

City of Earlville, Illinois
Earlville, Illinois

Annual Financial Report

April 30, 2014

Web Document

City of Earlville, Illinois

Year ended April 30, 2014

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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, 2014, and the related notes to the financial statements, which collectively comprise City of Earlville, Illinois' 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 an opinion 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of 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 opinion.

Opinion

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, 2014, and the respective changes in modified cash basis financial position, 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 opinion is not modified with respect to this matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise City of Earlville, Illinois' financial statements. The Management's Discussion and Analysis and budgetary comparison information on pages 3-11 and 42-62, 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 an opinion or provide any assurance on it.

Wipfli LLP

Mendota, Illinois
July 22, 2014

**Management's Discussion and Analysis
(Unaudited)**

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City of Earlville, Illinois

Management's Discussion and Analysis

Years Ended April 30, 2014 and 2013

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, 2014 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, required and other supplementary information.

Governmental Financial Highlights for FY2014

- The City's governmental assets exceeded its liabilities at the close of the fiscal year by \$1,007,150 (net position). Of this amount, \$434,821 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's governmental total net position increased by \$169,327 during fiscal year 2014 as reported in the statement of activities.
- The City's major governmental revenue consisted of \$448,549 in property tax revenues and \$463,469 in other tax revenues.
- As of the close of fiscal year 2014, the City's governmental funds reported combined ending fund balances of \$434,821, an increase of \$136,731 in comparison to 2013.

Business-Type Financial Highlights for FY2014

- The City's business-type assets exceeded its liabilities at the close of the fiscal year by \$4,509,951 (net position). The restricted net position of \$694,367 is restricted for debt service requirements.
- The City's business-type net position increased by \$8,012 during fiscal year 2014 as reported in the statement of activities.
- The City's major business-type revenue consisted of \$666,622 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 required supplementary and other supplementary information.

City of Earlville, Illinois

Management's Discussion and Analysis

Years Ended April 30, 2014 and 2013

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 two business-type activities accounted for by the City: the water and sewer utilities.

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 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 cash receipts, cash disbursements and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds and two 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 cash receipts, cash disbursements, and changes in fund balances for major governmental funds, (the General Fund, Motor Fuel Tax Fund, and the TIF II 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

Years Ended April 30, 2014 and 2013

Government-Wide Financial Statements (Continued)

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

The proprietary fund financial statements provide separate information for the Waterworks Fund and Sewerage 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 – 41 of this report.

Other Information

This information addresses the City's budgetary comparison schedules, and the IMRF (Illinois Municipal Retirement Fund) Schedule of Funding Progress. 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 42 – 45 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 46 – 49 of this report. The City has also elected to include a statement of cash receipts compared with appropriated amounts for the General Fund (page 50) and statements of cash disbursements compared with appropriated amounts for each individual non-major fund. These statements can be found on pages 51 – 61 of this report. The assessed valuations, tax rates, extensions, and collections are presented on page 62.

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

Years Ended April 30, 2014 and 2013

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	
	2014	2013	2014	2013	2014	2013
Current assets	\$ 434,821	\$ 296,397	\$ 988,246	\$ 950,242	\$1,423,067	\$1,246,639
Noncurrent assets	832,261	867,052	5,399,641	5,602,829	6,231,902	6,469,881
Total assets	1,267,082	1,163,449	6,387,887	6,553,071	7,654,969	7,716,520
Current liabilities	69,932	68,679	223,083	214,589	293,015	283,268
Noncurrent liabilities	190,000	256,947	1,654,853	1,836,543	1,844,853	2,093,490
Total liabilities	259,932	325,626	1,877,936	2,051,132	2,137,868	2,376,758
Net position:						
Invested in capital assets, net of related debt	572,329	541,426	3,563,097	3,589,215	4,135,426	4,130,641
Restricted	213,670	-	694,367	595,851	694,367	595,851
Unrestricted	221,151	296,397	252,487	316,873	687,308	613,270
Total net position	\$1,007,150	\$ 837,823	\$ 4,509,951	\$4,501,939	\$5,517,101	\$5,339,762

Governmental Activities

The net position of the City's governmental activities increased 20.21% or \$169,327 (\$1,007,150 compared to \$837,823). The unrestricted net position decreased by \$75,246. 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 \$213,670. The increase is due to consistent tax revenues combined with decreases in various expenses from the prior year.

Business-Type Activities

The net position of the City's business-type activities increased 0.18% or \$8,012 (\$4,509,951 compared to \$4,501,939). The unrestricted net position decreased by \$64,386. The City generally can only use this net position to finance the continuing operations of the water and sewer utilities. There were no notable increases or decreases that varied significantly from 2013 to 2014.

City of Earlville, Illinois

Management's Discussion and Analysis

Years Ended April 30, 2014 and 2013

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	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 34,014	\$ 18,458	\$ 666,622	\$ 667,855	\$ 700,636	\$ 686,313
General revenue:						
Local property taxes	448,549	545,203			448,549	545,203
Other taxes	463,469	461,329			463,469	461,329
Grant proceeds	-	75,000			-	75,000
Unrestricted investment earnings	768	914	6,686	3,502	7,454	4,416
Miscellaneous	6,330	6,699			6,330	6,699
Total revenues	953,130	1,107,603	673,308	671,357	1,626,438	1,778,960
Expenditures:						
General government	214,164	201,490			214,164	201,490
Public health and safety	260,096	231,201			260,096	231,201
Streets and alleys	217,728	285,008			217,728	285,008
Culture and recreation	12,844	13,236			12,844	13,236
Interest	14,507	17,696			14,507	17,696
Community development	14,437	14,437			14,437	14,437
Public works projects			665,296	668,017	665,296	668,017
Other	50,027	54,546			50,027	54,546
Total expenditures	783,803	817,614	665,296	668,017	1,449,099	1,485,631
Increase (decrease) in net position before transfers	169,327	289,989	8,012	3,340	177,339	293,329
Transfers	-	(135,158)	-	135,158	-	-
Increase (decrease) in net position	\$169,327	\$154,831	\$ 8,012	\$ 138,498	\$ 177,339	\$ 293,329

City of Earlville, Illinois

Management's Discussion and Analysis

Years Ended April 30, 2014 and 2013

Government-Wide Financial Analysis (Continued)

Governmental Activities

For the fiscal year ended April 30, 2014, revenues from governmental activities totaled \$953,130, a decrease of \$154,473 from 2013. Tax revenues (\$912,018 or 95.69%) continue to represent the largest source of income for governmental activities. The decrease in revenue was due to two factors: a \$75,000 grant that was received in 2013 but not in 2014 along with a decrease in property tax revenues. The decrease in property tax revenues was simply a timing difference. An extra distribution was received in 2013 (a late distribution from 2012) due to a change in computer systems at LaSalle County.

For the fiscal year ended April 30, 2014, expenditures from governmental activities totaled \$783,803, a decrease of \$33,811 from 2013. 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, 2014, revenues from business-type activities totaled \$673,308, an increase of \$1,951 from 2013. Charges for services (\$666,622 or 99.01%) represent the largest source of revenues for the business-type activities. These charges are mainly derived from fees for water and sewer services.

For the fiscal year ended April 30, 2014, expenditures for business-type activities totaled \$665,296, a decrease of \$2,721 from 2013. 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

Years Ended April 30, 2014 and 2013

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 2014 continue to be property taxes and intergovernmental receipts. Intergovernmental taxes (shown on page 42) for 2014 were \$283,574 compared with the budgeted amount of \$342,900. The budgetary variance is attributable to the fact that the State of Illinois continues to be behind on income tax payments to local governmental units. Also, the local taxes for 2014 were \$216,121 compared with the budgeted amount of \$241,944.

Cash Disbursements

The City continues to appropriate much higher than is currently needed for all functions of the General Fund (see page 42). 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 2014 were \$49,504 compared with the budgeted amount of \$55,000.

Cash Disbursements

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

TIF II Fund Budgetary Variances

Cash Receipts

There were no material budgetary variances relating to revenues in this Fund.

Cash Disbursements:

There were no material budgetary variances relating to expenditures in this Fund.

City of Earlville, Illinois

Management's Discussion and Analysis

Years Ended April 30, 2014 and 2013

Capital Asset and Long-Term Debt Activity

Capital Assets

The City's investment in capital assets for its governmental activities at year end totaled \$832,261 (net of accumulated depreciation) and business-type activities at year end totaled \$5,399,641 (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 \$87,151 of total capital asset additions recorded during the year and \$323,437 of depreciation charges were expensed on the total capital assets. See footnote 4 for details of capital assets.

Governmental Net Book Value of Capital Assets		
	2014	2013
Land	\$ 14,380	\$ 14,380
Buildings	195,864	204,120
Equipment	37,693	37,716
Vehicles	29,300	7,550
Other improvements	92,729	140,203
Infrastructure	462,295	461,390
Total	\$ 832,261	\$ 865,359

Business-Type Net Book Value of Capital Assets		
	2014	2013
Buildings	\$ 28,559	\$ 31,428
Equipment	84,183	91,397
Vehicles	3,999	7,637
Other improvements	19,463	21,525
Infrastructure	5,263,437	5,450,842
Total	\$5,399,641	\$5,602,829

City of Earlville, Illinois

Management's Discussion and Analysis

Years Ended April 30, 2014 and 2013

Capital Asset and Long-Term Debt Activity (Continued)

Debt Administration

At April 30, 2014, the City had \$259,932 in governmental activities long-term debt, which consisted of notes and debt certificates payable. Amounts due next year on these obligations are \$69,932. See Footnotes 5-6 and Footnote 9 for details of governmental activities debt.

Governmental Activities – Outstanding Debt		
	2014	2013
Debt certificates	\$ 250,000	\$ 305,000
Notes payable	9,932	20,626
Total	\$ 259,932	\$ 325,626

At April 30, 2014, the City had \$1,836,544 in business-type activities long-term debt which consists of IEPA notes payable. Amounts due next year on these obligations are \$181,691. See Footnotes 7-9 for details of business-type activities debt.

Business-Type Activities - Outstanding Debt		
	2014	2013
IEPA notes payable	\$1,836,544	\$2,013,614
Total	\$1,836,544	\$2,013,614

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, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 513,128	\$ 213,879	\$ 727,007
Internal balances	(80,000)	80,000	-
Due from property owner	1,693		1,693
Restricted:			
Cash and cash equivalents		184,973	184,973
Investments		509,394	509,394
Total current assets	434,821	988,246	1,423,067
Noncurrent assets:			
Capital assets:			
Land	14,380		14,380
Other capital assets, net of accumulated deprecia	817,881	5,399,641	6,217,522
Total noncurrent assets	832,261	5,399,641	6,231,902
Total assets	1,267,082	6,387,887	7,654,969
Liabilities			
Current liabilities:			
Customer deposits		40,600	40,600
Notes payable	9,932	181,691	191,623
Bonds payable	60,000		60,000
Other current liabilities		792	792
Total current liabilities	69,932	223,083	293,015
Noncurrent liabilities:			
Notes payable		1,654,853	1,654,853
Bonds payable	190,000		190,000
Total noncurrent liabilities	190,000	1,654,853	1,844,853
Total liabilities	259,932	1,877,936	2,137,868
Net Position			
Invested in capital assets, net of related debt	572,329	3,563,097	4,135,426
Restricted for debt service	2,932	694,367	697,299
Restricted	210,738		210,738
Unrestricted	221,151	252,487	473,638
Total net position	\$ 1,007,150	\$ 4,509,951	\$ 5,517,101

City of Earlville, Illinois

Statement of Activities - Modified Cash Basis

Year ended April 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 214,164	\$ 25,449		
Public health and safety	260,096	8,553		
Streets and alleys	217,728			
Culture and recreation	12,844	12		
Interest	14,507			
Community development	14,437			
Other	50,027			
Total governmental activities	\$ 783,803	\$ 34,014	\$ -	\$ -
Business-type activities:				
Water	\$ 248,331	\$ 208,923		
Sewer	416,965	457,699		
Total business-type activities	\$ 665,296	\$ 666,622	\$ -	\$ -
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
\$ (188,715)		\$ (188,715)
(251,543)		(251,543)
(217,728)		(217,728)
(12,832)		(12,832)
(14,507)		(14,507)
(14,437)		(14,437)
(50,027)		(50,027)
(749,789)	\$ -	(749,789)
	(39,408)	(39,408)
	40,734	40,734
-	1,326	1,326
448,549		448,549
463,469		463,469
768	6,686	7,454
6,330		6,330
919,116	6,686	925,802
169,327	8,012	177,339
837,823	4,501,939	5,339,762
\$ 1,007,150	\$ 4,509,951	\$ 5,517,101

City of Earlville, Illinois

Statement of Assets, Liabilities and Fund Balances - Cash Basis Governmental Funds

April 30, 2014

	General Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 294,695
Due from property owner	
Due from other funds	74,000
Total assets	\$ 368,695
Liabilities and Fund Balances	
Liabilities:	
Due to other funds	\$ -
Total liabilities	-
Fund balances:	
Unassigned, reported in:	
General Fund	368,695
Special Revenue Funds with deficit fund balances	
Restricted	
Special Revenue Funds	
Debt Service Funds	
Total fund balances (deficit)	368,695
Total liabilities and fund balances	\$ 368,695

See notes to financial statements

Special Revenue Funds		Nonmajor Governmental Funds		Total
Motor Fuel Tax Fund	TIF II Fund			
\$ 133,802	\$ 854	\$ 83,777	\$ 1,693	\$ 513,128
				74,000
\$ 133,802	\$ 854	\$ 85,470		\$ 588,821
\$ -	\$ 94,000	\$ 60,000		\$ 154,000
-	94,000	60,000		154,000
	(93,146)	(54,398)		368,695
133,802		76,936		(147,544)
		2,932		210,738
133,802	(93,146)	25,470		2,932
\$ 133,802	\$ 854	\$ 85,470	\$	\$ 434,821
				588,821

City of Earlville, Illinois

Reconciliation of the Governmental Funds Statement of Assets, Liabilities and Fund Balances - Cash Basis to the Statement of Net Position - Modified Cash Basis

April 30, 2014

Total fund balances - governmental funds	\$ 434,821
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 \$1,711,524 and the accumulated depreciation is \$879,263.	832,261
Long-term liabilities, including notes payable and bonds payable are not reported in the funds.	(259,932)
<hr/>	
Total net position - governmental activities	<hr/> <hr/> \$ 1,007,150

City of Earlville, Illinois

Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances Governmental Funds

Year ended April 30, 2014

	General Fund
Cash receipts:	
Local taxes	\$ 216,121
Intergovernmental	283,574
Licenses, permits and fees	25,449
Rentals	12
Fines and forfeits	8,553
Other	6,479
Total cash receipts	540,188
Cash disbursements:	
Current:	
General government	109,988
Public health and safety	247,529
Streets and alleys	147,563
Culture and recreation	10,838
Other	
Debt service:	
Principal	
Interest	
Capital outlay	68,815
Total cash disbursements	584,733
Excess (deficiency) of cash receipts over (under) cash disbursements	(44,545)
Other financing sources (uses):	
Operating transfer in	
Operating transfer out	
Total other financing sources (uses)	-
Excess (deficiency) of cash receipts over (under) cash disbursements and other financing sources (uses)	(44,545)
Fund balances (deficit), beginning of year	413,240
Fund balances (deficit), end of year	\$ 368,695

See notes to financial statements

Special Revenue Funds		Nonmajor Governmental Funds		Total
Motor Fuel Tax Fund	TIF II Fund			
\$ 49,504	\$ 115,884	\$ 246,935	\$ 578,940	333,078
				25,449
				12
				8,553
22	52	545		7,098
49,526	115,936	247,480		953,130
	950	95,420		206,358
		2,263		249,792
2,805				150,368
	28,810	21,217		10,838
				50,027
		65,694		65,694
		14,507		14,507
				68,815
2,805	29,760	199,101		816,399
46,721	86,176	48,379		136,731
	20,000			20,000
		(20,000)		(20,000)
-	20,000	(20,000)		-
46,721	106,176	28,379		136,731
87,081	(199,322)	(2,909)		298,090
\$ 133,802	\$ (93,146)	\$ 25,470	\$ 434,821	

City of Earlville, Illinois

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

Year ended April 30, 2014

Excess (deficiency) of cash receipts over (under) cash disbursements and other financing sources (uses) - Governmental funds	\$ 136,731
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 depreciation expense (\$101,913) exceeds capitalized fixed assets (\$68,815)	(33,098)
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.	65,694
<hr/>	
Change in net position of governmental activities	<hr/> \$ 169,327 <hr/>

City of Earlville, Illinois

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

April 30, 2014

	Waterworks Fund	Sewerage Fund	Total
Current assets:			
Cash and cash equivalents	\$ 211,453	\$ 2,426	\$ 213,879
Due from other funds		90,000	90,000
Restricted:			
Cash and cash equivalents		184,973	184,973
Investments		509,394	509,394
Total current assets	211,453	786,793	998,246
Noncurrent assets:			
Capital assets, net of accumulated depreciation	947,146	4,452,495	5,399,641
Total assets	1,158,599	5,239,288	6,397,887
Liabilities			
Current liabilities:			
Due to other funds		10,000	10,000
Customer deposits	40,600		40,600
Notes payable		181,691	181,691
Other current liabilities	792		792
Total current liabilities	41,392	191,691	233,083
Noncurrent liabilities:			
Notes payable		1,654,853	1,654,853
Total liabilities	41,392	1,846,544	1,887,936
Net Assets			
Net assets:			
Invested in capital assets, net of related debt	947,146	2,615,951	3,563,097
Restricted for debt service		694,367	694,367
Unrestricted	170,061	82,426	252,487
Total net assets	\$ 1,117,207	\$ 3,392,744	\$ 4,509,951

City of Earlville, Illinois

Statement of Cash Receipts, Cash Disbursements and Changes in Net Assets Proprietary Funds

Year ended April 30, 2014

	Waterworks Fund	Sewerage Fund	Total
Operating receipts:			
Basic charges for service	\$ 208,748	\$ 457,699	\$ 666,447
Other	175	-	175
Total operating receipts	208,923	457,699	666,622
Operating disbursements:			
Personal services	89,396	89,362	178,758
Contractual services	80,610	96,576	177,186
Supplies	13,794	23,059	36,853
Depreciation	64,531	156,993	221,524
Total operating disbursements	248,331	365,990	614,321
Operating income (loss)	(39,408)	91,709	52,301
Non operating receipts (disbursements):			
Interest income	233	6,453	6,686
Interest expense	-	(50,975)	(50,975)
Net non operating receipts (disbursements)	233	(44,522)	(44,289)
Change in net assets	(39,175)	47,187	8,012
Total net assets, beginning of year	1,156,382	3,345,557	4,501,939
Total net assets, end of year	\$ 1,117,207	\$ 3,392,744	\$ 4,509,951

City of Earlville, Illinois

Statement of Cash Flows Proprietary Funds

Year ended April 30, 2014

	Waterworks Fund	Sewerage Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 208,847	\$ 457,699	\$ 666,546
Cash received for customer deposits	3,950		3,950
Cash paid to suppliers	(122,490)	(147,722)	(270,212)
Cash paid to employees	(61,310)	(61,275)	(122,585)
Net cash provided by operating activities	28,997	248,702	277,699
Cash Flows from Non-Capital Financing Activities:			
Internal activity - payments from (to) other funds	-	76,000	76,000
Cash Flows from Capital and Related Financing Activities:			
Transfer to restricted cash and cash equivalents		(98,516)	(98,516)
Principal payments - notes		(177,070)	(177,070)
Acquisition of capital assets	(8,976)	(9,360)	(18,336)
Interest paid		(50,975)	(50,975)
Net cash used in capital and related financing activities	(8,976)	(335,921)	(344,897)
Cash Flows from investing Activities:			
Interest received	233	6,453	6,686
Net increase (decrease) in cash and cash equivalents	20,254	(4,766)	15,488
Cash and cash equivalents, beginning of year	191,199	7,192	198,391
Cash and cash equivalents, end of year	\$ 211,453	\$ 2,426	\$ 213,879
Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations	\$ (39,408)	\$ 91,709	\$ 52,301
Adjustments to reconcile income from operations to net cash provided by operating activities -			
Unearned cash paid to customers	(76)		(76)
Depreciation	64,531	156,993	221,524
Decrease in customer deposits	3,950		3,950
Net cash provided by operating activities	\$ 28,997	\$ 248,702	\$ 277,699

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 II Fund – The TIF II Fund was established to account for the development of the Wall Addition, so that the City could offer adequate housing to new residents of the City. The major source of revenue for the fund is property taxes, which are used to make payments under several intergovernmental agreements.

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, Garbage Fund, Social Security Fund, Liability Insurance Fund, Unemployment Compensation Fund, Workmen's Compensation Fund, IMRF Fund, and TIF III 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 Fund is the 2007 Debt Certificate and Interest Repayment Fund.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds). The City currently has no non-major capital projects funds.

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 and the Sewerage 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 and the Sewerage 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 10, 2013. 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 May 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 appropriation ordinance was amended on April 24, 2013.

Property Taxes

It is the City's intention that property taxes generated from the 2012 property tax levy be used to finance the operating budget of the fiscal year ending April 30, 2014. Therefore, property tax receipts represent the receipts generated by the 2012 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 2012 tax levy was passed by the City Council on December 12, 2012. 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.

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.

City of Earlville, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Investments (continued)

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 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. The restricted investment accounts represent two certificates of deposit held as of April 30, 2014.

Cash and cash equivalents as of April 30, 2014 are classified for the City as follows:

	Statement of Net Position
Cash and cash equivalents	\$ 727,007
Restricted cash and cash equivalents	184,973
Restricted investments	509,394
Total	<u>\$ 1,421,374</u>

Deposits

At year-end the carrying amount of the City's deposits totaled \$911,880 and the bank balances totaled \$941,829. 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, 2014. 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 \$313,760 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, 2014, the Village's investments were as follows:

	Carrying Amount	Market Value
Certificates of deposit	\$ 509,394	\$ 509,394

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investment reported in the prior year. There was no increase in the fair value of investments during 2014.

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.

City of Earlville, Illinois

Notes to Financial Statements

Note 2 Cash and Investments (Continued)

Interest Rate Risk (continued)

Information about the sensitivity of the fair values of the Village investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13-24 Months	25-60 Months	
Certificates of deposit	\$ -	\$ 335,253	\$174,141	\$ 509,394

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the Village's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

Investment Type	Total As of April 30, 2014	AAA	Unrated
Certificates of deposit	\$ 509,394	\$ -	\$ 509,394

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, 2014, 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.

City of Earlville, Illinois

Notes to Financial Statements

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:

	2014 Deposits in Banks
IEPA loan repayment:	
Cash	\$ 183,454
Illinois Funds	1,519
Certificates of Deposit	509,394
Total	\$ 694,367

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, 2014 is as follows:

Governmental activities:	Balance April 30, 2013	Additions	Deletions	Balance April 30, 2014
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	304,099	-	-	304,099
Equipment	139,045	10,430	-	149,475
Vehicles	119,527	30,906	-	150,433
Other improvements	511,501	-	-	511,501
Infrastructure	554,157	27,479	-	581,636
Total capital assets, being depreciated:	1,628,329	68,815	-	1,697,144
Accumulated depreciation:				
Buildings	99,980	8,255	-	108,235
Equipment	101,329	10,453	-	111,782
Vehicles	111,977	9,156	-	121,133
Other improvements	371,297	47,475	-	418,772
Infrastructure	92,767	26,574	-	119,341
Total accumulated depreciation	777,350	101,913	-	879,263
Total capital assets, being depreciated, net	850,979	(33,098)	-	817,881
Governmental activities capital assets, net	\$865,359	\$ (33,098)	\$ -	\$832,261

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, 2014 is as follows:

Business-Type activities:	Balance April 30, 2013	Additions	Deletions	Balance April 30, 2014
Capital assets, being depreciated:				
Buildings	\$ 56,469	\$ -	\$ -	\$ 56,469
Equipment	301,733	18,336	-	320,069
Vehicles	23,471	-	-	23,471
Other improvements	36,551	-	-	6,551
Infrastructure	8,120,153	-	-	8,120,153
Total capital assets, being depreciated:	8,538,377	18,336	-	8,556,713
Accumulated depreciation:				
Buildings	25,040	2,870	-	27,910
Equipment	210,335	25,551	-	235,886
Vehicles	15,835	3,637	-	19,472
Other improvements	15,027	2,061	-	17,088
Infrastructure	2,669,311	187,405	-	2,856,716
Total accumulated depreciation	2,935,548	221,524	-	3,157,072
Total capital assets, being depreciated, net	5,602,829	(203,188)	-	5,399,641
Business-Type activities capital assets, net	\$ 5,602,829	\$ (203,188)	\$ -	\$ 5,399,641
Depreciation expense was charged to the functions as follows:				
Governmental activities				
General government				\$ 7,806
Public safety				10,304
Streets and alleys				67,360
Culture and recreation				2,006
Community development				14,437
Total depreciation expense-governmental activities				101,913
Business-type activities				
Water				64,531
Sewer				156,993
Total depreciation expense-business type activities				221,524
Total depreciation expense				\$ 323,437

City of Earlville, Illinois

Notes to Financial Statements

Note 5 Note Payable #1 – National Bank of Earlville

On August 11, 2004, the City executed a \$120,000 note payable with the National Bank of Earlville, the proceeds of which were used to help finance the downtown redevelopment project. The note is to be repaid in nine annual payments of \$14,795, principal and interest, commencing December 1, 2005 and continuing annually until December 1, 2014, when the unpaid balance is due in full. Interest accrues at a fixed rate of 4% per annum. During the fiscal year ended April 30, 2014, principal of \$10,694 and interest of \$827 was paid on the note. This note will be paid off in full during the year ending April 30, 2015.

Future payment requirements are as follows:

Fiscal Year Ending April 30,	Principal	Interest	Total
2015	\$ 9,932	\$ 570	\$ 10,502

Note 6 2007 Debt Certificates

During the 2007 fiscal year, the City of Earlville, Illinois, issued \$500,000 in general obligation debt certificates for the purpose of financing infrastructure improvements within the City. The certificates are due on December 1 of each year, commencing December 1, 2008. Interest accrues on the certificates at varying rates (see below) and is payable on June 1 and December 1 of each year commencing on December 1, 2008. The certificates are payable from a property tax levy. During the fiscal year ended April 30, 2014, principal of \$55,000 and interest of \$13,680 was paid.

Future payment requirements are as follows:

Fiscal Year Ending April 30,	Rate	Principal	Interest	Total
2015	5.00	\$ 60,000	\$ 10,793	\$ 70,793
2016	4.05	60,000	7,793	67,793
2017	4.10	65,000	5,362	70,362
2018	4.15	65,000	2,697	67,697
		\$ 250,000	\$ 26,645	\$ 276,645

City of Earlville, Illinois

Notes to Financial Statements

Note 7 2002 IEPA Note Payable

During a prior fiscal year the City was awarded a low interest loan from the State of Illinois Environmental Protection Agency's Illinois Water Revolving Fund. The loan amount was \$696,878, which includes \$6,801 of capitalized construction period interest. The proceeds of the loan were used to help finance the City's wastewater project. Interest on the note accrues at 2.675% per annum. The note is payable in semi-annual installments of \$23,012, principal and interest, commencing September 1, 2002 and continuing semi-annually until September 1, 2021, when the final payment is due. During the fiscal year ended April 30, 2014, principal of \$36,965 and interest of \$9,060 was paid.

Future payment requirements are as follows:

Fiscal Year Ending April 30,	Principal	Interest	Total
2015	\$ 37,961	\$ 8,064	\$ 46,025
2016	38,981	7,044	46,025
2017	40,033	5,992	46,025
2018	41,111	4,914	46,025
2019	42,218	3,807	46,025
2020	43,355	2,670	46,025
2021	44,522	1,503	46,025
2022	22,708	304	23,012
	\$ 310,889	\$ 34,298	\$ 345,187

City of Earlville, Illinois

Notes to Financial Statements

Note 8 2004 IEPA Note Payable

During a prior fiscal year the City was awarded a low interest loan from the State of Illinois Environmental Protection Agency's Illinois Water Revolving Fund. The loan amount was \$2,808,375, but only \$2,777,981 was drawn on the note by the City. The proceeds of the loan were used to help finance the City's wastewater treatment plant project. Interest on the note accrues at 2.57% per annum. The note is payable in semi-annual installments of \$91,011 principal and interest, commencing October 10, 2004 and continuing semi-annually until October 10, 2023 when the final payment is due. During the fiscal year ended April 30, 2014, principal of \$140,105 and interest of \$41,916 was paid.

Future payment requirements are as follows:

Fiscal Year Ending April 30,	Principal	Interest	Total
2015	\$ 143,730	\$ 38,291	\$ 182,021
2016	147,447	34,574	182,021
2017	151,261	30,760	182,021
2018	155,174	26,847	182,021
2019	159,187	22,834	182,021
2020	163,304	18,717	182,021
2021	167,528	14,493	182,021
2022	171,861	10,160	182,021
2023	176,307	5,714	182,021
2024	89,856	1,155	91,011
	\$1,525,655	\$203,545	\$1,729,200

City of Earlville, Illinois

Notes to Financial Statements

Note 9 Changes in Outstanding Debt

Transactions for the year ended April 30, 2014, are summarized as follows:

Fund Types	Balance April 30, 2013	Issues or Additions	Payments	Balance April 30, 2014
Governmental activities:				
Debt certificates	\$ 305,000		\$ 55,000	\$ 250,000
Notes payable	20,626		10,694	9,932
	325,626	\$ -	65,694	259,932
Business-type activities:				
IEPA loans	2,013,614	-	177,070	1,836,544
Total debt	\$2,339,240	\$ -	\$ 242,764	\$ 2,096,476

The annual aggregate maturities and interest payments for the five years subsequent to April 30, 2014 are as follows:

Due During Year Ended April 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2015	\$ 69,932	\$ 11,363	\$181,691	\$ 46,355	\$ 309,341
2016	60,000	7,793	186,428	41,618	295,839
2017	65,000	5,362	191,294	36,752	298,408
2018	65,000	2,697	196,285	31,761	295,743
2019	-	-	201,405	26,641	228,046
	\$ 259,932	\$ 27,215	\$957,103	\$ 183,127	\$1,427,377

City of Earlville, Illinois

Notes to Financial Statements

Note 10 Municipal Retirement Fund

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

As set by statute, employees participating in IMRF are required to contribute 4.50% 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 City's rate for calendar year 2013 was 11.24% of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2013, the City's annual pension cost of \$39,291 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year, attributable to seniority and merit, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

As of December 31, 2013, the most recent actuarial valuation date, the plan was 79.92% funded. The actuarial accrued liability for benefits was \$744,804 and the actuarial value of assets was \$595,224, resulting in an underfunded actuarial accrued liability (UAAL) of \$149,580. The covered payroll (annual payroll of active employees covered by the plan) was \$349,562 and the ratio of the UAAL to the covered payroll was 43%.

The schedule of funding progress, presented following these notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

City of Earlville, Illinois

Notes to Financial Statements

Note 10 Municipal Retirement Fund (Continued)

TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
12/31/13	\$ 39,291	100%	\$ -
12/31/12	33,374	100%	-
12/31/11	32,899	100%	-

Note 11 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 \$32,811, equal to the total required contribution for the year ended April 30, 2014.

Note 12 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, 2014, cumulative disbursements for police protection have exceeded cumulative tax receipts.

Note 13 Legal Debt Margin

The following schedule illustrates the legal debt margin of the City as of April 30, 2014:

Assessed valuation – 2013	\$ 16,584,783
Statutory debt limitation (8.625% of assessed valuation)	\$ 1,430,438
Debt outstanding at April 30, 2014: Governmental Activities (EPA loans not considered under debt margin calculations)	(259,932)
Legal debt margin	\$ 1,170,506

City of Earlville, Illinois

Notes to Financial Statements

Note 14 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, 2014 were as follows:

Fund Owed	Fund Owing	Total
General	TIF II	\$ 4,000
General	TIF III	60,000
General	Sewer	10,000
Sewer	TIF II	90,000
		\$ 164,000

The three interfund loans involving the general fund are to cover operating costs. The purpose of the large interfund loan involving the TIF II and Sewer funds is to reimburse the Sewer Fund for the portion of the IEPA loans that was authorized to be repaid out of the TIF II Fund.

Following are interfund transfers for the year ended April 30, 2014:

Transfer from the TIF III Fund to the TIF II Fund to reimburse TIF eligible expenses	\$ 20,000
Total transfers to other funds	\$ 20,000

As of April 30, 2014, the following funds had a deficit fund balance by the amount stated:

TIF II Fund	\$ 93,146
TIF III Fund	\$ 54,398

City of Earlville, Illinois

Notes to Financial Statements

Note 15 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, 2014.

During the year ended April 30, 2014, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

Note 16 TIF Districts

During the fiscal year ended April 30, 1989, the City of Earlville established a tax increment financing district entitled TIF District I. During the fiscal year ended April 30, 1991, the City established TIF District II, and 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 I designated the industrial park conservation area as a redevelopment project area. The Marathon Industrial Park was established in this area. Incremental tax revenues shall be used for the purpose of paying project costs and obligations incurred in the payment thereof.

On February 27, 2001, the City of Earlville, Illinois entered into a redevelopment agreement with the Commons of Earlville (a partnership). Under the terms of the agreement, the City shall deposit the first \$20,000 of incremental taxes received by the City relating to the Redevelopment Project Area into a special account in TIF District I. The deposits shall be made in each of the next ten years and shall be used to reimburse the Developer for eligible project costs. The tenth and final submission and payment of costs in the amount of \$20,000 was made in 2013 and this TIF District no longer has any activity on the City's books.

City of Earlville, Illinois

Notes to Financial Statements

Note 16 TIF Districts (Continued)

TIF District II was established for the development of the Wall Addition, so that the City could offer adequate housing to new residents of the City. Through TIF financing, the City paid for infrastructure improvements to the subdivision.

The City has entered into intergovernmental agreements with the Earlville Fire Protection District, Earlville Community Unit School District No. 9, and Illinois Valley Community College. The terms of the agreement between the City and the Fire District call for the City to pay the Fire District the sum of \$50 per home within the TIF II District until the bonds issued are repaid in full (fiscal year 2004). Thereafter, the City shall pay the Fire District from the incremental increase in taxes from TIF II for capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of said project to the extent the City, by written agreement, accepts and approves such costs.

The School District will receive an impact fee paid by the developer of said redevelopment project. This fee will be \$1,000 per lot, with a \$1,000 limit per lot. The City will also forward 20% of the TIF revenue increment received each year. Illinois Valley Community College receives a payment in the amount of 100% of the College's tax loss due to the TIF District.

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.

City of Earlville, Illinois

Notes to Financial Statements

Note 17 Special Services Area

During a prior fiscal year, the City established a special service area within the City as it was determined that owners of the real property within the area would benefit from the installation of new sidewalks as part of the downtown redevelopment project. The expenses incurred by the City in installing such sidewalks and incurring debt for such purpose shall be borne by the owners of the real property within such special service area, through the levy of an annual tax for a period of ten years. Property owners wishing to pay the entire amount owed could pay the amount due prior to December 1, 2004, to avoid the annual tax. The total amount of the special assessments levied is \$129,425. The first taxes collected from this levy were remitted to the City during the fiscal year ended April 30, 2006. During the current fiscal year the City collected special assessments of \$11,200. The balance of the special assessments, in the amount of \$12,806 will be collected through the annual tax levy over the next fiscal year.

Note 18 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 the seventh payment due under this agreement in the amount of \$7,025, bringing the total amount paid to \$43,085.

Note 19 Due from Property Owner

During a prior fiscal year the City entered into an agreement with a property owner to reimburse the City for expenses it paid related to the property owner's real estate. The total due of \$16,929 is to be repaid with two payments of \$1,035, principal and interest, each fiscal year, commencing August 31, 2005 and continuing until September 15, 2014, when the balance will be paid in full. During the current fiscal year the City received principal of \$1,693 on the obligation, leaving an outstanding balance at April 30, 2014 of \$1,693. This note will be paid off in full during the fiscal year ending April 30, 2015.

City of Earlville, Illinois

Notes to Financial Statements

Note 20 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	\$	19,139
Audit Services		6,680
Waste Services		3,675
Liability Insurance		15,482
Unemployment Insurance		6,385
Workmen's Compensation		9,862
Municipal Retirement		15,713
Road Maintenance		133,802
Debt Certificate Repayment		2,932
<hr/>		
Total Restricted	\$	213,670

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 (TIF II Fund and TIF III Fund).

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 Cash Receipts and Cash Disbursements Compared with Appropriations General Fund

Year ended April 30, 2014

	Appropriated Amounts		Variance with Final Budget	
	Original and Final	Actual	Positive (Negative)	
Cash receipts:				
Local taxes	\$ 241,944	\$ 216,121	\$ (25,823)	
Intergovernmental	342,900	283,574	(59,326)	
Licenses, permits and fees	48,280	25,449	(22,831)	
Rentals	30	12	(18)	
Fines and forfeits	15,000	8,553	(6,447)	
Other	3,400	6,479	3,079	
Total cash receipts	\$ 651,554	\$ 540,188	\$ (111,366)	
Cash disbursements:				
General government	\$ 174,230	\$ 109,988	\$ 64,242	
Public health and safety	281,802	247,529	34,273	
Streets and alleys	171,740	147,563	24,177	
Culture and recreation	23,100	10,838	12,262	
Capital outlay	112,700	68,815	43,885	
Total cash disbursements	\$ 763,572	\$ 584,733	\$ 178,839	
Other financing sources (uses):				
Operating transfers in	\$ 20,000	\$ -	\$ (20,000)	
Operating transfers out	(60,000)	-	60,000	
Total other financing sources (uses)	\$ (40,000)	\$ -	\$ 40,000	

City of Earlville, Illinois

Schedule of Cash Receipts and Cash Disbursements Compared with Appropriations Motor Fuel Tax Fund

Year ended April 30, 2014

	Appropriated Amounts			Variance with Final Budget
	Original and Final	Actual		Positive (Negative)
Cash receipts:				
Intergovernmental - Motor Fuel taxes	\$ 55,000	\$ 49,504	\$	(5,496)
Other - Interest	150	22		(128)
Total cash receipts	\$ 55,150	\$ 49,526	\$	(5,624)
Cash disbursements:				
Streets and alleys	\$ 142,000	\$ 2,805	\$	139,195
Total cash disbursements	\$ 142,000	\$ 2,805	\$	139,195

Web Document

City of Earlville, Illinois

Schedule of Cash Receipts and Cash Disbursements Compared with Appropriations TIF II Fund

Year ended April 30, 2014

	Appropriated Amounts		Variance with Final Budget	
	Original and Final	Actual	Positive (Negative)	
Cash receipts:				
Local Taxes - Property Taxes	\$ 115,884	\$ 115,884	\$ -	
Other - Interest	100	52	(48)	
Total cash receipts	\$ 115,984	\$ 115,936	\$ (48)	
Cash disbursements:				
General government	\$ 1,800	\$ 950	\$ 850	
Other	28,811	28,810	1	
Total cash disbursements	\$ 30,611	\$ 29,760	\$ 851	

Web Document

City of Earlville, Illinois

Schedule of IMRF Funding Progress

April 30, 2014

(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a) /c)
12/31/13	\$595,224	\$744,804	\$149,580	79.92%	\$349,562	42.79%
12/31/12	504,992	647,896	142,904	77.94%	318,453	44.87%
12/31/11	431,482	577,701	146,219	74.69%	313,625	46.62%
12/31/10	383,015	500,547	117,532	76.52%	321,860	36.52%
12/31/09	328,296	459,598	131,302	71.43%	328,271	40.00%
12/31/08	275,518	386,939	111,421	71.20%	342,552	32.53%
12/31/07	238,526	306,837	68,311	77.74%	311,486	21.93%
12/31/06	185,983	229,960	43,977	80.88%	258,035	17.04%
12/31/05	147,029	178,834	31,805	82.22%	246,487	12.90%
12/31/04	116,441	180,379	63,938	64.55%	246,166	25.97%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$658,442.
On a market basis, the funded ratio would be 88.40%.

Web Document

City of Earlville, Illinois

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

April 30, 2014

<i>Assets</i>	Special Revenue Funds	Debt Service Fund - 2007 Debt Certificate Repayment Fund	Total Nonmajor Governmental Funds
Cash	\$ 80,845	\$ 2,932	\$ 83,777
Due from property owner	1,693	-	1,693
Total assets	\$ 82,538	\$ 2,932	\$ 85,470
<i>Liabilities and Fund Balances</i>			
Liabilities:			
Due to other funds	\$ 60,000	\$ -	\$ 60,000
Fund balances:			
Unreserved	(54,398)	-	(54,398)
Reserved	76,936	2,932	79,868
Total fund balances	22,538	2,932	25,470
Total liabilities and fund balances	\$ 82,538	\$ 2,932	\$ 85,470

City of Earlville, Illinois

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

April 30, 2014

<i>Assets</i>	Audit Fund	Garbage Fund	Social Security Fund	Liability Insurance Fund
Cash	\$ 6,680	\$ 3,675	\$ 19,139	\$ 15,482
Investments				
Due from property owner				
Total assets	\$ 6,680	\$ 3,675	\$ 19,139	\$ 15,482
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to General Fund				
Total liabilities	-	-	-	-
Fund balances:				
Unreserved				
Reserved	\$ 6,680	\$ 3,675	\$ 19,139	\$ 15,482
Total fund balances	6,680	3,675	19,139	15,482
Total liabilities and fund balances	\$ 6,680	\$ 3,675	\$ 19,139	\$ 15,482

Unemployment Compensation Fund	Workmen's Compensation Fund	IMRF Fund	TIF III Fund	Total Nonmajor Special Revenue Funds
\$ 6,385	\$ 9,862	\$ 15,713	\$ 3,909	\$ 80,845
			1,693	1,693
\$ 6,385	\$ 9,862	\$ 15,713	\$ 5,602	\$ 82,538
			\$ 60,000	\$ 60,000
			60,000	60,000
			(54,398)	(54,398)
\$ 6,385	\$ 9,862	\$ 15,713		76,936
6,385	9,862	15,713	(54,398)	22,538
\$ 6,385	\$ 9,862	\$ 15,713	\$ 5,602	\$ 82,538

City of Earlville, Illinois

Combining Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances Nonmajor Governmental Funds

Year ended April 30, 2014

	Special Revenue Funds	Debt Service Fund - 2007 Debt Certificate Repayment Fund	Total Nonmajor Governmental Funds
Cash receipts:			
Local taxes:			
Property taxes	\$ 180,532	\$ 66,403	\$ 246,935
Other:			
Interest	521	24	545
Total cash receipts	181,053	66,427	247,480
Cash disbursements:			
General government	94,920	500	95,420
Public health and safety	2,263		2,263
Debt service	11,521	68,680	80,201
Other	21,217		21,217
Total cash disbursements	129,921	69,180	199,101
Excess (deficiency) of cash receipts over (under) cash disbursements	51,132	(2,753)	48,379
Other financing sources (uses):			
Operating transfers out	(20,000)	-	(20,000)
Excess (deficiency) of cash receipts over (under) cash disbursements and other financing sources (uses)	31,132	(2,753)	28,379
Fund balances, beginning of year	(8,594)	5,685	(2,909)
Fund balances, end of year	\$ 22,538	\$ 2,932	\$ 25,470

City of Earlville, Illinois

Combining Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances Nonmajor Special Revenue Funds

Year ended April 30, 2014

	Audit Fund	Garbage Fund	Social Security Fund
Cash receipts:			
Local taxes:			
Property taxes	\$ 8,889	\$ 4,939	\$ 20,740
Other:			
Interest	6	4	26
Total cash receipts	8,895	4,943	20,766
Cash disbursements:			
General government	6,960		23,434
Public health and safety		2,263	
Debt service			
Other			
Total cash disbursements	6,960	2,263	23,434
Excess (deficiency) of cash receipts over (under) cash disbursements	1,935	2,680	(2,668)
Other financing sources (uses):			
Transfer to TIF II Fund			
Excess (deficiency) of cash receipts over (under) cash disbursements and other financing sources (uses)	1,935	2,680	(2,668)
Fund balances (deficit), beginning of year	4,745	995	21,807
Fund balances (deficit), end of year	\$ 6,680	\$ 3,675	\$ 19,139

Liability Insurance Fund	Unemployment Compensation Fund	Workmen's Compensation Fund	IMRF Fund	TIF III Fund	Total Nonmajor Special Revenue Funds
\$ 24,691	\$ 988	\$ 20,741	\$ 25,677	\$ 73,867	\$ 180,532
19	7	15	24	420	521
24,710	995	20,756	25,701	74,287	181,053
15,577	802	19,755	27,442	950	94,920
				11,521	2,263
				21,217	11,521
15,577	802	19,755	27,442	33,688	129,921
9,133	193	1,001	(1,741)	40,599	51,132
				(20,000)	(20,000)
9,133	193	1,001	(1,741)	20,599	31,132
6,349	6,192	8,861	17,454	(74,997)	(8,594)
\$ 15,482	\$ 6,385	\$ 9,862	\$ 15,713	\$ (54,398)	\$ 22,538

City of Earlville, Illinois

Statement of Cash Receipts Compared with Appropriated Amounts General Fund

Year ended April 30, 2014

	Appropriations	Cash Receipts	Variance favorable (unfavorable)
Local taxes:			
Property taxes	\$ 91,944	\$ 85,730	\$ (6,214)
Utility taxes	90,000	87,032	(2,968)
Telecommunications taxes	60,000	43,359	(16,641)
	241,944	216,121	(25,823)
Intergovernmental:			
Sales tax	100,000	81,583	(18,417)
Use tax	30,000	29,038	(962)
Income tax	200,000	164,478	(35,522)
Replacement tax	7,900	7,574	(326)
Video gaming tax	5,000	901	(4,099)
	342,900	283,574	(59,326)
Licenses, permits and fees:			
Gas franchise fees	4,000	2,803	(1,197)
Building permits	2,000	901	(1,099)
Wireless network permit	2,000	-	(2,000)
Liquor licenses	3,500	2,950	(550)
Plan review fees	5,000	-	(5,000)
Development fees	4,000	-	(4,000)
Vehicle sticker fees	25,000	18,200	(6,800)
Miscellaneous permits and fees	2,780	595	(2,185)
	48,280	25,449	(22,831)
Rentals	30	12	(18)
Fines and forfeits:			
County court fines	8,000	4,716	(3,284)
Local police and DUI fines	3,000	1,180	(1,820)
Drug fines	500	412	(88)
Ordinance violation fines	3,500	2,245	(1,255)
	15,000	8,553	(6,447)
Other:			
Interest	400	149	(251)
Sale of equipment	-	756	756
Miscellaneous	3,000	5,574	2,574
	3,400	6,479	3,079
Total cash receipts	\$ 651,554	\$ 540,188	\$ (111,366)

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts General Fund

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
General government:			
Administration:			
Salaries:			
Employees	\$ 30,100	\$ 30,000	\$ 100
Elected officials	29,500	29,500	-
Employee benefits	10,080	8,904	1,176
Legal	6,000	2,800	3,200
Engineering services	2,000	-	2,000
Postage	500	309	191
Telephone	2,200	1,947	253
Publishing	2,000	1,789	211
Printing	1,000	668	332
Dues, memberships, and publications	1,455	1,259	196
Travel expense	1,945	1,116	829
Training	7,000	2,588	4,412
Data processing	5,000	4,679	321
Bonds	150	98	52
Equipment maintenance	1,000	-	1,000
Contract services	15,000	7,425	7,575
Office supplies	1,000	690	310
Other supplies	1,000	844	156
Donations	2,000	1,100	900
Economic incentive expense	7,500	7,025	475
Miscellaneous	600	407	193
Capital outlay:			
Equipment	10,000	5,880	4,120
	137,030	109,028	28,002
City Hall:			
Maintenance service:			
Building	10,000	418	9,582
Equipment	4,000	-	4,000
Professional services	2,600	1,672	928
Contract services	1,000	-	1,000
Utilities	1,575	1,570	5
Janitorial supplies	425	235	190
Miscellaneous	300	104	196
Capital outlay:			
Building	7,500	-	7,500
Equipment	4,000	-	4,000
	31,400	3,999	27,401

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts General Fund (Continued)

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
General government (cont.):			
Zoning:			
Contract services	8,000	2,000	6,000
Engineering	10,000	-	10,000
Legal	4,000	795	3,205
Printing	4,000	-	4,000
Publishing	1,000	-	1,000
Miscellaneous	300	46	254
	27,300	2,841	24,459
Total general government	195,730	115,868	79,862
Public health and safety:			
Police:			
Salaries:			
Full time	137,820	138,128	(308)
Part time	36,100	32,153	3,947
Overtime	9,080	9,064	16
Employee benefits	37,552	36,894	658
Uniforms	2,500	964	1,536
Legal	7,000	-	7,000
Maintenance service:			
Equipment	3,000	1,660	1,340
Vehicles	5,000	1,635	3,365
Data processing	1,500	1,492	8
Postage	300	262	38
Telephone	3,000	2,105	895
Printing	600	37	563
Dispatching	8,850	8,850	-
Dues, memberships, and publications	1,000	727	273
Travel expense	200	2	198
Training	3,000	312	2,688
Animal control services	1,000	-	1,000
Other supplies	1,160	1,155	5
Office supplies	1,070	1,069	1
Gas and oil	14,770	10,872	3,898
Drug enforcement expense	7,000	-	7,000
Miscellaneous	300	148	152
Capital outlay:			
Equipment	6,000	1,217	4,783
Furniture	700	-	700
Vehicles	33,000	30,906	2,094
Total public health and safety	321,502	279,652	41,850

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts General Fund (Continued)

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
Streets and alleys:			
Salaries:			
Full time	54,500	54,497	3
Part time	-	-	-
Overtime	5,800	5,673	127
Employee benefits	23,040	17,160	5,880
Uniforms	300	300	-
Legal	1,000	-	1,000
Maintenance:			
Building	1,530	679	851
Equipment	8,470	8,466	4
Vehicles	6,000	2,580	3,420
Streets	19,500	17,316	2,184
Engineering service	3,000	724	2,276
Services - Julie	300	117	183
Travel	200	-	200
Training	300	-	300
Telephone	750	514	236
Utilities - heating	2,000	-	2,000
Street lighting	18,000	17,978	22
Equipment rental	2,000	2,967	(967)
Supplies:			
Snow removal	10,000	5,714	4,286
Other	3,325	3,323	2
Small tools	750	404	346
Gas and oil	10,675	9,039	1,636
Miscellaneous	300	112	188
Capital outlay:			
Equipment	7,000	3,333	3,667
Sidewalk	5,000	-	5,000
Storm sewer improvement	27,500	27,479	21
Total streets and alleys	211,240	178,375	32,865

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts General Fund (Continued)

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
Culture and recreation:			
Parks:			
Salaries - full time	7,310	7,308	2
Salaries - overtime	490	-	490
Maintenance:			
Building	5,000	246	4,754
Equipment	4,000	1,475	2,525
Contract services	2,000	163	1,837
Utilities - park lighting	2,000	981	1,019
Gas and oil	500	11	489
Supplies - other	1,500	654	846
Miscellaneous	300	-	300
Capital outlay:			
City park improvements	5,000	-	5,000
Equipment	7,000	-	7,000
Total culture and recreation	35,100	10,838	24,262
Total General Fund cash disbursements	\$ 763,572	\$ 584,733	\$ 178,839

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts Special Revenue Funds

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
<i>Audit Fund</i>			
General government:			
Audit expense	\$ 11,750	\$ 6,960	\$ 4,790
Interfund operating transfer	2,000	-	2,000
Total Audit Fund	\$ 13,750	\$ 6,960	\$ 6,790
<i>Motor Fuel Tax Fund</i>			
Streets and alleys:			
Engineering	\$ 16,000	\$ 2,805	\$ 13,195
Street repairs	126,000	-	126,000
Total Motor Fuel Tax Fund	\$ 142,000	\$ 2,805	\$ 139,195
<i>Garbage Fund</i>			
Public health and safety:			
Garbage disposal	\$ 6,000	\$ 2,263	\$ 3,737
<i>Social Security Fund</i>			
General government:			
Payroll taxes	\$ 42,810	\$ 23,434	\$ 19,376
<i>Liability Insurance Fund</i>			
General government:			
Insurance expense	\$ 31,400	\$ 15,577	\$ 15,823
<i>Unemployment Compensation Fund</i>			
General government:			
Unemployment taxes	\$ 7,200	\$ 802	\$ 6,398
<i>Workmen's Compensation Fund</i>			
General government:			
Insurance expense	\$ 29,900	\$ 19,755	\$ 10,145
<i>IMRF Fund</i>			
General government:			
IMRF expense	\$ 43,500	\$ 27,442	\$ 16,058

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts Special Revenue Funds (Continued)

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
<i>TIF II Fund</i>			
General government:			
Contract services	\$ 1,400	\$ 925	\$ 475
Legal	100	-	100
Miscellaneous	300	25	275
	1,800	950	850
Other:			
Inter-governmental agreements:			
Earlville CUSD #9	23,177	23,177	-
Earlville Fire District	1,600	1,600	-
Illinois Valley Community College	4,034	4,033	1
	28,811	28,810	1
Total TIF II Fund	\$ 30,611	\$ 29,760	\$ 851
<i>TIF III Fund</i>			
General government:			
Contract services	\$ 1,400	\$ 925	\$ 475
Legal	100	-	100
Miscellaneous	300	25	275
	1,800	950	850
Debt service:			
Principal	10,697	10,694	3
Interest	826	827	(1)
	11,523	11,521	2
Other:			
Inter-governmental agreements:			
Earlville CUSD #9	16,026	16,025	1
LaSalle County	3,006	3,005	1
Illinois Valley Community College	2,187	2,187	-
	21,219	21,217	2
Total TIF III Fund	\$ 34,542	\$ 33,688	\$ 854

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts Debt Service Funds

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
<i>2007 Debt Certificate</i>			
<i>Repayment Fund</i>			
General government:			
Fees	\$ 500	\$ 500	\$ -
Debt service:			
Principal	55,000	55,000	-
Interest	13,680	13,680	-
	68,680	68,680	-
Total 2007 Debt Certificate and Interest Repayment Fund			
	\$ 69,180	\$ 69,180	\$ -

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City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts Waterworks Fund

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
Personal services:			
Salaries:			
Full time	\$ 59,100	\$ 58,872	\$ 228
Part time	1,900	140	1,760
Overtime	5,000	2,298	2,702
Payroll taxes	5,100	4,690	410
IMRF contribution	7,410	6,861	549
Uniform allowance	300	299	1
Employee benefits	22,320	16,236	6,084
	101,130	89,396	11,734
Contractual services:			
Legal	1,000	-	1,000
Maintenance:			
Building	5,000	930	4,070
Equipment	3,000	1,696	1,304
Utility system	75,000	44,270	30,730
Vehicle	2,000	100	1,900
Engineering service	20,000	1,174	18,826
Service - Julie	300	117	183
Testing	4,000	2,330	1,670
Data processing	4,000	4,605	(605)
Audit	3,000	2,320	680
Insurance:			
Liability	7,000	3,767	3,233
Workmen's compensation	4,070	4,067	3
Unemployment	330	90	240
Machine/boiler	1,000	169	831
Telephone	1,500	985	515
Printing	1,000	327	673
Dues, memberships, and publications	500	261	239
Travel	400	52	348
Training	600	164	436
Equipment rental	2,000	38	1,962
Utilities:			
Electricity	16,000	10,462	5,538
Heating	3,000	2,656	344
Miscellaneous	300	30	270
	155,000	80,610	92,209

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts Waterworks Fund (Continued)

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
Supplies:			
Small tools and supplies	6,000	2,056	3,944
Postage	2,500	1,521	979
Testing supplies	1,500	704	796
Gas and oil	2,500	1,673	827
Chemicals	17,000	7,840	9,160
	29,500	13,794	15,706
Capital outlay:			
Equipment	10,000	-	10,000
Vehicles	-	-	-
Utility system	20,000	-	20,000
	30,000	-	30,000
Depreciation	-	64,531	(64,531)
	\$ 315,630	\$ 248,331	\$ 149,649

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts Sewerage Fund

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
Personal services:			
Salaries:			
Full time	\$ 59,100	\$ 58,872	\$ 228
Part time	1,900	105	1,795
Overtime	5,000	2,298	2,702
Payroll taxes	5,100	4,689	411
IMRF contribution	7,410	6,862	548
Uniform allowance	300	300	-
Employee benefits	22,320	16,236	6,084
	101,130	89,362	11,768
Contractual services:			
Legal	1,000	-	1,000
Maintenance:			
Building	2,000	974	1,026
Equipment	7,000	3,178	3,822
Utility system	40,000	15,006	24,994
Vehicle	2,000	100	1,900
Engineering service	20,000	16,624	3,376
Service - Julie	300	117	183
Testing	500	-	500
Data processing	4,000	3,610	390
Audit	3,000	2,320	680
Insurance:			
Liability	12,000	7,901	4,099
Workmen's compensation	4,070	4,067	3
Unemployment	330	90	240
Machine/boiler	1,000	258	742
Telephone	1,500	923	577
Printing	1,000	-	1,000
Dues, memberships, and publications	500	261	239
Travel	400	52	348
Training	600	164	436
Equipment rental	3,000	-	3,000
Garbage disposal	8,000	3,481	4,519
Utilities:			
Electricity	39,700	31,527	8,173
Heating	3,300	3,274	26
Permit fees	4,500	2,500	2,000
Miscellaneous	300	149	151
	160,000	96,576	63,424

City of Earlville, Illinois

Statement of Cash Disbursements Compared with Appropriated Amounts Sewerage Fund (Continued)

Year ended April 30, 2014

	Appropriations	Cash Disbursements	Variance favorable (unfavorable)
Supplies:			
Small tools and supplies	6,000	3,073	2,927
Postage	2,500	1,496	1,004
Testing supplies	2,000	1,805	195
Gas and oil	3,000	1,994	1,006
Chemicals	30,000	14,691	15,309
	43,500	23,059	20,441
Capital outlay:			
Equipment	10,000	-	10,000
Utility system	20,000	-	20,000
	30,000	-	30,000
Depreciation	-	156,993	(156,993)
	\$ 334,630	\$ 365,990	\$ (31,360)

City of Earlville, Illinois

Assessed Valuations, Tax Rates, Extensions and Collections

April 30, 2014

	Maximum	Tax Year		
		2013	2012	2011
Assessed valuations	Rate	\$ 16,584,783	\$ 17,985,818	\$ 19,446,250
Tax rates:				
General	.2500	.2500	.2500	.2417
Road and Bridge (from Township)	No limit	.0816	.0816	.0825
Police protection	.1500	.1500	.1500	.1368
Garbage	.2000	.0241	.0278	.0103
Audit	No limit	.0482	.0500	.0386
Liability insurance	No limit	.1508	.1390	.1389
Social security	No limit	.1387	.1168	.1201
IMRF	No limit	.1682	.1446	.1337
Workmen's compensation	No limit	.1508	.1168	.1209
Unemployment insurance	No limit	.0060	.0056	.0052
Bonds and interest	No limit	.4178	.3738	.3345
		1.5862	1.4560	1.3623
Tax extensions:				
General		\$ 41,462	\$ 44,965	\$ 47,002
Road and Bridge (from Township)		13,533	14,677	16,043
Police protection		24,877	26,979	26,602
Garbage		3,997	5,000	2,003
Audit		7,994	8,993	7,506
Liability insurance		25,010	25,000	27,011
Social security		23,003	21,007	23,355
IMRF		27,896	26,007	26,000
Workmen's compensation		25,010	21,007	23,511
Unemployment insurance		995	1,007	1,011
Bonds and interest		69,295	67,231	65,048
		\$ 263,072	\$ 261,874	\$ 265,091
Collections: (includes mobile home and back taxes)				
		\$ -	\$ 258,796	\$ 263,773
Percentage of extensions collected				
		0.00%	98.82%	99.50%