 Alternate Revenue Bond at April 30, 2023 were as follows:

<u>Year ending April 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	2.50%	\$ 85,000	27,005	112,005
2025	2.50%	90,000	24,880	114,880
2026	2.50%	90,000	22,630	112,630
2027	2.80%	95,000	20,380	115,380
2028	2.80%	95,000	17,720	112,720
2029-2032	4.00%	405,000	40,060	445,060
Total		\$ 860,000	152,675	1,012,675

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, 2023 were as follows:

<u>Year ending April 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2.25%	55,000	50,637	105,637
2029-2033	4.00%	305,000	223,600	528,600
2034-2038	4.00%	375,000	157,200	532,200
2039-2043	4.00%	455,000	76,200	531,200
2044	4.00%	100,000	4,000	104,000
Total		\$ 1,500,000	726,050	2,226,050

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 4 - Long-term Debt, continued

Changes in Long-Term Liabilities: Changes in general long-term liability activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022	Additions	Reductions	Balance April 30, 2023	Due Within One Year
<u>Governmental Activities:</u>					
Alternate Revenue:					
Series 2019B	\$ 1,820,000		60,000	1,760,000	60,000
Net Pension Liability	792	635,602		636,394	
Compensated Absences	33,263		5,931	27,332	
	<u>1,854,055</u>	<u>635,602</u>	<u>65,931</u>	<u>2,423,726</u>	<u>60,000</u>
<u>Business-Type Activities:</u>					
Alternate Revenue:					
Series 2017	945,000		85,000	860,000	85,000
Series 2019A	1,550,000		50,000	1,500,000	50,000
Net Pension Liability	630	514,853		515,483	
Compensated Absences	22,187	4,419		26,606	
	<u>2,517,817</u>	<u>519,272</u>	<u>135,000</u>	<u>2,902,089</u>	<u>135,000</u>
 Total	 <u>\$ 4,371,872</u>	 <u>1,154,874</u>	 <u>200,931</u>	 <u>5,325,815</u>	 <u>195,000</u>

Note 5 - Property Taxes

The City's tax levy ordinance related to the taxes collected in 2023 was adopted December 2022. 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.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 5 - Property Taxes, continued

Property taxes receivable as of April 30, 2023, consist of the following:

	2022 Tax Levy Year
General Fund	\$ 106,032
Tax Increment Financing Fund II	412,295
Non-Major Governmental Funds	433,920
Proprietary Funds	<u>23,563</u>
Total	<u>\$ 975,810</u>

Note 6 - Interfund Transactions

During the course of normal operations, the City has many transactions between funds including expenses and transfers of resources primarily to provide services. Individual fund interfund receivable and payable balances at April 30, 2023 arising from these transactions follow:

	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	\$	687,185
Nonmajor governmental funds		82,408
Proprietary Funds:		
Electric Light Plant and System Fund	69,293	
Water Fund	699,252	
Sewer Fund	9,628	
Garbage Fund		<u>8,580</u>
	<u>\$ 778,173</u>	<u>778,173</u>

Included above is \$ 683,783 due between funds which is the result of temporary loans made through the shared bank account for operations. The operating checking and money market account balances are split among several funds, and when one fund overdraws its portion of the account, the other funds make up the difference.

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

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 6 - Interfund Transactions, continued

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 In	Transfer Out
	<u> </u>	<u> </u>
Governmental Funds:		
General Fund	\$ 27,000	
Tax Increment Financing Fund II		5,000
Nonmajor governmental funds		22,000
Proprietary Funds:		
Electric Light Plant and System Fund		71,000
Water Fund	16,000	
Sewer Fund	55,000	
	<u> </u>	<u> </u>
	<u>\$ 98,000</u>	<u>98,000</u>

The above \$ 27,000 transfer was for administrative costs and various reclassifications, while the \$ 71,000 is for redistribution of municipal utility taxes.

Inter-office charges are year-end transfers into the General Fund to support the administrative duties conducted on behalf of the other funds. For the year ended April 30, 2023, inter-office charges included:

	Transfer To	Transfer From
	<u> </u>	<u> </u>
General Fund	\$ 260,000	
Water		60,000
Sewer		50,000
Electric		150,000
	<u> </u>	<u> </u>
	<u>\$ 260,000</u>	<u>260,000</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2023

Note 7 - Defined Benefit Pension Plan

Plan Description

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 their beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund ("IMRF"), the administrator of an agent multiple-employer public pension plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information (RSI). The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2023

Note 7 - Defined Benefit Pension Plan, continued

Employees Covered by Benefit Terms

At December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

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

Contributions

As set by statute, the City's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires 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 contribution rate for calendar year 2022 was 13.14%. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The amount is included on the Statement of Net Position.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability as of December 31, 2022:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.

Mortality Assumptions

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 were used.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2023

Note 7 - Defined Benefit Pension Plan, continued

Mortality Assumptions, continued

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 a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022.

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	35.50%	6.50%
International equity	18.00%	7.60%
Fixed income	25.50%	4.90%
Real estate	10.50%	6.20%
Alternative investments	9.50%	6.25-9.90%
Cash equivalents	1.00%	4.00%

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2022. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects: 1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and 2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2023

Note 7 - Defined Benefit Pension Plan, continued

Changes in Net Pension Liability/(Asset)

	Increase/ (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at December 31, 2021	\$ 6,666,187	6,664,765	1,422
Service cost	124,028	-	124,028
Interest on total pension liability	473,171	-	473,171
Differences between expected and actual Experience of the total pension liability	(43,057)	-	(43,057)
Change of assumptions	-	-	-
Benefit payments, including refunds of Employee contributions	(411,534)	(411,534)	-
Contributions – employer	-	160,576	(160,576)
Contributions – employee	-	64,606	(64,606)
Net investment income	-	(960,814)	960,814
Other (Net Transfer)	-	139,319	(139,319)
 Balance at December 31, 2022	 \$ 6,808,795	 5,656,918	 1,151,877
 Plan fiduciary net position as a percentage of the total pension liability			 83.08%
Covered valuation payroll			\$ 1,222,043
Net pension liability as a percentage of covered valuation payroll			94.26%

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
	Net pension liability/(asset)	\$1,887,198	1,151,877

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 7 - Defined Benefit Pension Plan, continued

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

For the year ended April 30, 2023, the City recognized pension expense of \$ 164,983. At April 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 12,030	45,267
Changes in assumptions	-	962
Net difference between projected and actual earning on Pension plan investments	<u>516,740</u>	-
Total deferred amounts to be recognized in pension expense In future periods	<u>528,770</u>	<u>46,229</u>
Pension plan contributions made subsequent to the measurement date	<u>51,179</u>	-
Total deferred amounts related to pension	<u>\$ 579,949</u>	<u>46,229</u>

\$ 51,179 reported as deferred outflows of resources related to pension resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the reporting year ending April 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2023	\$ (36,680)
2024	71,861
2025	160,078
2026	287,282
2027	-
Thereafter	<u>-</u>
	<u>\$ 482,541</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 7 - Defined Benefit Pension Plan, continued

Change in Net Pension Liability

	April 30, 2022	Additions	Deletions	April 30, 2023
Net pension liability - IMRF	\$ 1,422	1,150,455	-	1,151,877

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, 2023 is as follows:

Total Assessed Valuation – 2022 Tax Year	<u>\$ 23,562,710</u>
Statutory Debt Limitation: 8.625% of Assessed Valuation	2,032,284
Less: Total Applicable Debt - None	<u>-</u>
Legal Debt Margin	<u>\$ 2,032,284</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 10 - Intergovernmental Receivables

Intergovernmental taxes receivable as of April 30, 2023, consist of the following:

Income tax – General Fund	\$ 64,592
Replacement tax – General Fund	11,802
Sales tax – General Fund	40,508
Excise tax – General Fund	1,483
Use tax – General Fund	12,089
Video gaming tax – General Fund	14,960
Cannabis tax – General Fund	446
Motor fuel tax – Motor Fuel Tax Fund	6,495
Business district tax – Business District Tax Fund	<u>16,704</u>
Total	<u>\$ 169,079</u>

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.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 11 - Fair Value Measurements, continued

The fair value of the City’s investments, measured on a recurring basis, are as follows at April 30, 2023:

	Fair Value Measurements at Reported Date, using:			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
IMET Core Fund	\$ 542,706	542,706		
IMET Convenience Fund	1,038,537	1,038,537		
	<u>\$ 1,581,243</u>	<u>1,581,243</u>	<u>-</u>	<u>-</u>

Note 12 - Leases

City as Lessor: The City leases a portion of its property to Mediacom Illinois LLC for their use in constructing, operating, maintaining, repairing, replacing, relocating, and removing equipment related to its communications systems. The original lease term is for a period of five years beginning May 1, 2018 and ending April 30, 2023, and automatically renews for an additional five year term unless lessee gives written notice of its desire not to renew. The lease was automatically renewed at April 30, 2023 for the additional five years. After the renewal term, the agreement will continue for successive terms of one month each until terminated by either party. Monthly rental payments under the lease increase each year. For the first five years of the original term, monthly payments ranged from \$ 350 to \$ 394. Monthly payments during the five year renewal term range from \$ 406 to \$ 457.

Total rent received during the fiscal year ended April 30, 2023 was \$ 4,727.

Total annual amounts of rent expected to be received in future years are as follows:

	Principal	Implied Interest	Present Value of Lease Receivable
2024	\$ 4,869	(140)	4,729
2025	5,015	(283)	4,732
2026	5,166	(432)	4,734
2027	5,320	(584)	4,736
2028	5,480	(741)	4,739
Total	<u>\$ 25,850</u>	<u>(2,180)</u>	<u>23,670</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 13 - Deficit Fund Balance

The following funds had a deficit fund balance at April 30, 2023:

Fund	Amount
Hotel-Motel Tax	\$ (36,259)
ESDA	(22,478)

The City anticipates funding the deficits with future revenues.

Note 14 - Insurance Recoveries

In February 2022, one of the City's public works buildings, and the contents thereof, were destroyed in a no-fault fire. During the year ended April 30, 2023, the equipment and other assets were replaced. Insurance proceeds in the amount of \$ 731,451 were received for these replacements, of which \$ 142,173 was recorded as insurance recovery receivable as of April 30, 2022. As of April 30, 2023, the replacement building was yet to be constructed, for which estimated insurance proceeds of \$ 300,000 to \$ 350,000 are also expected to be received.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2023

Note 15 - Prior Period Adjustments

During the year ended April 30, 2023, it was discovered that errors had been made in certain accounts related to the recording of bond premiums and pension liabilities. The following financial statement items were affected by these error corrections as of April 30, 2022.

	As Previously Stated	As Restated	Effect of Correction
<i>Statement of Net Position</i>			
Governmental Activities:			
Unamortized bond premium	\$ -	(122,190)	(122,190)
Net pension items	(418,496)	(331,992)	86,504
Net position	(5,784,161)	(5,748,475)	35,686
Business-Type Activities:			
Electric Light Plant and System Fund:			
Unamortized bond premium	20,256	(20,256)	(40,512)
Net pension items	(232,142)	(183,161)	48,981
Net position	(2,519,452)	(2,527,921)	(8,469)
Water Fund:			
Unamortized bond premium	(35,955)	(46,385)	(10,430)
Net pension items	(80,851)	(63,979)	16,872
Net position	(728,810)	(735,252)	(6,442)
Sewer Fund:			
Unamortized bond premium	(35,955)	(46,385)	(10,430)
Net pension items	(19,995)	(15,780)	4,215
Net position	(393,286)	(387,071)	6,215

Note 16 - Subsequent Events

No events have occurred subsequent to April 30, 2023 that are required to be disclosed in these financial statements. This evaluation was made as of February 6, 2024, 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

	2022	2021	2020	2019
Total pension liability:				
Service cost	124,028	109,917	119,439	104,933
Interest on the total pension liability	473,171	463,773	443,728	430,563
Changes in benefit terms				
Differences between expected and actual experience on the total pension liability	(43,057)	(47,521)	138,498	(506)
Changes in assumptions			(11,084)	
Benefit payments, including refunds of employee contributions	(411,534)	(403,783)	(414,891)	(306,436)
Net change in total pension liability	142,608	122,386	275,690	228,554
Total pension liability - beginning	6,666,187	6,543,801	6,268,111	6,039,557
Total pension liability - ending (a)	6,808,795	6,666,187	6,543,801	6,268,111
Plan fiduciary net position:				
Employer contributions	160,576	167,848	174,720	152,903
Employee contributions	64,606	54,632	55,370	46,839
Net investment income	(960,814)	1,057,888	751,196	847,715
Benefit payments, including refunds of member contributions	(411,534)	(403,783)	(414,891)	(306,436)
Other (net transfer)	139,319	(242,650)	143,046	15,909
Net change in plan fiduciary net position	(1,007,847)	633,935	709,441	756,930
Plan fiduciary net position - beginning	6,664,765	6,030,830	5,321,389	4,564,459
Plan fiduciary net position - ending (b)	5,656,918	6,664,765	6,030,830	5,321,389
Employer's net pension liability (a) - (b)	1,151,877	1,422	512,971	946,722
Plan fiduciary net position as a percentage of the total pension liability	83.08%	99.98%	92.16%	84.90%
Covered-employee payroll	1,222,043	1,201,498	1,092,682	1,040,868
Employer's net pension liability as a percentage of covered-employee payroll	94.26%	0.12%	46.95%	90.96%

2018	2017	2016	2015
99,756	101,415	102,665	100,734
407,218	393,962	363,424	342,811
121,648	70,887	133,614	(5,279)
154,434	(151,093)	(24,681)	
(246,388)	(228,791)	(157,624)	(168,232)
536,668	186,380	417,398	270,034
5,502,889	5,316,509	4,899,111	4,629,077
6,039,557	5,502,889	5,316,509	4,899,111
194,628	147,314	139,281	133,376
43,195	42,177	42,859	39,590
(230,954)	654,289	262,995	19,137
(246,388)	(228,791)	(157,624)	(168,232)
162,695	(12,682)	15,304	(112,719)
(76,824)	602,307	302,815	(88,848)
4,641,283	4,038,976	3,736,161	3,825,009
4,564,459	4,641,283	4,038,976	3,736,161
1,475,098	861,606	1,277,533	1,162,950
75.58%	84.34%	75.97%	76.26%
959,900	937,264	938,554	879,782
153.67%	91.93%	136.12%	132.19%

CITY OF FARMER CITY, ILLINOIS

**ILLINOIS MUNICIPAL RETIREMENT FUND
NOTES TO SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
Year ended April 30, 2023**

Most Recent Calendar Year

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 2015) 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.
- 2022 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%
2022	160,576 *	160,577	(1)	1,222,043	13.14%

* Estimated based on contribution rate of 13.14% and covered valuation payroll of \$1,222,043.

CITY OF FARMER CITY, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
Year ended April 30, 2023

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 2022 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 21-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years; and one employer was financed over 27 years).
Asset valuation method	5-Year smoothed market, 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.85% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other information	There were no benefit changes during the year.

CITY OF FARMER CITY, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND (Unaudited)
Year ended April 30, 2023**

	Budget		Actual Amounts (Budgetary Basis)	Over (Under) Budget
	Original	Final		
Cash receipts:				
Property tax	\$ 119,000	119,000	117,777	(1,223)
Income tax	270,000	270,000	295,366	25,366
Replacement tax	25,400	25,400	66,297	40,897
Sales tax	230,000	230,000	258,924	28,924
Excise tax	30,000	30,000	10,142	(19,858)
Use tax	70,000	70,000	74,436	4,436
Video gaming tax	42,000	42,000	86,868	44,868
Cannabis tax	3,000	3,000	2,878	(122)
Fines, fees, permits and licenses	51,550	51,550	65,090	13,540
Grants	75,000	75,000		(75,000)
Interest	950	950	67,253	66,303
Miscellaneous	70,627	70,627	66,716	(3,911)
Total cash receipts	987,527	987,527	1,111,747	124,220
Cash disbursements:				
General government	479,500	479,500	370,233	(109,267)
Public safety	560,000	560,000	586,579	26,579
Streets and alleys	780,000	780,000	316,626	(463,374)
Recreation	190,000	190,000	170,457	(19,543)
Capital outlay	1,215,000	1,215,000	550,844	(664,156)
Total cash disbursements	3,224,500	3,224,500	1,994,739	(1,229,761)
Excess (deficiency) of cash receipts over (under) cash disbursements	(2,236,973)	(2,236,973)	(882,992)	1,353,981
Other financing sources (uses):				
Inter-office charges	260,000	260,000	260,000	-
Proceeds from sale of asset			1,490	1,490
Insurance proceeds			637,061	637,061
Transfer in	78,340	78,340	27,000	(51,340)
Total other financing sources (uses)	338,340	338,340	925,551	587,211
Net change in fund balance	<u>\$ (1,898,633)</u>	<u>(1,898,633)</u>	42,559	<u>1,941,192</u>
Fund balance (budgetary basis), beginning of year			<u>1,474,372</u>	
Fund balance (budgetary basis), end of year			<u>1,516,931</u>	

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF BUDGETARY BASIS CASH RECEIPTS
TO GAAP REVENUES AND EXPENSES -
GENERAL FUND**

Year ended April 30, 2023

Total cash receipt sources for general fund activities	\$ 1,111,747
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	<u>(6,241)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>1,105,506</u></u>
Total cash disbursements for general fund activities	1,994,739
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	24,142
Accrued expenses	3,459
Prepaid expenses	<u>(773)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 2,021,567</u></u>

CITY OF FARMER CITY, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
TIF II FUND (Unaudited)
Year ended April 30, 2023**

	Budget		Actual Amounts (Budgetary Basis)	Over (Under) Budget
	Original	Final		
Cash receipts:				
Property tax	\$ 375,000	375,000	381,212	6,212
Grants	108,000	108,000		(108,000)
Interest	300	300	933	633
Miscellaneous			12,728	12,728
Total cash receipts	483,300	483,300	394,873	(88,427)
Cash disbursements:				
Public works	100,000	100,000	85,965	(14,035)
Capital outlay	385,000	385,000		(385,000)
Debt service - principal	60,000	60,000	60,000	-
Debt service - interest	75,000	75,000	67,070	(7,930)
Total cash disbursements	620,000	620,000	213,035	(406,965)
Excess (deficiency) of cash receipts over (under) cash disbursements	(136,700)	(136,700)	181,838	318,538
Other financing sources (uses):				
Transfers out			(5,000)	(5,000)
Total other financing sources (uses)	-	-	(5,000)	(5,000)
Net change in fund balance	\$ (136,700)	(136,700)	176,838	313,538
Fund balance (budgetary basis), beginning of year			71,284	
Fund balance (budgetary basis), end of year			248,122	

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF BUDGETARY BASIS CASH RECEIPTS AND CASH DISBURSEMENTS
TO GAAP REVENUES AND EXPENSES - TIF II FUND
Year ended April 30, 2023**

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

Total cash disbursements for TIF II activities	\$ 213,035
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>3,135</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 216,170</u></u>

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF BUDGETARY BASIS FUND BALANCE
TO GAAP BASIS FUND BALANCE**

Year ended April 30, 2023

	General Fund	Tax Increment Financing Fund II	Non-Major Governmental Funds	Total
Fund balance - Budgetary basis	\$ 1,516,931	248,122	1,462,263	3,227,316
Add back:				
Intergovernmental receivables	145,880		23,199	169,079
Other receivables	50			50
Prepaid expenses	1,622		31,015	32,637
Less:				
Accounts payable	(40,554)	(3,485)	(4,697)	(48,736)
Accrued expenses	(8,728)		(4,301)	(13,029)
Fund balance - GAAP basis	<u>\$ 1,615,201</u>	<u>244,637</u>	<u>1,507,479</u>	<u>3,367,317</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year ended April 30, 2023

Note A - 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 B - Expenditures in Excess of Budget

None of the major funds had disbursements in excess of budgeted amounts for the fiscal year ended April 30, 2023.

SUPPLEMENTARY INFORMATION

CITY OF FARMER CITY, ILLINOIS

COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS
April 30, 2023

	Special Revenue Funds					
	Library Fund	ESDA Fund	Insurance Fund	Social Security Fund	School Crossing Guard Fund	Illinois Municipal Retirement Fund
Assets						
Cash and cash equivalents	\$ 58,171		419,140	109,782	2,242	175,492
Property tax receivable	35,344	594	49,835	59,562	4,713	154,477
Intergovernmental tax receivable						
Prepaid expenses			31,015			
Total Assets	93,515	594	499,990	169,344	6,955	329,969
Liabilities						
Accounts payable						
Accrued expenses	279		2,246	634	149	993
Due to other funds	6,998	22,478				
Total Liabilities	7,277	22,478	2,246	634	149	993
Deferred Inflows of Resources						
Unavailable revenue - property taxes	35,344	594	49,835	59,562	4,713	154,477
Fund Balances						
Nonspendable			31,015			
Restricted for:						
Tax increment financing district III						
Insurance			416,894			
Motor fuel tax						
Hotel-motel tax						
Business district tax						
ESDA						
Audit						
Social security				109,148		
School crossing guard					2,093	
IMRF						174,499
Library	50,894					
Committed:						
Public safety						
Assigned						
Unassigned		(22,478)				
Total Fund Balances	50,894	(22,478)	447,909	109,148	2,093	174,499
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 93,515	594	499,990	169,344	6,955	329,969

Special Revenue Funds

Audit Fund	Hotel- Motel Tax Fund	Business District Tax Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund III	Capital Projects Fund	DUI Fund	Total
91,782		212,723	264,994	59,203	136,060	15,082	1,544,671
37,969				91,426			433,920
		16,704	6,495				23,199
							31,015
129,751	-	229,427	271,489	150,629	136,060	15,082	2,032,805
			4,697				4,697
							4,301
	36,259	16,673					82,408
-	36,259	16,673	4,697	-	-	-	91,406
37,969				91,426			433,920
							31,015
				59,203			59,203
							416,894
			266,792				266,792
							-
		212,754					212,754
							-
91,782							91,782
							109,148
							2,093
							174,499
							50,894
						15,082	15,082
					136,060		136,060
	(36,259)						(58,737)
91,782	(36,259)	212,754	266,792	59,203	136,060	15,082	1,507,479
129,751	-	229,427	271,489	150,629	136,060	15,082	2,032,805

CITY OF FARMER CITY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR
GOVERNMENTAL FUNDS**

Year ended April 30, 2023

	Special Revenue Funds					
	Library Fund	ESDA Fund	Insurance Fund	Social Security Fund	School Crossing Guard Fund	Illinois Municipal Retirement Fund
Revenues:						
Property taxes	\$ 33,927	572	47,961	57,096	4,524	148,446
Motor fuel taxes						
Other taxes						
Fines, fees, permits & licenses	885					
Grants						
Capital						
Donations	7,250					
Other income	13,764					
Interest	256	6	813	402	20	708
Total revenues	56,082	578	48,774	57,498	4,544	149,154
Expenditures:						
Current:						
General government			52,647	58,854		89,210
Public safety		502			8,570	
Public works						
Streets and alleys						
Culture and recreation	53,617					
Capital outlay		28,302				
Total expenditures	53,617	28,804	52,647	58,854	8,570	89,210
Excess (deficiency) of revenues over (under) expenditures	2,465	(28,226)	(3,873)	(1,356)	(4,026)	59,944
Other financing sources (uses):						
Transfers out						
Total financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	2,465	(28,226)	(3,873)	(1,356)	(4,026)	59,944
Fund balances, beginning	48,429	5,748	451,782	110,504	6,119	114,555
Fund balances, ending	\$ 50,894	(22,478)	447,909	109,148	2,093	174,499

Audit Fund	Hotel-Motel Tax Fund	Business District Tax Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund III	Capital Projects Fund	DUI Fund	Total
34,259				61,563			388,348
			77,446				77,446
	16,311	120,003					136,314
						800	1,685
			22,375				22,375
					90		7,250
					74		13,854
271		9,007	7,121	250		30	18,958
34,530	16,311	129,010	106,942	61,813	164	830	666,230
1,920							202,631
							9,072
	14,739	57,785		46,084	22,148		140,756
			36,721				36,721
					2,736		56,353
		35,797		35,798			99,897
1,920	14,739	93,582	36,721	81,882	24,884	-	545,430
32,610	1,572	35,428	70,221	(20,069)	(24,720)	830	120,800
		(20,000)		(2,000)			(22,000)
-	-	(20,000)	-	(2,000)	-	-	(22,000)
32,610	1,572	15,428	70,221	(22,069)	(24,720)	830	98,800
59,172	(37,831)	197,326	196,571	81,272	160,780	14,252	1,408,679
91,782	(36,259)	212,754	266,792	59,203	136,060	15,082	1,507,479

OTHER INFORMATION

CITY OF FARMER CITY, ILLINOIS

**SCHEDULES OF ASSESSED VALUATIONS, RATES, AND EXTENSIONS - Unaudited
TAX YEARS 2019 THROUGH 2022**

TAX YEAR	2022	2021	2020	2019
Rate Setting Assessed Valuation	\$ 23,562,710	22,589,338	22,740,483	23,088,713
Increment Valuation (for TIF)	\$ 5,209,730	4,546,139	4,499,301	4,242,919
Tax Rates:				
General				
Corporate	0.25000	0.25000	0.25000	0.25000
Police protection	0.07500	0.07500	0.07500	0.07500
Parks	0.07500	0.07500	0.07500	0.07500
Street lighting	0.05000	0.05000	0.05000	0.05000
Total General	0.45000	0.45000	0.45000	0.45000
Sewer	0.10000	0.10000	0.10000	0.10000
Social security and Illinois Municipal Retirement Fund	0.90838	0.90877	0.83332	0.81995
Library	0.15000	0.15000	0.15000	0.15000
Civil defense	0.00252	0.00253	0.00252	0.00254
Liability insurance	0.21150	0.21205	0.23093	0.23335
School crossing guard	0.02000	0.02000	0.02000	0.02000
Audit	0.16114	0.15147	0.12049	0.10044
Total	2.00354	1.99482	1.90726	1.87628
Tax Extensions:				
General				
Corporate	\$ 58,907	56,473	56,851	57,722
Police protection	17,673	16,942	17,055	17,317
Parks	17,673	16,942	17,055	17,317
Street lighting	11,781	11,295	11,370	11,544
Total General	106,034	101,652	102,331	103,900
Sewer	23,562	22,589	22,740	23,089
Social security and Illinois Municipal Retirement Fund	214,039	205,285	189,501	189,316
Library	35,344	33,884	34,111	34,633
Civil defense	594	572	573	586
Liability insurance	49,835	47,901	52,515	53,878
School crossing guard	4,712	4,518	4,548	4,618
Audit	37,969	34,216	27,400	23,190
Total	\$ 472,089	450,617	433,719	433,210

CITY OF FARMER CITY, ILLINOIS

**SCHEDULES OF PROPERTY TAX COLLECTIONS - Unaudited
TAX YEARS 2018 THROUGH 2021**

TAX YEAR	2021	2020	2019	2018
Tax Collections (including Roads & Bridges and Mobile Home Privilege Tax):				
General:				
Corporate	\$ 56,544	57,037	57,628	53,541
Police protection	16,963	17,110	17,288	16,062
Parks	16,963	17,110	17,288	16,062
Roads & bridges	15,998	16,300	15,771	15,113
Street lighting	11,309	11,407	11,526	10,708
Total General	117,777	118,964	119,501	111,486
Sewer	22,618	22,814	23,051	21,417
Social security and Illinois Municipal Retirement Fund	205,542	190,115	189,016	165,800
Library	33,927	34,222	34,577	32,125
Civil defense	572	575	585	537
Liability insurance	47,961	52,685	53,790	70,673
School crossing guard	4,524	4,563	4,610	4,286
Audit	34,259	27,489	23,153	21,203
Tax increment financing fund II	381,212	374,293	375,023	353,169
Tax increment financing fund III	61,563	63,806	37,338	19,530
Total Tax Collected	909,955	889,526	860,644	800,226
Less: Non-levied taxes included above:				
Tax increment financing fund II	381,212	374,293	375,023	353,169
Tax increment financing fund III	61,563	63,806	37,338	19,530
Roads & bridges	15,998	16,300	15,771	15,113
Total non-levied taxes	458,773	454,399	428,132	387,812
Net Levied Tax Collected	\$ 451,182	435,127	432,512	412,414
Percentage of Extension Collected	100%	100%	100%	100%