

City of Earlville, Illinois
Earlville, Illinois

Annual Financial Report

April 30, 2018

Web Document

City of Earlville, Illinois

Year ended April 30, 2018

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City of Earlville, Illinois

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Independent Auditors' Report

Mayor and City Council
City of Earlville
Earlville, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Earlville, Illinois as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Earlville, Illinois as of April 30, 2018, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Earlville, Illinois' basic financial statements. The Management's Discussion and Analysis and budgetary comparison information on pages 3-11 and 43-67, which are the responsibility of management, are presented for purposes of additional analysis are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express opinions or provide any assurance on it.

Wipfli LLP

Mendota, Illinois
July 25, 2018

Management's Discussion and Analysis
(Unaudited)

Web Document

City of Earlville, Illinois

Management's Discussion and Analysis

The City of Earlville, Illinois' (the "City") management's discussion and analysis (MD&A) is generally intended to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activities, (3) identify changes in the City's financial position (its ability to meet future financial demands and conditions), (4) identify any material deviations from the governmental unit's financial plan (approved budget), and (5) identify individual fund issues or concerns.

The MD&A is provided at the beginning of the report to provide an overview of the City's financial position at April 30, 2018 along with the results of operations for the year. This summary should not be taken as a replacement for the audit report, which consists of the basic financial statements, notes to the financial statements and other information.

Governmental Financial Highlights for FY2018

- The City's governmental assets exceeded its liabilities at the close of the fiscal year by \$1,092,871 (net position). Of this amount, \$173,290 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's governmental total net position decreased by \$89,330 during fiscal year 2018 as reported in the statement of activities.
- The City's major governmental revenue consisted of \$312,373 in property tax revenues and \$416,603 in other tax revenues.
- As of the close of fiscal year 2018, the City's governmental funds reported combined ending fund balances of \$593,095, an increase of \$105,734 in comparison to 2017.

Business-Type Financial Highlights for FY2018

- The City's business-type assets exceeded its liabilities at the close of the fiscal year by \$4,639,489 (net position). The restricted net position of \$104,465 is restricted for debt service requirements.
- The City's business-type net position decreased by \$630 during fiscal year 2018 as reported in the statement of activities.
- The City's major business-type revenue consisted of \$751,945 in charges for services.

Overview of the Financial Statements

This document serves as an introduction to the City's basic financial statements. There are three components to the basic financial statements – government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other information.

City of Earlville, Illinois

Management's Discussion and Analysis

Government-Wide Financial Statements

These are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business, using the modified cash basis of accounting.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of improvements or deterioration of the financial position of the City.

The Statement of Activities presents information that shows how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as cash flows occur.

These statements highlight the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general control and administration, planning and zoning, public safety, highways and streets, health and welfare, and culture and recreation. There are three business-type activities accounted for by the City: the water and sewer utilities and garbage pick-up service.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental fund financial statements are reported on the modified cash basis of accounting.

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

The City maintains ten individual governmental funds and three business-type funds. Information is presented separately in the governmental funds statement of assets, liabilities and fund balance and in the governmental funds statement of revenues, expenditures, and changes in fund balances – modified cash basis for major governmental funds, (the General Fund, Motor Fuel Tax Fund, TIF III & Capital Projects Fund). All other non-major governmental funds are combined and presented in one column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 14 – 17 of this report.

City of Earlville, Illinois

Management's Discussion and Analysis

Government-Wide Financial Statements (Continued)

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements. The City maintains three proprietary funds, the Waterworks Fund, Sewerage Fund, and Garbage Fund which are in the form of an enterprise fund.

The proprietary fund financial statements provide separate information for the Waterworks Fund, Sewerage Fund, and Garbage Fund considered to be major funds of the City. The proprietary funds financial statements can be found on pages 18 – 20 of this report.

Notes to the Financial Statements

These provide additional information that is essential to gaining a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 21 – 42 of this report.

Other Information

This information addresses the City's budgetary comparison schedules, and the IMRF (Illinois Municipal Retirement Fund) Schedule of Changes in Net Pension Liability and Schedule of Contributions. The City adopts an annual appropriation ordinance for its General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Enterprise Funds. A comparison schedule has been provided for the General Fund and the other major funds to demonstrate compliance with this appropriation ordinance. The pension schedules have been provided to present the City's progress in funding its obligation to provide pension benefits to City employees through the IMRF system. This information can be found on pages 43 – 48 of this report.

Combining statements, as discussed earlier in connection with non-major governmental funds, are presented immediately following the information on pensions on pages 49 – 52 of this report. The City has also elected to include a statement of revenues compared with appropriated amounts for the General Fund (page 53) and statements of expenditures compared with appropriated amounts for each individual fund. These statements can be found on pages 54 – 66 of this report. The assessed valuations, tax rates, extensions, and collections are presented on page 67.

Government-Wide Financial Analysis

A large portion of the City's net position is reflected in its investments in capital assets (i.e., land, buildings, equipment, vehicles, other improvements, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services. Therefore, these assets are not available for future spending. Although the City's investments in its capital assets are reported net of available debt, it should be noted that the resources required to repay this type of debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these types of liabilities.

City of Earlville, Illinois

Management's Discussion and Analysis

Government-Wide Financial Analysis (continued)

The following condensed financial information was derived from the *Government-Wide Statement of Net Position* and reflects how the City's net position compares to the prior fiscal year:

| | Net Position | | | | | |
|----------------------------------|-------------------------|--------------------|--------------------------|---------------------|--------------------------|--------------------|
| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Current assets | \$ 593,095 | \$ 487,360 | \$ 419,423 | \$ 433,474 | \$1,012,518 | \$ 920,835 |
| Noncurrent assets | 1,026,776 | 759,841 | 4,662,790 | 4,862,523 | 5,689,566 | 5,622,364 |
| Total assets | 1,619,871 | 1,247,201 | 5,082,213 | 5,295,997 | 6,702,084 | 6,543,198 |
| Current liabilities | 63,267 | 65,000 | 267,724 | 265,878 | 330,991 | 330,878 |
| Noncurrent liabilities | 463,733 | - | 175,000 | 390,000 | 638,733 | 390,000 |
| Total liabilities | 527,000 | 65,000 | 442,724 | 655,878 | 969,724 | 720,878 |
| Net position: | | | | | | |
| Net investment in capital assets | 499,776 | 694,841 | 4,272,790 | 4,257,523 | 4,772,566 | 4,952,364 |
| Restricted | 419,805 | 266,327 | 104,465 | 113,814 | 524,270 | 380,141 |
| Unrestricted | 173,290 | 221,033 | 262,234 | 268,782 | 435,524 | 489,815 |
| Total net position | \$1,092,871 | \$1,182,201 | \$ 4,639,489 | \$ 4,640,119 | \$5,732,360 | \$5,822,320 |

Governmental Activities

The net position of the City's governmental activities decreased 7.56% or \$89,330 (\$1,092,871 compared to \$1,182,201). The unrestricted net position decreased by \$47,743. This is the portion of net position that can be used to finance day-to-day operations of the City. The restricted net position increased by \$153,478. The decrease is due to consistent tax revenues combined with increases in various expenses from the prior year.

Business-Type Activities

The net position of the City's business-type activities decreased 0.01% or \$630 (\$4,639,489 compared to \$4,640,119). The unrestricted net position decreased by \$6,548. The City generally can only use this net position to finance the continuing operations of the water and sewer utilities. The restricted net position decreased by \$9,349. There were no notable increases or decreases that varied significantly from 2017 to 2018.

City of Earlville, Illinois

Management's Discussion and Analysis

Government-Wide Financial Analysis (Continued)

The following table reflects the condensed financial information from the *Government-Wide Statement of Activities* and reflects how the City's revenues, expenditures, and changes in net position compare to the prior fiscal year:

| | Changes in Net Position | | | | | |
|-------------------------------------|-------------------------|----------------|--------------------------|----------------|--------------------------|------------------|
| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 43,379 | \$ 44,922 | \$ 751,945 | \$ 749,745 | \$ 795,324 | \$ 794,667 |
| Operating grants and contributions | 43,262 | 43,261 | | | 43,262 | 43,261 |
| General revenue: | | | | | | |
| Local property taxes | 312,373 | 306,959 | 2,995 | 2,970 | 315,368 | 309,929 |
| Other taxes | 416,603 | 395,560 | | | 416,603 | 395,560 |
| Unrestricted investment earnings | 3,882 | 2,235 | 1,373 | 1,504 | 5,255 | 3,739 |
| Miscellaneous | 25,698 | 3,328 | | | 25,698 | 3,328 |
| Total revenues | 845,197 | 796,265 | 756,313 | 754,219 | 1,601,510 | 1,550,484 |
| Expenditures: | | | | | | |
| General government | 235,928 | 224,030 | | | 235,928 | 224,030 |
| Public health and safety | 284,224 | 249,718 | | | 284,224 | 249,718 |
| Streets and alleys | 342,342 | 310,132 | | | 342,342 | 310,132 |
| Culture and recreation | 14,828 | 20,078 | | | 14,828 | 20,078 |
| Interest | 9,719 | 2,600 | | | 9,719 | 2,600 |
| Community development | 13,958 | 14,197 | | | 13,958 | 14,197 |
| Public works projects | | | 756,943 | 700,389 | 756,943 | 700,389 |
| Other | 33,528 | 18,378 | | | 33,528 | 18,378 |
| Total expenditures | 934,527 | 839,133 | 756,943 | 700,389 | 1,691,740 | 1,539,522 |
| Increase (decrease) in net position | \$(89,330) | \$(42,868) | \$ (630) | \$ 53,830 | \$(90,230) | \$ 10,962 |

City of Earlville, Illinois

Management's Discussion and Analysis

Government-Wide Financial Analysis (Continued)

Governmental Activities

For the fiscal year ended April 30, 2018, revenues from governmental activities totaled \$845,197, an increase of \$48,932 from 2017. Tax revenues (\$728,976 or 86.25%) continue to represent the largest source of income for governmental activities.

For the fiscal year ended April 30, 2018, expenditures from governmental activities totaled \$934,527, an increase of \$95,394 from 2017. Expenditures for streets and roads and public safety continue to represent the largest use of City funds.

Business-Type Activities

For the fiscal year ended April 30, 2018, revenues from business-type activities totaled \$756,313, an increase of \$2,094 from 2017. Charges for services (\$751,945 or 99.42%) represent the largest source of revenues for the business-type activities. These charges are mainly derived from fees for water, sewer, and garbage services.

For the fiscal year ended April 30, 2018, expenditures for business-type activities totaled \$756,943, an increase of \$56,554 from 2017. This figure is in line with the total from recent fiscal years and represents consistent operating expenses within the water and sewer utilities.

Financial Analysis of the City's Major Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Budgetary Highlights

The City's appropriation ordinance is prepared according to Illinois law and is based on accounting for certain transactions on a cash basis of accounting. An appropriation to actual schedule is provided as required supplementary information for the General Fund and the major Special Revenue and Capital Projects Funds.

City of Earlville, Illinois

Management's Discussion and Analysis

Financial Analysis of the City's Major Funds (Continued)

General Fund Budgetary Variances

Cash Receipts

The most significant cash receipts for all funds during fiscal year 2018 continue to be property taxes and intergovernmental receipts. Intergovernmental taxes (shown on page 43) for 2018 were \$312,979 compared with the budgeted amount of \$331,950. Also, the local taxes for 2017 were \$187,453 compared with the budgeted amount of \$201,844.

Cash Disbursements

The City continues to appropriate much higher than is currently needed for all functions of the General Fund (see page 43). This is primarily done to protect the City in case of any large and/or unexpected expenses that could arise during the fiscal year.

Motor Fuel Tax Fund Budgetary Variances

Cash Receipts

Motor fuel taxes for 2018 were \$43,262 compared with the budgeted amount of \$45,000.

Cash Disbursements

Similar to the General Fund, the City appropriates higher than is currently needed in case unexpected road maintenance projects come up.

TIF III Fund Budgetary Variances

Cash receipts and cash disbursements were significantly lower than budgeted amounts as for the TIF III Fund were comparable to their budgeted amounts.

City of Earlville, Illinois

Management's Discussion and Analysis

Capital Asset and Long-Term Debt Activity

Capital Assets

The City's investment in capital assets for its governmental activities at year end totaled \$1,026,776 (net of accumulated depreciation) and business-type activities at year end totaled \$4,662,790 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, vehicles, other improvements, and infrastructure such as streets, water and sewer. There were \$389,730 of total capital asset additions recorded during the year and \$322,526 of depreciation charges were expensed on the total capital assets. See Note 4 for details of capital assets.

| Governmental Net Book Value of Capital Assets | | |
|--|---------------------|-------------------|
| | 2018 | 2017 |
| Land | \$ 14,380 | \$ 14,380 |
| Buildings | 172,411 | 181,541 |
| Equipment | 102,064 | 72,988 |
| Vehicles | 2,576 | 8,975 |
| Other improvements | 27,212 | 31,332 |
| Infrastructure | 708,133 | 450,625 |
| Total | \$ 1,026,776 | \$ 759,841 |

| Business-Type Net Book Value of Capital Assets | | |
|---|--------------------|--------------------|
| | 2018 | 2017 |
| Buildings | \$ 45,749 | \$ 55,318 |
| Equipment | 69,408 | 77,106 |
| Vehicles | - | 435 |
| Other improvements | 11,741 | 13,593 |
| Infrastructure | 4,535,892 | 4,716,071 |
| Total | \$4,662,790 | \$4,862,523 |

City of Earlville, Illinois

Management's Discussion and Analysis

Capital Asset and Long-Term Debt Activity (Continued)

Debt Administration

At April 30, 2018, the City had \$527,000 in governmental activities long-term debt, which consisted of general obligation bonds payable. Principal amounts due next year on these obligations are \$63,267. See Notes 5-7 for details of governmental activities debt.

| Governmental Activities – Outstanding Debt | | |
|---|-------------------|------------------|
| | 2018 | 2017 |
| Note Payable | \$ 27,000 | \$ - |
| General obligation bonds payable | 500,000 | 65,000 |
| Total | \$ 527,000 | \$ 65,000 |

At April 30, 2018, the City had \$390,000 in business-type activities long-term debt which consists of general obligation bonds payable. Principal amounts due next year on these obligations are \$215,000. See Notes 5-7 for details of business-type activities debt.

| Business-Type Activities - Outstanding Debt | | |
|--|-------------------|-------------------|
| | 2018 | 2017 |
| General obligation bonds payable | \$ 390,000 | \$ 605,000 |
| Total | \$ 390,000 | \$ 605,000 |

Economic Factors

Overall attention has been given to industrial, commercial and residential growth. The City's proactive approach has included partnering with developers in working agreements.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and potential creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Earlville, Illinois
210 W. Railroad
Earlville, Illinois 60518
Phone: (815) 246-9588

Basic Financial Statements

Web Document

City of Earlville, Illinois

Statement of Net Position - Modified Cash Basis

April 30, 2018

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|---------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 593,095 | \$ 314,958 | \$ 908,053 |
| Restricted: | | | |
| Cash and cash equivalents | | 104,465 | 104,465 |
| Total current assets | 593,095 | 419,423 | 1,012,518 |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land | 14,380 | | 14,380 |
| Other capital assets, net of accumulated depreciation | 1,012,396 | 4,662,790 | 5,675,186 |
| Total noncurrent assets | 1,026,776 | 4,662,790 | 5,689,566 |
| Total assets | 1,619,871 | 5,082,213 | 6,702,084 |
| Liabilities | | | |
| Current liabilities: | | | |
| Customer deposits | | 51,800 | 51,800 |
| Notes payable | | 215,000 | 215,000 |
| Bonds payable | 63,267 | | 63,267 |
| Other current liabilities | | 924 | 924 |
| Total current liabilities | 63,267 | 267,724 | 330,991 |
| Noncurrent liabilities: | | | |
| Notes payable | 463,733 | 175,000 | 638,733 |
| Total noncurrent liabilities | 463,733 | 175,000 | 638,733 |
| Total liabilities | 527,000 | 442,724 | 969,724 |
| Net Position | | | |
| Net investment in capital assets | 499,776 | 4,272,790 | 4,772,566 |
| Restricted for debt service | 122,247 | 104,465 | 226,712 |
| Restricted for special revenue | 135,191 | | 135,191 |
| Restricted for capital projects | 162,367 | | 162,367 |
| Unrestricted | 173,290 | 262,234 | 435,524 |
| Total net position | \$ 1,092,871 | \$ 4,639,489 | \$ 5,732,360 |

City of Earlville, Illinois

Statement of Activities - Modified Cash Basis

Year ended April 30, 2018

| Functions/Programs | Expenses | Program Revenues | |
|---------------------------------------|-------------------|----------------------------------|------------------------------------|
| | | Charges for Services | Operating Grants and Contributions |
| Governmental activities: | | | |
| General government | \$ 235,928 | \$ 39,831 | |
| Public health and safety | 284,224 | 3,510 | |
| Streets and alleys | 342,342 | | \$ 43,262 |
| Culture and recreation | 14,828 | 38 | |
| Interest | 9,719 | | |
| Community development | 13,958 | | |
| Other | 33,528 | | |
| Total governmental activities | \$ 934,527 | \$ 43,379 | \$ 43,262 |
| Business-type activities: | | | |
| Water | \$ 271,620 | \$ 204,030 | |
| Sewer | 392,801 | 456,369 | |
| Garbage | 92,522 | 91,546 | |
| Total business-type activities | \$ 756,943 | \$ 751,945 | \$ - |
| | | General revenues | |
| | | Taxes: | |
| | | Property taxes | |
| | | Other | |
| | | Unrestricted investment earnings | |
| | | Miscellaneous | |
| | | Total general revenues | |
| | | Change in net position | |
| | | Net position - beginning | |
| | | Net position - ending | |

See notes to financial statements

| Net (Expense) Revenue and Changes in Net Position | | | |
|--|-------------------------------------|----|--------------|
| Governmental Activities | Business-type Activities | | Total |
| \$ (196,097) | | \$ | (196,097) |
| (280,714) | | | (280,714) |
| (299,080) | | | (299,080) |
| (14,790) | | | (14,790) |
| (9,719) | | | (9,719) |
| (13,958) | | | (13,958) |
| (33,528) | | | (33,528) |
| (847,886) | \$ - | | (847,886) |
| | (67,590) | | (67,590) |
| | 63,568 | | 63,568 |
| | (976) | | (976) |
| - | (4,998) | | (4,998) |
| 312,373 | 2,995 | | 315,368 |
| 416,603 | | | 416,603 |
| 3,882 | 1,373 | | 5,255 |
| 25,698 | | | 25,698 |
| 758,556 | 4,368 | | 762,924 |
| (89,330) | (630) | | (89,960) |
| 1,182,201 | 4,640,119 | | 5,822,320 |
| \$ 1,092,871 | \$ 4,639,489 | \$ | 5,732,360 |

City of Earlville, Illinois

Balance Sheet - Modified Cash Basis Governmental Funds

April 30, 2018

| <i>Assets</i> | General Fund | Motor Fuel Tax Fund |
|--|-------------------------|--------------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 123,290 | \$ 121,321 |
| Due from other funds | 50,000 | |
| Total assets | \$ 173,290 | \$ 121,321 |
| <i>Liabilities and Fund Balances</i> | | |
| Liabilities: | | |
| Due to other funds | \$ - | \$ - |
| Total liabilities | - | - |
| Fund balances: | | |
| Unassigned, reported in: | | |
| General Fund | 173,290 | |
| Restricted | | |
| Special Revenue Funds | | 121,321 |
| Capital Projects Funds | | |
| Debt Service Funds | | |
| Total fund balances (deficit) | 173,290 | 121,321 |
| Total liabilities and fund balances | \$ 173,290 | \$ 121,321 |

See notes to financial statements

| TIF III Fund | 2017 Capital Projects Fund | Nonmajor Governmental Funds | Total |
|--------------|----------------------------|-----------------------------|------------|
| \$ 63,870 | \$ 162,367 | \$ 122,247 | \$ 593,095 |
| | | | 50,000 |
| \$ 63,870 | \$ 162,367 | \$ 122,247 | \$ 643,095 |
| \$ 50,000 | \$ - | \$ - | \$ 50,000 |
| 50,000 | - | - | 50,000 |
| | | | 173,290 |
| 13,870 | 162,367 | | 135,191 |
| | | 122,247 | 162,367 |
| | | | 122,247 |
| 13,870 | 162,367 | 122,247 | 593,095 |
| \$ 63,870 | \$ 162,367 | \$ 122,247 | \$ 643,095 |

City of Earlville, Illinois

Reconciliation of the Governmental Funds Balance Sheet - Modified Cash Basis to the Statement of Net Position - Modified Cash Basis

April 30, 2018

| | |
|---|--------------------------|
| Total fund balances - governmental funds | \$ 593,095 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$2,253,560 and the accumulated depreciation is \$1,226,784. | 1,026,776 |
| Long-term liabilities, including notes payable and bonds payable are not reported in the funds. | (527,000) |
| <hr/> | |
| Total net position - governmental activities | <hr/> \$ 1,092,871 <hr/> |

City of Earlville, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis Governmental Funds

Year ended April 30, 2018

| | General Fund | Motor Fuel Tax Fund |
|--|-------------------|------------------------|
| Revenues: | | |
| Local taxes | \$ 187,453 | |
| Intergovernmental | 312,979 | \$ 43,262 |
| Licenses, permits and fees | 39,831 | |
| Rentals | 38 | |
| Fines and forfeits | 3,510 | |
| Other | 6,573 | 1,064 |
| Total revenues | 550,384 | 44,326 |
| Expenditures: | | |
| Current: | | |
| General government | 121,931 | |
| Public health and safety | 273,675 | |
| Streets and alleys | 185,587 | 79,654 |
| Culture and recreation | 13,650 | |
| Other | | |
| Debt service: | | |
| Principal | | |
| Interest | | |
| Capital outlay | 49,416 | |
| Total expenditures | 644,259 | 79,654 |
| Excess (deficiency) of revenues over (under) expenditures | (93,875) | (35,328) |
| Other financing sources (uses): | | |
| Proceeds from bond issuance | | |
| Proceeds from note payable | 27,000 | |
| Operating transfer in | | |
| Operating transfer out | | |
| Total other financing sources (uses) | 27,000 | - |
| Net change in fund balances | (66,875) | (35,328) |
| Fund balances (deficit), beginning of year | 240,165 | 156,649 |
| Fund balances (deficit), end of year | \$ 173,290 | \$ 121,321 |

See notes to financial statements

| TIF III Fund | 2017 Capital Projects Fund | Nonmajor Governmental Funds | Total |
|--------------|----------------------------|-----------------------------|------------|
| \$ 56,220 | | \$ 172,324 | \$ 415,997 |
| | | | 356,241 |
| | | | 39,831 |
| | | | 38 |
| | | | 3,510 |
| 263 | \$ 3,714 | 17,966 | 29,580 |
| 56,483 | 3,714 | 190,290 | 845,197 |
| 4,353 | | 103,003 | 229,287 |
| | | | 273,675 |
| | 2,760 | | 268,001 |
| | | | 13,650 |
| 19,128 | 14,400 | | 33,528 |
| | | 65,000 | 65,000 |
| | | 9,719 | 9,719 |
| | 324,187 | | 373,603 |
| 23,481 | 341,347 | 177,722 | 1,266,463 |
| 33,002 | (337,633) | 12,568 | (421,266) |
| | 500,000 | | 500,000 |
| | | - | 27,000 |
| | | 61 | 61 |
| | | (61) | (61) |
| - | 500,000 | - | 527,000 |
| 33,002 | 162,367 | 12,568 | 105,734 |
| (19,132) | - | 109,679 | 487,361 |
| \$ 13,870 | \$ 162,367 | \$ 122,247 | \$ 593,095 |

City of Earlville, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis of Governmental Funds to the Statement of Activities - Modified Cash Basis

Year ended April 30, 2018

| | |
|--|--------------------|
| Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) - Governmental funds | \$ 105,734 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capitalized fixed assets (\$373,603) exceeds depreciation expense (\$106,667). | 266,936 |
| Note, bond, and lease proceeds are reported in governmental funds as revenues. However, only the interest on notes, bonds, and leases are recorded in the statement of activities. This is the principal amount of notes, bonds and lease proceeds issued during the period. | (500,000) |
| Note, bond, and lease payments are reported in governmental funds as expenditures. However, only the interest on notes, bonds, and leases are recorded in the statement of activities. This is the principal amount of notes, bonds and lease payments made during the period. | 65,000 |
| <hr/> | |
| Change in net position of governmental activities | <u>\$ (62,330)</u> |

City of Earlville, Illinois

Statement of Assets, Liabilities and Net Position Modified Cash Basis Proprietary Funds

April 30, 2018

| | Waterworks Fund | Sewerage Fund | Garbage Fund | Total |
|---|--------------------|---------------------|------------------|---------------------|
| Current assets: | | | | |
| Cash and cash equivalents | \$ 238,495 | \$ 65,026 | \$ 11,437 | \$ 314,958 |
| Restricted: | | | | |
| Cash and cash equivalents | | 104,465 | | 104,465 |
| Total current assets | 238,495 | 169,491 | 11,437 | 419,423 |
| Noncurrent assets: | | | | |
| Capital assets, net of accumulated depreciation | 776,706 | 3,886,084 | | 4,662,790 |
| Total assets | 1,015,201 | 4,055,575 | 11,437 | 5,082,213 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Customer deposits | 51,800 | | | 51,800 |
| Notes payable | | 215,000 | | 215,000 |
| Other current liabilities | 924 | | | 924 |
| Total current liabilities | 52,724 | 215,000 | - | 267,724 |
| Noncurrent liabilities: | | | | |
| Notes payable | | 175,000 | | 175,000 |
| Total liabilities | 52,724 | 390,000 | - | 442,724 |
| Net Position | | | | |
| Net position: | | | | |
| Net investment in capital assets | 776,706 | 3,496,084 | | 4,272,790 |
| Restricted for debt service | | 104,465 | | 104,465 |
| Unrestricted | 185,771 | 65,026 | 11,437 | 262,234 |
| Total net position | \$ 962,477 | \$ 3,665,575 | \$ 11,437 | \$ 4,639,489 |

City of Earlville, Illinois

Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis Proprietary Funds

Year ended April 30, 2018

| | Waterworks Fund | Sewerage Fund | Garbage Fund | Total |
|--|--------------------|---------------------|------------------|---------------------|
| Operating revenues: | | | | |
| Basic charges for service | \$ 203,844 | \$ 456,369 | \$ 91,546 | \$ 751,759 |
| Property tax receipts | - | - | 2,995 | 2,995 |
| Other | 186 | - | - | 186 |
| Total operating revenues | 204,030 | 456,369 | 94,541 | 754,940 |
| Operating expenses: | | | | |
| Personal services | 97,728 | 98,071 | - | 195,799 |
| Contractual services | 98,547 | 99,529 | 91,030 | 289,106 |
| Supplies | 12,708 | 28,954 | 1,492 | 43,154 |
| Depreciation | 62,637 | 153,222 | - | 215,859 |
| Total operating expenses | 271,620 | 379,776 | 92,522 | 743,918 |
| Operating income (loss) | (67,590) | 76,593 | 2,019 | 11,022 |
| Non operating revenues (expenses): | | | | |
| Interest income | 761 | 574 | 38 | 1,373 |
| Interest expense | - | (12,275) | - | (12,275) |
| Other fees and charges | - | (750) | - | (750) |
| Net non operating revenues (expenses) | 761 | (12,451) | 38 | (11,652) |
| Change in net position | (66,829) | 64,142 | 2,057 | (630) |
| Total net position, beginning of year | 1,029,306 | 3,601,433 | 9,380 | 4,640,119 |
| Total net position, end of year | \$ 962,477 | \$ 3,665,575 | \$ 11,437 | \$ 4,639,489 |

City of Earlville, Illinois

Statement of Cash Flows - Modified Cash Basis Proprietary Funds

Year ended April 30, 2018

| | Waterworks Fund | Sewerage Fund | Garbage Fund | Total |
|---|--------------------|-------------------|------------------|-------------------|
| Cash Flows from Operating Activities: | | | | |
| Cash received from customers and users | \$ 203,376 | \$ 456,369 | \$ 94,541 | \$ 754,286 |
| Cash received for customer deposits | 2,500 | | | 2,500 |
| Cash paid to suppliers | (144,510) | (161,801) | (92,522) | (398,833) |
| Cash paid to employees | (64,473) | (64,753) | - | (129,226) |
| Net cash provided by (used in) operating activities | (3,107) | 229,815 | 2,019 | 228,727 |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Transfer to restricted cash and cash equivalents | | 9,349 | | 9,349 |
| Principal payments - notes | | (215,000) | | (215,000) |
| Acquisition of capital assets | (8,063) | (8,063) | | (16,127) |
| Interest and fees paid | | (13,025) | | (13,025) |
| Net cash used in capital and related financing activities | (8,063) | (226,739) | - | (234,803) |
| Cash Flows from investing Activities: | | | | |
| Interest received | 761 | 574 | 38 | 1,373 |
| Net increase (decrease) in cash and cash equivalents | (10,409) | 3,650 | 2,057 | (4,703) |
| Cash and cash equivalents, beginning of year | 248,904 | 61,376 | 9,380 | 319,660 |
| Cash and cash equivalents, end of year | \$ 238,495 | \$ 65,026 | \$ 11,437 | \$ 314,958 |
| Reconciliation of income from operations to net cash provided by operating activities: | | | | |
| Income (loss) from operations | \$ (67,590) | \$ 76,593 | \$ 2,019 | \$ 11,022 |
| Adjustments to reconcile income (loss) from operations to net cash provided by operating activities - | | | | |
| Unearned cash paid to customers | (654) | | | (654) |
| Depreciation | 62,637 | 153,222 | | 215,859 |
| Decrease in customer deposits | 2,500 | | | 2,500 |
| Net cash provided by operating activities | \$ (3,107) | \$ 229,815 | \$ 2,019 | \$ 228,727 |

Notes to Financial Statements

Web Document

City of Earlville, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Reporting entity

The City Council is the basic level of government which has oversight responsibility and control over all activities related to the operation of the City of Earlville, the primary government unit. The Council receives funding from local, state, and Federal government sources and must comply with the requirements of these funding source entities. However, the Council is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. There are no component units to be included with the primary government.

Summary of significant accounting policies

Government-Wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to citizens or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Earnings on investments not properly included among program revenues are reported instead as general revenue.

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

The government-wide financial statements are reported using the modified cash basis of accounting as are the proprietary fund financial statements. Revenues are recorded when cash is received and expenses are recorded when cash is paid, regardless of the timing of related cash flows. Property taxes are recognized as revenues when cash is received. Grants and similar items are recognized as revenue.

City of Earlville, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, cash receipts, and cash disbursements. City 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. The City has the following funds:

Governmental Fund Types

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

General Fund – The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City's general service departments; street and highway maintenance and public safety are accounted for in this fund.

Motor Fuel Tax Fund – The Motor Fuel Tax Fund was created to account for intergovernmental tax funds received and designated to be spent for the purpose of maintaining City infrastructure, streets, and roads.

TIF III Fund – The TIF III Fund was created to account for the property tax funds received and designated to be spent for the purpose of the City's tax increment finance district.

Capital Projects Fund – The Capital Project Fund was created to account for the City's capital projects relation to a 2017 bond issuance.

City of Earlville, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (continued)

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, fiduciary, or major capital projects) that are legally restricted to expenditures for specified purposes. The City's nonmajor Special Revenue Funds are the Audit Fund, Social Security Fund, Liability Insurance Fund, Unemployment Compensation Fund, Workmen's Compensation Fund, IMRF Fund.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The City's nonmajor Debt Service Funds are the 2007 Debt Certificate and Interest Repayment Fund and the 2017 GO Bond Repayment Fund.

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body 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 Waterworks Fund, Sewerage Fund, and Garbage Fund are the major enterprise funds of the City.

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

City of Earlville, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

The City budgets for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds through an appropriation ordinance.

The City's appropriation ordinance is prepared on the basis of anticipated cash receipts and disbursements (cash basis).

The ordinance was passed on July 18, 2017. For each fund, total fund expenditures may not legally exceed the budgeted expenditures. The ordinance lapses at the end of each fiscal year. The City does not utilize an encumbrance system.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to August 1, the City prepares an annual appropriation ordinance for the fiscal year commencing May 1 of that year. The ordinance includes proposed expenditures and the means of financing them.

Legal spending control for City monies is at the fund level, but management control is exercised at budgetary line item levels within each fund.

- b) The City may amend the ordinance anytime by a two-thirds vote of all City Council members. The Council may make transfers between funds, but no appropriation may be reduced below an amount sufficient to cover such obligation. The City's did not amend the appropriation ordinance during fiscal year 2018.

Property Taxes

It is the City's intention that property taxes generated from the 2016 property tax levy be used to finance the operating budget of the fiscal year ending April 30, 2018. Therefore, property tax receipts represent the receipts generated by the 2016 property tax levy.

The City's property tax is levied each year on all taxable real property located in the City on or before the last Tuesday in December. The 2016 tax levy was passed by the City Council on December 13, 2016. Property taxes attach as an enforceable lien on property as of January 1, and are generally payable in two installments in early June and September. The City receives significant distributions of tax receipts within one month of these due dates.

City of Earlville, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Investments:

For the purpose of reporting cash and cash equivalents on the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The City considers certificates of deposit with a maturity of more than three months when purchased to be investments. Restricted cash and investments consist of loan requirement accounts.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates.

Note 2 Cash and Investments

The City's cash and cash equivalents at year end consist of interest bearing demand deposit accounts and Illinois Funds.

Cash and cash equivalents as of April 30, 2018 are classified for the City as follows:

| | Statement of Net Position |
|--------------------------------------|--------------------------------------|
| Cash and cash equivalents | \$ 908,053 |
| Restricted cash and cash equivalents | 104,465 |
| Total | \$ 1,012,518 |

Deposits

At year-end the carrying amount of the City's deposits totaled \$1,012,518 and the bank balances totaled \$1,031,229. Of the City's deposits, all amounts are either FDIC insured or covered by collateral held by the pledging institution in the City's name. No deposits are uninsured or uncollateralized as of April 30, 2018. The City has no foreign currency risk for deposits at year end.

City of Earlville, Illinois

Notes to Financial Statements

Note 2 Cash and Investments (Continued)

Illinois Funds

The City has \$129,688 in the "Illinois Money Market Fund," formerly known as IPTIP. It is a money market fund that was created in 1975 by the Illinois General Assembly. Its primary purpose is to provide the custodians of public funds with an alternative investment vehicle which enables them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds. The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. The time deposits are collateralized 110% over FDIC or FSLIC \$100,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations, and the collateral is checked daily to determine sufficiency. The individual participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participant's account.

For financial statement purposes, the City shows Illinois Funds as cash and cash equivalents.

Investments

As of April 30, 2018, the City had no investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no specific policy on the interest rate risk at year-end as it has no investments.

City of Earlville, Illinois

Notes to Financial Statements

Note 2 Cash and Investments (Continued)

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of another party. At April 30, 2018, the City had no custodial credit risk as no City deposits were uninsured or uncollateralized.

Foreign Currency Risk

The City has no foreign currency risk for investments at year end.

Note 3 Restricted Cash and Investments

In accordance with the provisions of the City's IEPA loan agreements, special accounts have been established to receive and disburse funds for debt retirement. Departmental revenues are transferred to these accounts as specified after first being deposited in a common cash account. The special accounts established by the loan agreements are not expendable for operating expenses of the City. The following schedule shows the detail of these accounts:

| | 2018 |
|----------------------|--------------------------|
| | Deposits in Banks |
| IEPA loan repayment: | |
| Cash | \$ 104,465 |
| Total | \$ 104,465 |

City of Earlville, Illinois

Notes to Financial Statements

Note 4 Capital Assets

Capital assets

Capital assets, which include buildings, improvements, equipment, vehicles, and infrastructure, are reported in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of more than \$1,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of acquisition.

The cost of normal maintenance and repair that does not add to the value of the asset or materially extend the useful life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except land and construction in process which are not depreciated, are being depreciated using the straight line method over the following useful lives:

| | |
|--------------------|-------------|
| Buildings | 40 years |
| Equipment | 4-7 years |
| Vehicles | 5 years |
| Other improvements | 10-20 years |
| Infrastructure | 40 years |

Capital assets are reported as expenditures when incurred in the governmental fund financial statements.

City of Earlville, Illinois

Notes to Financial Statements

Note 4 Capital Assets (Continued)

The governmental activities capital asset activity for the year ended April 30, 2018 is as follows:

| Governmental activities: | Balance April 30, 2017 | Additions | Deletions | Balance April 30, 2018 |
|---|------------------------------|------------------|-------------|---------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 14,380 | \$ - | \$ - | \$ 14,380 |
| Total capital assets, not being depreciated | 14,380 | - | - | 14,380 |
| Capital assets, being depreciated: | | | | |
| Buildings | 315,416 | - | - | 315,416 |
| Equipment | 224,361 | 49,416 | - | 273,777 |
| Vehicles | 150,433 | - | - | 150,433 |
| Other improvements | 511,501 | - | - | 511,501 |
| Infrastructure | 663,866 | 324,187 | - | 988,053 |
| Total capital assets, being depreciated: | 1,865,577 | 373,603 | - | 2,239,180 |
| Accumulated depreciation: | | | | |
| Buildings | 133,875 | 9,130 | - | 143,005 |
| Equipment | 151,373 | 20,341 | - | 171,714 |
| Vehicles | 141,458 | 6,399 | - | 147,857 |
| Other improvements | 480,169 | 4,119 | - | 484,288 |
| Infrastructure | 213,242 | 66,678 | - | 279,920 |
| Total accumulated depreciation | 1,120,117 | 106,667 | - | 1,226,784 |
| Total capital assets, being depreciated, net | 745,460 | 266,936 | - | 1,012,396 |
| Governmental activities capital assets, net | \$759,840 | \$266,936 | \$ - | \$1,026,776 |

City of Earlville, Illinois

Notes to Financial Statements

Note 4 Capital Assets (Continued)

The business-type activities capital asset activity for the year ended April 30, 2018 is as follows:

| Business-Type activities: | Balance April 30, 2017 | Additions | Deletions | Balance April 30, 2018 |
|---|------------------------------|---------------------|-------------|------------------------------|
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 96,469 | \$ - | \$ - | \$ 96,469 |
| Equipment | 386,122 | 16,127 | - | 402,249 |
| Vehicles | 23,741 | - | - | 23,471 |
| Other improvements | 36,551 | - | - | 36,551 |
| Infrastructure | 8,120,153 | - | - | 8,120,153 |
| Total capital assets, being depreciated: | 8,662,766 | 16,127 | - | 8,678,893 |
| Accumulated depreciation: | | | | |
| Buildings | 41,151 | 9,569 | - | 50,720 |
| Equipment | 309,016 | 23,825 | - | 332,841 |
| Vehicles | 23,036 | 435 | - | 23,471 |
| Other improvements | 22,958 | 1,852 | - | 24,810 |
| Infrastructure | 3,404,083 | 180,178 | - | 3,584,261 |
| Total accumulated depreciation | 3,800,244 | 215,859 | - | 4,016,103 |
| Total capital assets, being depreciated, net | 4,862,522 | (199,032) | - | 4,662,790 |
| Business-Type activities capital assets, net | \$ 4,862,522 | \$ (199,032) | \$ - | \$ 4,662,790 |
| Depreciation expense was charged to the functions as follows: | | | | |
| Governmental activities | | | | |
| General government | | | | \$ 6,643 |
| Public safety | | | | 10,547 |
| Streets and alleys | | | | 74,341 |
| Culture and recreation | | | | 1,178 |
| Community development | | | | 13,958 |
| Total depreciation expense-governmental activities | | | | 106,667 |
| Business-type activities | | | | |
| Water | | | | 62,637 |
| Sewer | | | | 153,222 |
| Total depreciation expense-business type activities | | | | 215,859 |
| Total depreciation expense | | | | \$ 322,526 |

City of Earlville, Illinois

Notes to Financial Statements

Note 5 2017 General Obligation Bonds

During the 2018 fiscal year, the City of Earlville, Illinois, issued \$500,000 in general obligation bonds for the purpose of capital improvements. Interest accrues on the certificates at 3.50% and payments are payable on December 1 of each year commencing on December 1, 2018. The bonds are payable from a property tax levy. During the fiscal year ended April 30, 2018, principal of \$0 and interest of \$8,418 was paid.

Future payment requirements are as follows:

| Fiscal Year Ending April 30, | Rate | Principal | Interest | Total |
|------------------------------------|------|------------|-----------|------------|
| 2019 | 3.50 | \$ 50,000 | \$ 18,040 | \$ 68,040 |
| 2020 | 3.50 | 52,000 | 16,290 | 68,290 |
| 2021 | 3.50 | 54,000 | 14,470 | 68,470 |
| 2022 | 3.50 | 56,000 | 12,580 | 68,580 |
| 2023 | 3.50 | 58,000 | 10,620 | 68,620 |
| Later Yrs | 3.50 | 230,000 | 21,160 | 251,160 |
| | | \$ 500,000 | \$ 93,160 | \$ 593,160 |

Note 6 Note Payable

During the 2018 fiscal year, the City of Earlville, Illinois, received \$27,000 in a promissory note for the purpose of purchasing equipment. Note payments are due on July 24 of each year, commencing July 24, 2018. Interest accrues on the note at 3.50% and is payable on July 24 of each year commencing on July 24, 2018. The note is payable from a property tax levy.

Future payment requirements are as follows:

| Fiscal Year Ending April 30, | Rate | Principal | Interest | Total |
|------------------------------------|------|-----------|----------|-----------|
| 2019 | 3.50 | \$ 13,267 | \$ 956 | \$ 14,223 |
| 2020 | 3.50 | 13,733 | 490 | 14,223 |
| | | \$ 27,000 | \$ 1,446 | \$ 28,446 |

City of Earlville, Illinois

Notes to Financial Statements

Note 7 2014 General Obligation Bonds

During the 2015 fiscal year, the City of Earlville, Illinois, issued \$1,220,000 in general obligation bonds for the purpose of refinancing previously issued IEPA loans in the City's Sewer Fund. The bonds are due on December 1 of each year, commencing December 1, 2014. Interest accrues on the bonds at varying rates (see below) and is payable on December 1 of each year commencing on December 1, 2014. During the fiscal year ended April 30, 2018, principal of \$215,000 and interest of \$12,275 was paid.

Future payment requirements are as follows:

| Fiscal Year Ending April 30, | Rate | Principal | Interest | Total |
|---|-------------|-------------------|------------------|-------------------|
| 2019 | 2.00 | \$ 215,000 | \$ 7,975 | \$ 222,975 |
| 2020 | 2.10 | 175,000 | 3,675 | 178,675 |
| | | \$ 390,000 | \$ 11,650 | \$ 401,650 |

Web Document

City of Earlville, Illinois

Notes to Financial Statements

Note 8 Changes in Outstanding Debt

Transactions for the year ended April 30, 2018, are summarized as follows:

| Fund Types | Balance April 30, 2017 | Issues or Additions | Payments | Balance April 30, 2018 |
|----------------------------------|---------------------------|------------------------|------------|---------------------------|
| Governmental activities: | | | | |
| General obligation bonds | \$ 65,000 | \$ 500,000 | \$ 65,000 | \$ 500,000 |
| Notes payable | - | 27,000 | - | 27,000 |
| Total Governmental activities | 65,000 | 527,000 | 65,000 | 527,000 |
| Business-type activities: | | | | |
| IEPA loans | 605,000 | - | 215,000 | 390,000 |
| Total debt | \$ 670,000 | \$ 527,000 | \$ 280,000 | \$ 390,000 |

The annual aggregate maturities and interest payments for the five years after April 30, 2018 are as follows:

| Due During Year Ended April 30, | Governmental Activities | | Business-Type Activities | | Total |
|---|----------------------------|-----------|--------------------------|-----------|--------------|
| | Principal | Interest | Principal | Interest | |
| 2019 | \$ 63,267 | \$ 18,996 | \$ 215,000 | \$ 7,975 | \$ 305,238 |
| 2020 | 65,733 | 16,780 | 175,000 | 3,675 | 261,188 |
| 2021 | 54,000 | 14,470 | - | - | 68,470 |
| 2022 | 56,000 | 12,580 | - | - | 68,580 |
| 2023 | 58,000 | 10,620 | - | - | 68,620 |
| Later Yrs | 230,000 | 21,160 | - | - | 251,160 |
| | \$527,000 | \$ 94,606 | \$ 390,000 | \$ 11,650 | \$ 1,023,256 |

City of Earlville, Illinois

Notes to Financial Statements

Note 9 Municipal Retirement Fund

Plan description – The employer’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. 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 Earlville, Illinois

Notes to Financial Statements

Note 9 Municipal Retirement Fund (continued)

Employees Covered by the Benefit Terms - At the December 31, 2017 valuation date, the following employees were covered by the benefit terms:

| | |
|--|----|
| Inactive employees or beneficiaries currently receiving benefits | 1 |
| Inactive employees entitled to but not yet receiving benefits | 4 |
| Active employees | 8 |
| <hr/> | |
| Total | 13 |

Contributions – As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2017 was 10.89%. For the fiscal year ended April 30, 2018, the employer contributed \$45,116 to the plan. The employer 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 - The employer's Net Pension Liability was measured as of December 31, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

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 2.75%.

Salary Increases were expected to be 3.75% to 14.50%, including inflation.

The **Investment Rate of Return** was assumed to be 7.50%.

Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.

For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

City of Earlville, Illinois

Notes to Financial Statements

Note 9 Municipal Retirement Fund (continued)

Actuarial assumptions (continued)

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return 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, 2017:

| Asset Class | Portfolio Target Percentage | Long-Term Expected Real Rate of Return |
|-------------------------|-----------------------------|--|
| Domestic Equity | 38% | 6.85% |
| International Equity | 17% | 6.75% |
| Fixed Income | 27% | 3.00% |
| Real Estate | 8% | 5.75% |
| Alternative Investments | 9% | 2.65 – 7.35% |
| Cash Equivalents | 1% | 2.25% |
| Total | 100% | |

Single Discount rate - A Single Discount Rate of 7.50% was used to measure the total pension liability. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Due to the City preparing its financial statements on the modified cash basis of accounting, pension liabilities and deferred inflows and outflows referred to throughout the note disclosure are not recognized in the actual financial statements.

City of Earlville, Illinois

Notes to Financial Statements

Note 9 Municipal Retirement Fund (continued)

Changes in Net Pension Liability

| | Total Pension Liability | Increase (Decrease) Plan Fiduciary Net Position | Net Pension Liability |
|---|-------------------------|---|-----------------------|
| Balance January 1, 2017 | \$ 1,056,928 | \$872,689 | \$184,239 |
| Service costs | 48,269 | - | 48,269 |
| Interest on total pension liability | 80,924 | - | 80,924 |
| Difference between expected and actual experience | (39,020) | - | (39,020) |
| Changes in assumptions | (33,892) | - | (33,892) |
| Employer contributions | - | 44,387 | (44,387) |
| Employee contributions | - | 18,342 | (18,342) |
| Net investment income | - | 134,879 | (134,879) |
| Benefit payments – net of refunds | (4,146) | (4,146) | - |
| Administrative expense | - | - | - |
| Other changes (Net Transfer) | - | 84 | (84) |
| Net changes | 52,135 | 193,546 | (141,411) |
| Balances as of December 31, 2017 | \$1,109,063 | \$1,066,235 | \$42,828 |

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

| | 1% Decrease (6.50%) | Current Rate (7.50%) | 1% Increase (8.50%) |
|-------------------------------|---------------------|----------------------|---------------------|
| Total Pension Liability | \$1,271,997 | \$ 1,109,063 | \$ 974,713 |
| Plan Fiduciary Net Position | 1,066,235 | 1,066,235 | 1,066,235 |
| Net Pension Liability (Asset) | \$ 205,762 | \$ 42,828 | \$ (91,522) |

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report which is publicly available at <http://imrf.org>.

City of Earlville, Illinois

Notes to Financial Statements

Note 9 Municipal Retirement Fund (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2018; the City recognized pension expense of \$45,116. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, which are not reported due to the modified cash basis of accounting:

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$16,035 | \$51,778 |
| Changes in assumptions | 2,044 | 33,167 |
| Net difference between projected and actual earnings | 24,255 | 53,782 |
| Employer contributions subsequent to the Measurement date | 14,647 | - |
| Total | \$56,981 | \$138,727 |

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

Year ended December 31:

| | |
|------------|------------|
| 2018 | \$(18,289) |
| 2019 | (18,289) |
| 2020 | (28,596) |
| 2021 | (26,732) |
| 2022 | (4,487) |
| Thereafter | - |
| Total | \$(96,393) |

Note 10 Social Security

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered to be "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security. The City paid \$35,528, equal to the total required contribution for the year ended April 30, 2018.

Note 11 Special Tax Levy

Proceeds from the Police Protection Tax Levy and related disbursements have been included in the operations of the General Fund. As of April 30, 2018, cumulative disbursements for police protection have exceeded cumulative tax receipts.

City of Earlville, Illinois

Notes to Financial Statements

Note 12 Legal Debt Margin

The following schedule illustrates the legal debt margin of the City as of April 30, 2018:

| | |
|---|---------------|
| Assessed valuation – 2017 | \$ 18,451,517 |
| Statutory debt limitation (8.625% of assessed valuation) | \$ 1,591,443 |
| Debt outstanding at April 30, 2018: Governmental Activities (IEPA loans not considered under debt margin calculations) | (527,000) |
| Legal debt margin | \$ 1,064,443 |

Note 13 Other Required Individual Disclosures

Generally accepted accounting principles require an overview of certain information concerning individual funds as part of the fund financial statements, including:

Individual fund interfund receivable and payable balances. Balances at April 30, 2018 were as follows:

| Fund Owed | Fund Owing | Total |
|-----------|------------|-----------|
| General | TIF III | \$ 50,000 |
| | | \$ 50,000 |

The interfund loans involving the general fund and TIF III fund is to cover operating costs.

Note 14 Risk Management

The City is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation, and public official liability. To limit exposure to these risks, the City participates in the Illinois Municipal League Risk Management Association. The City is liable for up to a \$500 per year deductible for all years it participates in the plan. The City's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The City is not aware of any additional assessments owed as of April 30, 2018.

During the year ended April 30, 2018, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

City of Earlville, Illinois

Notes to Financial Statements

Note 15 TIF Districts

The TIF District III was established during the fiscal year ended April 30, 1999. The goal of the Tax Increment Financing law is to induce private development, which would not occur without public expenditure, in economically depressed areas in order to improve property values and eliminate blight.

TIF District III was established to account for tax increment allocation financing for the Downtown Earlville Tax Increment Redevelopment Project Area.

There are intergovernmental agreements between the City's TIF District III and LaSalle County, Earlville Community Unit School District No. 9, and Illinois Valley Community College. The terms of the agreement between the City and the County require the City to make annual payments to the County during the life of TIF District III. Said payments shall reimburse the County for 51% of its incremental real estate tax loss within TIF District III. The terms of the agreement between the City and District No. 9, also require the City to reimburse the District for the real estate tax loss to the District caused by TIF District III. Payments to Illinois Valley Community College shall reimburse the College for 100% of its tax loss due to the TIF District.

Note 16 Economic Incentive Agreement

During a prior fiscal year, the City entered into an economic incentive agreement with Premier Oil Holdings, LLC. Under the terms of the agreement, the City shall share or rebate one-half (1/2) of the retailers' occupation taxes generated from or at the development during a period of fifteen years, up to a maximum of \$75,000. The City shall have no further obligation to make any further payments when and if such \$75,000 limit has been reached. During the current fiscal year, the City paid \$6,777 under this agreement. As of April 30, 2018 the total amount paid is \$63,680.

City of Earlville, Illinois

Notes to Financial Statements

Note 17 Impact of Pending Accounting Principles

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The City has not determined the effect of this Statement.

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* addresses issues regarding the presentation of payroll related measures in requirement supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The City has not determined the effect of this Statement.

Web Document

City of Earlville, Illinois

Notes to Financial Statements

Note 18 Fund Balance Reporting

On April 25, 2012, the City adopted a fund balance policy pursuant to Governmental Accounting Standards Board Statement No. 54. According to this standard, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions for how these balances are reported.

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has several revenue sources received within different funds that are restricted for the following purposes:

| | | |
|------------------------|----|---------|
| Social Security | \$ | 17,813 |
| Audit Services | | 9,139 |
| Liability Insurance | | 33,104 |
| Unemployment Insurance | | 7,774 |
| Workmen's Compensation | | 28,234 |
| Municipal Retirement | | 17,069 |
| TIF III | | 13,870 |
| Capital Projects | | 162,367 |
| Debt Service | | 9,114 |
| Road Maintenance | | 121,321 |
| <hr/> | | |
| Total Restricted | \$ | 419,805 |

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. This classification is also used to report deficit fund balances in all other funds.

Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, assigned balances next, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Other Information

Web Document

City of Earlville, Illinois

Schedule of Revenues and Expenditures Compared with Appropriations - Modified Cash Basis General Fund

Year ended April 30, 2018

| | Appropriated Amounts | | | Over/(Under) |
|----------------------------|-------------------------|-------------------|-----------|------------------|
| | Original and Final | Actual | | Budget |
| Revenues: | | | | |
| Local taxes | \$ 201,844 | \$ 187,453 | \$ | (14,391) |
| Intergovernmental | 331,950 | 312,979 | | (18,971) |
| Licenses, permits and fees | 60,730 | 39,831 | | (20,899) |
| Rentals | 40 | 38 | | (2) |
| Fines and forfeits | 13,100 | 3,510 | | (9,590) |
| Other | 4,500 | 6,573 | | 2,073 |
| Total revenues | \$ 612,164 | \$ 550,384 | \$ | (61,780) |
| Expenditures: | | | | |
| General government | \$ 174,050 | \$ 121,931 | \$ | (52,119) |
| Public health and safety | 334,550 | 273,675 | | (60,875) |
| Streets and alleys | 243,850 | 185,587 | | (58,263) |
| Culture and recreation | 19,800 | 13,650 | | (6,150) |
| Capital outlay | 88,700 | 49,416 | | (39,284) |
| Total expenditures | \$ 860,950 | \$ 644,259 | \$ | (216,691) |

City of Earlville, Illinois

Schedule of Revenues and Expenditures Compared with Appropriations - Modified Cash Basis Motor Fuel Tax Fund

Year ended April 30, 2018

| | Appropriated Amounts | | Actual | Over/(Under) Budget |
|--------------------------------------|-------------------------|------------------|-----------|------------------------|
| | Original and Final | | | |
| Revenues: | | | | |
| Intergovernmental - Motor Fuel taxes | \$ 45,000 | \$ 43,262 | \$ | (1,738) |
| Other - Interest | 700 | 1,064 | | 364 |
| Total revenues | \$ 45,700 | \$ 44,326 | \$ | (1,374) |
| Expenditures: | | | | |
| Streets and alleys | \$ 202,000 | \$ 79,654 | \$ | (122,346) |
| Total expenditures | \$ 202,000 | \$ 79,654 | \$ | (122,346) |

Web Document

City of Earlville, Illinois

Schedule of Revenues and Expenditures Compared with Appropriations - Modified Cash Basis TIF III Fund

Year ended April 30, 2018

| | Appropriated Amounts | | | Over/(Under) |
|---------------------------------------|-------------------------|------------------|-----------|-----------------|
| | Original and Final | Actual | | Budget |
| Revenues: | | | | |
| Property taxes | \$ 56,221 | \$ 56,220 | \$ | (1) |
| Other - Interest | 260 | 263 | | 3 |
| Total revenues | \$ 56,481 | \$ 56,483 | \$ | 2 |
| Expenditures: | | | | |
| General government: | | | | |
| Contract services | \$ 1,800 | \$ 700 | \$ | (1,100) |
| Legal | 100 | - | | (100) |
| Maintenance - building | 80,000 | 3,569 | | (76,431) |
| Maintenance - equipment | 2,000 | - | | (2,000) |
| Miscellaneous | 300 | 84 | | (216) |
| Other: | | | | |
| Inter-governmental agreements: | | | | |
| Earlville CUSD #9 | 14,280 | 14,279 | | (1) |
| LaSalle County | 2,854 | 2,854 | | - |
| Illinois Valley Community College | 1,996 | 1,995 | | (1) |
| Total expenditures | \$ 103,330 | \$ 23,481 | \$ | (79,849) |

City of Earlville, Illinois

Schedule of Revenues and Expenditures Compared with Appropriations - Modified Cash Basis 2017 GO Bond Capital Projects

Year ended April 30, 2018

| | Appropriated Amounts | | Actual | Over/(Under) Budget |
|---------------------------|-------------------------|-------------------|-----------|------------------------|
| | Original and Final | | | |
| Revenues: | | | | |
| Interest Earned | \$ 1,000 | \$ 590 | \$ | (410) |
| Bond Premium | - | 3,124 | | 3,124 |
| Bond Proceeds | 488,725 | 500,000 | | 11,275 |
| Total revenues | \$ 489,725 | \$ 503,714 | \$ | 13,989 |
| Expenditures: | | | | |
| Contractual Services: | | | | |
| Maintenance: | | | | |
| Street | \$ 300,000 | \$ 2,760 | \$ | 297,240 |
| Utility System | 138,725 | - | | 138,725 |
| Engineering Service | 50,000 | - | | 50,000 |
| Bond Issuance | - | 14,400 | | (14,400) |
| Capital Outlay - Streets | - | 324,187 | | (324,187) |
| Total expenditures | \$ 488,725 | \$ 341,347 | \$ | 147,378 |

City of Earlville, Illinois

Other Information - Illinois Municipal Retirement Fund (IMRF) Multiyear Schedule of Changes in Net Pension Liability and Related Ratios Last 10 Calendar Years (schedule to be built prospectively from 2015)

| Calendar year ending December 31, | 2017 | 2016 | 2015 |
|---|--------------------|--------------------|------------------|
| Total pension liability: | | | |
| Service cost | \$48,269 | \$43,209 | \$49,100 |
| Interest on the total pension liability | 80,924 | 70,512 | 65,227 |
| Benefit changes | - | - | - |
| Difference between expected and actual experience | (39,020) | 26,315 | (40,473) |
| Assumption changes | (33,892) | (9,250) | 4,120 |
| Benefit payments and refunds | - | - | (937) |
| Net change in total pension liability | 56,281 | 130,786 | 77,037 |
| Total pension liability - beginning | 1,056,928 | 926,142 | 849,105 |
| Total pension liability - ending (a) | \$1,109,063 | \$1,056,928 | \$926,142 |
| Plan fiduciary net position: | | | |
| Employer contributions | \$44,387 | \$39,369 | \$41,212 |
| Employee contributions | 18,342 | 16,511 | 17,061 |
| Pension plan net investment income | 134,879 | 54,207 | 3,921 |
| Benefit payments and refunds | (4,146.00) | - | (937.00) |
| Other | 84 | (1,635) | (52,456) |
| Net change in plan fiduciary net position | 193,546 | 108,452 | 8,801 |
| Plan fiduciary net position - beginning | 872,689 | 764,237 | 755,436 |
| Plan fiduciary net position - ending (b) | \$1,066,235 | \$872,689 | \$764,237 |
| Net pension liability(asset) - Ending (a) - (b) | 42,828 | 184,239 | 161,905 |
| Plan fiduciary net position as a percentage of total pension liability | 96.14% | 82.57% | 82.52% |
| Covered valuation payroll | 407,602 | 366,902 | 379,127 |
| Net pension liability as a percentage of covered valuation payroll | 10.51% | 50.21% | 42.70% |

The City implemented GASB Statement No. 68 in the fiscal year ending April 30, 2016.

City of Earlville, Illinois

Illinois Municipal Retirement Fund Multiyear Schedule of Contributions – Last 10 Calendar Years

April 30, 2018
(Unaudited)

| Calendar Year Ending December 31, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a % of Covered Valuation Payroll |
|--|--|--------------------------------|---|--|--|
| 2015 | \$41,211 | \$41,212 | \$(1) | \$379,127 | 10.87% |
| 2016 | 39,369 | 39,369 | - | 366,902 | 10.73% |
| 2017 | 44,388* | 44,387 | 1 | 407,602 | 10.89% |

* Estimated based on contribution rate of 10.89% and covered valuation payroll of \$407,602.

Schedule to be built prospectively. The City implemented GASB Statement No. 68 in the fiscal year ending April 30, 2016.

Web Document

City of Earlville, Illinois

Combining Statement of Assets, Liabilities, and Fund Balances Modified Cash Basis Nonmajor Governmental Funds

April 30, 2018

| <i>Assets</i> | Special Revenue Funds | Debt Service Fund - 2007 Debt Certificate Repayment Fund | Debt Service Fund 2017 GO Bond Repayment Fund | Total Nonmajor Governmental Funds |
|--|-----------------------------|---|---|--|
| Cash | \$ 113,133 | \$ - | \$ 9,114 | \$ 122,247 |
| Total assets | \$ 113,133 | \$ - | \$ 9,114 | \$ 122,247 |
| <i>Liabilities and Fund Balances</i> | | | | |
| Liabilities: | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - |
| Fund balances: | | | | |
| Unreserved | - | - | - | - |
| Reserved | 113,133 | - | 9,114 | 122,247 |
| Total fund balances | 113,133 | - | 9,114 | 122,247 |
| Total liabilities and fund balances | \$ 113,133 | \$ - | \$ 9,114 | \$ 122,247 |

Web Document

City of Earlville, Illinois

Combining Statement of Assets, Liabilities, and Fund Balances Modified Cash Basis Nonmajor Special Revenue Funds

April 30, 2018

| <i>Assets</i> | Audit Fund | Social Security Fund | Liability Insurance Fund |
|--|-----------------------|-------------------------------------|---|
| Cash | \$ 9,139 | \$ 17,813 | \$ 33,104 |
| Total assets | \$ 9,139 | \$ 17,813 | \$ 33,104 |
| <i>Liabilities and Fund Balance</i> | | | |
| Liabilities: | | | |
| Other liabilities | | | |
| Total liabilities | - | - | - |
| Fund balances: | | | |
| Unreserved | | | |
| Reserved | \$ 9,139 | \$ 17,813 | \$ 33,104 |
| Total fund balances | 9,139 | 17,813 | 33,104 |
| Total liabilities and fund balances | \$ 9,139 | \$ 17,813 | \$ 33,104 |

| Unemployment Compensation Fund | Workmen's Compensation Fund | IMRF Fund | Total Nonmajor Special Revenue Funds |
|--------------------------------------|-----------------------------------|--------------|--|
| \$ 7,774 | \$ 28,234 | \$ 17,069 | \$ 113,133 |
| \$ 7,774 | \$ 28,234 | \$ 17,069 | \$ 113,133 |
| - | - | - | - |
| \$ 7,774 | \$ 28,234 | \$ 17,069 | \$ 113,133 |
| 7,774 | 28,234 | 17,069 | - 113,133 |
| \$ 7,774 | \$ 28,234 | \$ 17,069 | \$ 113,133 |

Web Document

City of Earlville, Illinois

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis Nonmajor Governmental Funds

Year ended April 30, 2018

| | Special Revenue Funds | Debt Service Fund - 2007 Debt Certificate Repayment Fund | Debt Service Fund 2017 GO Bond Repayment Fund | Total Nonmajor Governmental Funds |
|--|-----------------------------|---|---|--|
| Revenues: | | | | |
| Local taxes: | | | | |
| Property taxes | \$ 106,799 | \$ 65,525 | \$ - | \$ 172,324 |
| Other: | | | | |
| Other Income | | | 17,438 | 17,438 |
| Interest | 430 | 64 | 34 | 528 |
| Total revenues | 107,229 | 65,589 | 17,472 | 190,290 |
| Expenditures: | | | | |
| General government | 103,003 | - | - | 103,003 |
| Debt service | - | 66,300 | 8,419 | 74,719 |
| Total expenditures | 103,003 | 66,300 | 8,419 | 177,722 |
| Excess (deficiency) of revenues over (under) expenditures | 4,226 | (711) | 9,053 | 12,568 |
| Other financing sources (uses): | | | | |
| Operating transfer in | | | 61 | 61 |
| Operating transfer out | | (61) | | (61) |
| Total other financing sources (uses) | | (61) | 61 | - |
| Net change in fund balances | 4,226 | (772) | 9,114 | 12,568 |
| Fund balances, beginning of year | 108,907 | 772 | - | 109,679 |
| Fund balances, end of year | \$ 113,133 | \$ - | \$ 9,114 | \$ 122,247 |

Web Document

City of Earlville, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis Nonmajor Special Revenue Funds

Year ended April 30, 2018

| | Audit Fund | Social Security Fund |
|--|---------------|----------------------------|
| Revenues: | | |
| Local taxes: | | |
| Property taxes | \$ 8,485 | \$ 23,954 |
| Other: | | |
| Interest | 30 | 77 |
| Total revenues | 8,515 | 24,031 |
| Expenditures: | | |
| General government | 7,500 | 25,643 |
| Total expenditures | 7,500 | 25,643 |
| Excess (deficiency) of revenues over (under) expenditures | 1,015 | (1,612) |
| Fund balances (deficit), beginning of year | 8,124 | 19,425 |
| Fund balances (deficit), end of year | \$ 9,139 | \$ 17,813 |

| Liability Insurance Fund | Unemployment Compensation Fund | Workmen's Compensation Fund | IMRF Fund | Total Nonmajor Special Revenue Funds |
|--------------------------|--------------------------------|-----------------------------|-----------|--------------------------------------|
| \$ 20,961 | \$ 499 | \$ 22,957 | \$ 29,943 | \$ 106,799 |
| 121 | 24 | 99 | 79 | 430 |
| 21,082 | 523 | 23,056 | 30,022 | 107,229 |
| 20,504 | 533 | 17,679 | 31,144 | 103,003 |
| 20,504 | 533 | 17,679 | 31,144 | 103,003 |
| 578 | (10) | 5,377 | (1,122) | 4,226 |
| 32,526 | 7,784 | 22,857 | 18,191 | 108,907 |
| \$ 33,104 | \$ 7,774 | \$ 28,234 | \$ 17,069 | \$ 113,133 |

Web Document

City of Earlville, Illinois

Statement of Revenues Compared with Appropriated Amounts General Fund - Modified Cash Basis

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|--|-------------------|-------------------|------------------------|
| Local taxes: | | | |
| Property taxes | \$ 84,844 | \$ 83,829 | \$ (1,015) |
| Utility taxes | 80,000 | 75,261 | (4,739) |
| Telecommunications taxes | 37,000 | 28,363 | (8,637) |
| | 201,844 | 187,453 | (14,391) |
| Intergovernmental: | | | |
| Sales tax | 85,000 | 78,772 | (6,228) |
| Use tax | 48,000 | 44,126 | (3,874) |
| Income tax | 182,000 | 180,179 | (1,821) |
| Replacement tax | 8,950 | 6,474 | (2,476) |
| Video gaming tax | 8,000 | 3,428 | (4,572) |
| | 331,950 | 312,979 | (18,971) |
| Licenses, permits and fees: | | | |
| Gas franchise fees | 5,000 | - | (5,000) |
| Cable franchise permit | 14,000 | 11,700 | (2,300) |
| Building permits | 3,000 | 2,541 | (459) |
| Wireless network permit | 750 | 1,310 | 560 |
| Liquor licenses | 4,500 | 3,125 | (1,375) |
| Plan review fees | 3,000 | - | (3,000) |
| Development fees | 4,000 | 2,856 | (1,144) |
| Vehicle sticker fees | 22,000 | 16,650 | (5,350) |
| Miscellaneous licenses, permits & fees | 4,480 | 1,649 | (2,831) |
| | 60,730 | 39,831 | (20,899) |
| Rentals | 40 | 38 | (2) |
| Fines and forfeits: | | | |
| County court fines | 5,000 | 1,647 | (3,353) |
| Local police and DUI fines | 3,500 | 1,863 | (1,637) |
| Drug fines | 600 | - | (600) |
| Ordinance violation fines | 4,000 | - | (4,000) |
| | 13,100 | 3,510 | (9,590) |
| Other: | | | |
| Interest | 1,500 | 1,437 | (63) |
| Miscellaneous | 3,000 | 5,136 | 2,136 |
| | 4,500 | 6,573 | 2,073 |
| Total | \$ 612,164 | \$ 550,384 | \$ (61,780) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts General Fund - Modified Cash Basis

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|-------------------------------------|----------------|-----------|------------------------|
| General government: | | | |
| Administration: | | | |
| Salaries: | | | |
| Employees | \$ 37,500 | \$ 37,190 | \$ (310) |
| Elected officials | 29,500 | 29,500 | - |
| Overtime | 3,000 | 437 | (2,563) |
| Employee benefits | 16,800 | 13,666 | (3,134) |
| Legal | 6,000 | 8,640 | 2,640 |
| Engineering services | 1,000 | - | (1,000) |
| Postage | 500 | 259 | (241) |
| Telephone | 3,500 | 2,931 | (569) |
| Publishing | 2,500 | 1,424 | (1,076) |
| Printing | 1,000 | 684 | (316) |
| Dues, memberships, and publications | 1,650 | 1,584 | (66) |
| Travel expense | 1,700 | 1,045 | (655) |
| Training | 5,500 | 1,903 | (3,597) |
| Data processing | 4,000 | 2,262 | (1,738) |
| Bonds | 150 | 100 | (50) |
| Equipment maintenance | 1,000 | - | (1,000) |
| Contract services | 7,000 | 1,925 | (5,075) |
| Office supplies | 1,000 | 2,183 | 1,183 |
| Other supplies | 750 | 152 | (598) |
| Donations | 2,500 | 1,500 | (1,000) |
| Economic incentive expense | 7,500 | 6,777 | (723) |
| Miscellaneous | 800 | 446 | (354) |
| Capital outlay: | | | |
| Equipment | 5,000 | - | (5,000) |
| | 139,850 | 114,608 | (25,242) |
| City Hall: | | | |
| Maintenance service: | | | |
| Building | 5,000 | 470 | (4,530) |
| Equipment | 4,000 | 73 | (3,927) |
| Professional services | 2,600 | 1,454 | (1,146) |
| Contract services | 1,000 | 65 | (935) |
| Utilities | 2,500 | 772 | (1,728) |
| Janitorial supplies | 500 | 216 | (284) |
| Miscellaneous | 300 | 30 | (270) |
| Capital outlay: | | | |
| Building | 7,500 | - | (7,500) |
| Equipment | 4,000 | - | (4,000) |
| | 27,400 | 3,080 | (24,320) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts General Fund - Modified Cash Basis (Continued)

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|-------------------------------------|----------------|---------|------------------------|
| General government (cont.): | | | |
| Zoning: | | | |
| Contract services | 7,000 | 3,347 | (3,653) |
| Engineering | 7,500 | 407 | (7,093) |
| Legal | 4,000 | 207 | (3,793) |
| Printing | 3,000 | - | (3,000) |
| Publishing | 1,500 | 91 | (1,409) |
| Miscellaneous | 300 | 191 | (109) |
| | 23,300 | 4,243 | (19,057) |
| <hr/> | | | |
| Total general government | 190,550 | 121,931 | (68,619) |
| <hr/> | | | |
| Public health and safety: | | | |
| Police: | | | |
| Salaries: | | | |
| Full time | 154,700 | 157,075 | 2,375 |
| Part time | 42,000 | 18,184 | (23,816) |
| Overtime | 10,000 | 19,495 | 9,495 |
| Employee benefits | 67,200 | 44,086 | (23,114) |
| Uniforms | 3,000 | 702 | (2,298) |
| Legal | 5,000 | 3,938 | (1,062) |
| Maintenance service: | | | |
| Equipment | 3,500 | 2,944 | (556) |
| Vehicles | 4,000 | 2,024 | (1,976) |
| Data processing | 2,000 | 1,398 | (602) |
| Postage | 350 | 302 | (48) |
| Telephone | 3,000 | 1,850 | (1,150) |
| Printing | 600 | 456 | (144) |
| Dispatching | 9,000 | 8,913 | (87) |
| Dues, memberships, and publications | 1,200 | 737 | (463) |
| Travel expense | 200 | 534 | 334 |
| Training | 2,500 | 2,963 | 463 |
| Animal control services | 1,000 | - | (1,000) |
| Other supplies | 1,500 | 605 | (895) |
| Office supplies | 1,500 | 112 | (1,388) |
| Gas and oil | 15,000 | 7,196 | (7,804) |
| Drug enforcement expense | 7,000 | - | (7,000) |
| Miscellaneous | 300 | 161 | (139) |
| Capital outlay: | | | |
| Equipment | 7,000 | - | (7,000) |
| Furniture | 700 | - | (700) |
| | 342,250 | 273,675 | (68,575) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts General Fund - Modified Cash Basis (Continued)

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|---------------------------------|----------------|----------------|------------------------|
| Streets and alleys: | | | |
| Salaries: | | | |
| Full time | 58,300 | 59,239 | 939 |
| Overtime | 7,000 | 5,002 | (1,998) |
| Employee benefits | 33,600 | 21,384 | (12,216) |
| Uniforms | 400 | 400 | - |
| Legal | 1,000 | - | (1,000) |
| Maintenance: | | | |
| Building | 2,000 | 373 | (1,627) |
| Equipment | 10,000 | 5,073 | (4,927) |
| Vehicles | 5,000 | 3,517 | (1,483) |
| Streets | 50,000 | 46,301 | (3,699) |
| Contract service | 20,000 | 2,416 | (17,584) |
| Engineering service | 2,500 | 8,007 | 5,507 |
| Services - Julie | 300 | 161 | (139) |
| Travel | 200 | - | (200) |
| Training | 300 | - | (300) |
| Telephone | 700 | 609 | (91) |
| Utilities - heating | 1,000 | 475 | (525) |
| Street lighting | 27,000 | 21,068 | (5,932) |
| Equipment rental | 5,000 | - | (5,000) |
| Supplies: | | | |
| Snow removal | 6,000 | 2,420 | (3,580) |
| Other | 4,500 | 2,992 | (1,508) |
| Small tools | 750 | 497 | (253) |
| Gas and oil | 8,000 | 5,480 | (2,520) |
| Miscellaneous | 300 | 173 | (127) |
| Capital outlay: | | | |
| Equipment | 45,000 | 49,416 | 4,416 |
| Sidewalk | 5,000 | - | (5,000) |
| Storm sewer improvement | 10,000 | - | (10,000) |
| Total streets and alleys | 303,850 | 235,003 | (68,847) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts General Fund - Modified Cash Basis (Continued)

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|---------------------------------|----------------|------------|------------------------|
| Culture and recreation: | | | |
| Parks: | | | |
| Salaries - full time | 7,500 | 8,008 | 508 |
| Salaries - overtime | 500 | 1,062 | 562 |
| Maintenance: | | | |
| Building | 4,000 | 1,491 | (2,509) |
| Equipment | 3,000 | 729 | (2,271) |
| Contract services | 1,000 | 265 | (735) |
| Utilities - park lighting | 2,000 | 1,159 | (841) |
| Gas and oil | 500 | 67 | (433) |
| Supplies - other | 1,000 | 835 | (165) |
| Miscellaneous | 300 | 34 | (266) |
| Capital outlay: | | | |
| City park improvements | 2,000 | - | (2,000) |
| Equipment | 2,500 | - | (2,500) |
| Total culture and recreation | 24,300 | 13,650 | (10,650) |
| | | | |
| Total General Fund expenditures | \$ 860,950 | \$ 644,259 | \$ (216,691) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Special Revenue Funds - Modified Cash Basis

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|---------------------------------------|-------------------|------------------|------------------------|
| <i>Audit Fund</i> | | | |
| General government: | | | |
| Audit expense | \$ 12,600 | \$ 7,500 | \$ (5,100) |
| Interfund operating transfer | 3,000 | - | (3,000) |
| Total Audit Fund | \$ 15,600 | \$ 7,500 | \$ (8,100) |
| <i>Motor Fuel Tax Fund</i> | | | |
| Streets and alleys: | | | |
| Engineering | \$ 22,000 | \$ 2,416 | \$ (19,584) |
| Street repairs | 180,000 | 77,238 | (102,762) |
| Total Motor Fuel Tax Fund | \$ 202,000 | \$ 79,654 | \$ (122,346) |
| <i>Social Security Fund</i> | | | |
| General government: | | | |
| Payroll taxes | \$ 43,555 | \$ 25,643 | \$ (17,912) |
| <i>Liability Insurance Fund</i> | | | |
| General government: | | | |
| Insurance expense | \$ 50,000 | \$ 20,504 | \$ (29,496) |
| <i>Unemployment Compensation Fund</i> | | | |
| General government: | | | |
| Unemployment taxes | \$ 8,000 | \$ 533 | \$ (7,467) |
| <i>Workmen's Compensation Fund</i> | | | |
| General government: | | | |
| Insurance expense | \$ 45,000 | \$ 17,679 | \$ (27,321) |
| <i>IMRF Fund</i> | | | |
| General government: | | | |
| IMRF expense | \$ 48,000 | \$ 31,144 | \$ (16,856) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Special Revenue Funds - Modified Cash Basis (Continued)

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|-----------------------------------|-------------------|------------------|------------------------|
| <i>TIF III Fund</i> | | | |
| General government: | | | |
| Contract services | \$ 1,800 | \$ 700 | \$ (1,100) |
| Legal | 100 | - | (100) |
| Maintenance - building | 80,000 | 3,569 | (76,431) |
| Maintenance - equipment | 2,000 | - | (2,000) |
| Miscellaneous | 300 | 84 | (216) |
| | <u>84,200</u> | <u>4,353</u> | <u>(79,847)</u> |
| Other: | | | |
| Inter-governmental agreements: | | | |
| Earlville CUSD #9 | 14,280 | 14,279 | (1) |
| LaSalle County | 2,854 | 2,854 | - |
| Illinois Valley Community College | 1,996 | 1,995 | (1) |
| | <u>19,130</u> | <u>19,128</u> | <u>(2)</u> |
| Total TIF III Fund | \$ 103,330 | \$ 23,481 | \$ (79,849) |

Web Document

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Debt Service Funds - Modified Cash Basis

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|---------------------------------|------------------|------------------|------------------------|
| <i>2007 Debt Certificate</i> | | | |
| <i>Repayment Fund</i> | | | |
| Debt service: | | | |
| Principal | \$ 65,000 | \$ 65,000 | \$ - |
| Interest | 1,300 | 1,300 | - |
| | 66,300 | 66,300 | - |
| <i>2017 GO Bond</i> | | | |
| <i>Repayment Fund</i> | | | |
| Debt service: | | | |
| Principal | - | - | - |
| Interest | 8,419 | 8,419 | - |
| Fees/Charges | 750 | - | 750 |
| | 9,169 | 8,419 | 750 |
| Total Debt Service Funds | \$ 75,469 | \$ 74,719 | \$ 750 |

Web Document

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Capital Projects Funds - Modified Cash Basis

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|-------------------------------------|-------------------|-------------------|------------------------|
| <i>2017 GO Bond</i> | | | |
| <i>Capital Project Fund</i> | | | |
| Contractual Services: | | | |
| Maintenance: | | | |
| Street | \$ - | \$ 2,760 | \$ (2,760) |
| Utility System | 138,725 | - | 138,725 |
| Engineering Service | 50,000 | - | 50,000 |
| Bond Issuance | - | 14,400 | (14,400) |
| Capital Outlay - Streets | 300,000 | 324,187 | (24,187) |
| Total Capital Projects Funds | \$ 488,725 | \$ 341,347 | \$ 147,378 |

Web Document

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Waterworks Fund - Modified Cash Basis

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|-------------------------------------|----------------|-----------|------------------------|
| Personal services: | | | |
| Salaries: | | | |
| Full time | \$ 59,800 | \$ 59,992 | \$ 192 |
| Part time | 2,000 | - | (2,000) |
| Overtime | 5,000 | 4,481 | (519) |
| Payroll taxes | 5,111 | 4,931 | (180) |
| IMRF contribution | 7,006 | 6,986 | (20) |
| Uniform allowance | 400 | 360 | (40) |
| Employee benefits | 25,200 | 20,978 | (4,222) |
| | 104,517 | 97,728 | (6,789) |
| Contractual services: | | | |
| Legal | 1,000 | - | (1,000) |
| Maintenance: | | | |
| Building | 6,000 | 1,269 | (4,731) |
| Equipment | 3,000 | 1,869 | (1,131) |
| Utility system | 80,000 | 59,100 | (20,900) |
| Vehicle | 2,000 | 78 | (1,922) |
| Engineering service | 10,000 | 1,511 | (8,489) |
| Service - Julie | 300 | 161 | (139) |
| Testing | 5,000 | 4,138 | (862) |
| Data processing | 4,000 | 3,409 | (591) |
| Audit | 3,000 | 2,500 | (500) |
| Insurance: | | | |
| Liability | 6,000 | 5,698 | (302) |
| Workmen's compensation | 4,600 | 2,497 | (2,103) |
| Unemployment | 300 | 102 | (198) |
| Telephone | 1,500 | 1,132 | (368) |
| Printing | 1,000 | 321 | (679) |
| Dues, memberships, and publications | 500 | 284 | (216) |
| Travel | 300 | - | (300) |
| Training | 500 | 187 | (313) |
| Equipment rental | 2,000 | - | (2,000) |
| Utilities: | | | |
| Electricity | 16,000 | 11,978 | (4,022) |
| Heating | 3,500 | 2,195 | (1,305) |
| Miscellaneous | 300 | 118 | (182) |
| | 150,800 | 98,547 | (52,253) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Waterworks Fund - Modified Cash Basis (Continued)

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|--------------------------|----------------|------------|------------------------|
| Supplies: | | | |
| Small tools and supplies | 5,500 | 2,527 | (2,973) |
| Postage | 2,500 | 2,159 | (341) |
| Testing supplies | 1,500 | 749 | (751) |
| Gas and oil | 2,000 | 1,109 | (891) |
| Chemicals | 15,000 | 6,164 | (8,836) |
| | 26,500 | 12,708 | (13,792) |
| Capital outlay: | | | |
| Equipment | 8,000 | - | (8,000) |
| Utility system | 15,000 | - | (15,000) |
| | 23,000 | - | (23,000) |
| Depreciation | - | 62,637 | 62,637 |
| | \$ 304,817 | \$ 271,620 | \$ (33,197) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Sewerage Fund - Modified Cash Basis

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|-------------------------------------|----------------|-----------|------------------------|
| Personal services: | | | |
| Salaries: | | | |
| Full time | \$ 59,800 | \$ 59,992 | \$ 192 |
| Part time | 2,000 | 280 | (1,720) |
| Overtime | 5,000 | 4,481 | (519) |
| Payroll taxes | 5,111 | 4,954 | (157) |
| IMRF contribution | 7,006 | 6,986 | (20) |
| Uniform allowance | 400 | 400 | - |
| Employee benefits | 25,200 | 20,978 | (4,222) |
| | 104,517 | 98,071 | (6,446) |
| Contractual services: | | | |
| Legal | 1,000 | - | (1,000) |
| Maintenance: | | | |
| Building | 3,000 | 984 | (2,016) |
| Equipment | 7,500 | 3,904 | (3,596) |
| Utility system | 50,000 | 25,224 | (24,776) |
| Vehicle | 2,000 | 78 | (1,922) |
| Engineering service | 10,000 | 3,843 | (6,157) |
| Service - Julie | 300 | - | (300) |
| Testing | 500 | 12 | (488) |
| Data processing | 4,000 | 3,409 | (591) |
| Audit | 3,000 | 2,500 | (500) |
| Insurance: | | | |
| Liability | 14,000 | 11,548 | (2,452) |
| Workmen's compensation | 4,600 | 2,497 | (2,103) |
| Machine/Boiler | - | 161 | 161 |
| Unemployment | 300 | 104 | (196) |
| Telephone | 1,500 | 1,065 | (435) |
| Printing | 1,000 | 37 | (963) |
| Dues, memberships, and publications | 500 | 284 | (216) |
| Travel | 500 | 100 | (400) |
| Training | 600 | 187 | (413) |
| Equipment rental | 2,000 | - | (2,000) |
| Garbage disposal | 10,000 | 4,332 | (5,668) |
| Utilities: | | | |
| Electricity | 40,000 | 35,805 | (4,195) |
| Heating | 4,000 | 891 | (3,109) |
| Permit fees | 4,500 | 2,500 | (2,000) |
| Miscellaneous | 300 | 64 | (236) |
| | 165,100 | 99,529 | (65,571) |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Sewerage Fund - Modified Cash Basis (Continued)

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|--------------------------|----------------|------------|------------------------|
| Supplies: | | | |
| Small tools and supplies | 5,000 | 7,360 | 2,360 |
| Postage | 2,500 | 2,159 | (341) |
| Testing supplies | 3,000 | 1,436 | (1,564) |
| Gas and oil | 2,000 | 1,265 | (735) |
| Chemicals | 22,000 | 16,734 | (5,266) |
| | 34,500 | 28,954 | (5,546) |
| Capital outlay: | | | |
| Equipment | 5,000 | - | (5,000) |
| Utility system | 20,000 | - | (20,000) |
| Vehicle | 5,000 | - | (5,000) |
| | 30,000 | - | (25,000) |
| Depreciation | - | 153,222 | 153,222 |
| | \$ 334,117 | \$ 379,776 | \$ 45,659 |

City of Earlville, Illinois

Statement of Expenditures Compared with Appropriated Amounts Garbage Fund

Year ended April 30, 2018

| | Appropriations | Actual | Over/(Under) Budget |
|-----------------------------|-----------------------|------------------|--------------------------------|
| Services - garbage disposal | \$ 99,000 | \$ 91,030 | \$ (7,970) |
| Services - painting | 500 | 37 | (463) |
| Postage | 1,200 | 1,193 | (7) |
| Supplies | 500 | 262 | (238) |
| | \$ 101,200 | \$ 92,522 | \$ (8,678) |

Web Document

City of Earlville, Illinois

Assessed Valuations, Tax Rates, Extensions and Collections

April 30, 2018

| | Maximum Rate | Tax Year | | |
|---|-----------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 |
| Assessed valuations | | \$ 18,451,517 | \$ 17,435,837 | \$ 16,652,003 |
| Tax rates: | | | | |
| General | .2500 | .2500 | .2500 | .2500 |
| Road and Bridge (from Township) | No limit | .0816 | .0816 | .0816 |
| Police protection | .1500 | .1500 | .1500 | .1500 |
| Garbage | .2000 | .0163 | .0172 | .0180 |
| Audit | No limit | .0461 | .0487 | .0481 |
| Liability insurance | No limit | .1111 | .1205 | .1381 |
| Social security | No limit | .1328 | .1376 | .1441 |
| IMRF | No limit | .1626 | .1720 | .1742 |
| Workmen's compensation | No limit | .1247 | .1318 | .1381 |
| Unemployment insurance | No limit | .0027 | .0028 | .0060 |
| Bonds and interest | No limit | .3640 | .3765 | .4021 |
| | | 1.3603 | 1.4887 | 1.5503 |
| Tax extensions: | | | | |
| General | | \$ 46,129 | \$ 43,590 | \$ 41,630 |
| Road and Bridge (from Township) | | 15,056 | 14,228 | 13,588 |
| Police protection | | 27,677 | 26,154 | 24,978 |
| Garbage | | 3,010 | 3,002 | 2,997 |
| Audit | | 8,517 | 8,482 | 8,010 |
| Liability insurance | | 20,491 | 21,015 | 22,996 |
| Social security | | 24,512 | 23,996 | 23,996 |
| IMRF | | 30,012 | 29,983 | 29,008 |
| Workmen's compensation | | 23,030 | 22,985 | 22,996 |
| Unemployment insurance | | 510 | 490 | 999 |
| Bonds and interest | | 67,169 | 65,641 | 66,962 |
| | | \$ 266,112 | \$ 259,565 | \$ 258,160 |
| Collections: (includes mobile home and back taxes) | | | | |
| | | \$ - | \$ 259,256 | \$ 255,720 |
| Percentage of extensions collected | | 0.00% | 99.88% | 99.05% |

Independent Accountant's Report

Honorable President and Village Board
City of Earlville, Illinois
Earlville, IL 60518

We have examined management's assertion, included in its representation letter dated July 25, 2018 that the City of Earlville, Illinois complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2018. Management is responsible for the City's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements. The City of Earlville, Illinois' management is responsible for the government's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the government's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing".

In our opinion, management's assertion that the City of Earlville, Illinois complied with the aforementioned requirements for the year ended April 30, 2018 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the City Council, management of the City, the Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Wipfli LLP

Mendota, Illinois
July 25, 2018