

**City of LeRoy, Illinois**  
**Annual Financial Report**  
**For the Fiscal Year Ended April 30, 2020**

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### **Independent Auditor's Report**

The Honorable Mayor and Council  
City of LeRoy, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of LeRoy, Illinois ("City"), as of and for the year ended April 30, 2020, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express 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 from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of April 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the Illinois Municipal Retirement Fund – Schedule of Changes in the City's Net Pension Liability and Related Ratios; the Illinois Municipal Retirement Fund – Schedule of Employer Contributions; and budgetary comparison information on pages 47 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Striegel Knobloch & Company LLC*

Bloomington, Illinois  
November 11, 2020

**City of LeRoy, Illinois**

**Statement of Net Postition**

**For the Year Ended April 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents (Notes 1 and 4)	\$ 2,501,384	\$ 1,319,700	\$ 3,821,084
Investments (Notes 1 and 4)	6,295	-	6,295
Receivables, net (Note 1)			
Accounts	-	312,201	312,201
Property tax	548,474	-	548,474
Sales tax	71,757	-	71,757
Income tax	58,124	-	58,124
Use tax	20,106	-	20,106
Replacement tax	2,112	-	2,112
Motor fuel tax	10,559	-	10,559
Excise tax	1,362	-	1,362
Utility taxes	12,647	-	12,647
Video gaming tax	4,006	-	4,006
Cannabis tax	298	-	298
Hotel/Motel tax	13,541	-	13,541
Prepaid expenses	4,966	3,352	8,318
Intergovernmental receivable	506,454	-	506,454
Notes receivable	2,674	-	2,674
Capital assets (Notes 1 and 2):			
Land	654,310	10,000	664,310
Depreciable capital assets	12,367,031	14,191,034	26,558,065
Less: accumluated depreciation	<u>(5,788,758)</u>	<u>(8,744,331)</u>	<u>(14,533,089)</u>
 Total assets	 <u>10,997,342</u>	 <u>7,091,956</u>	 <u>18,089,298</u>
 <b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension obligations (Note 6)	<u>721,892</u>	<u>241,402</u>	<u>963,294</u>
 Total assets and deferred outflows of resources	 <u>\$ 11,719,234</u>	 <u>\$ 7,333,358</u>	 <u>\$ 19,052,592</u>

-Continued-

**City of LeRoy, Illinois**

**Statement of Net Position - Continued**

**For the Year Ended April 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Accounts payable	\$ 31,900	\$ 55,882	\$ 87,782
Accrued expenses	122,033	76,117	198,150
Accrued interest	27,525	20,494	48,019
IMRF pension liability (Note 6)	157,710	52,739	210,449
Bonds payable (Note 3)			
Due within one year	285,000	200,000	485,000
Due in more than one year	3,065,000	1,730,000	4,795,000
Long-term liabilities (Note 3)			
Due within one year	25,842	-	25,842
Due in more than one year	187,719	-	187,719
	<u>3,902,729</u>	<u>2,135,232</u>	<u>6,037,961</u>
<b>Deferred Inflows of Resources</b>			
Deferred property tax	548,474	-	548,474
Deferred inflows related to pension obligations (Note 6)	523,256	174,977	698,233
	<u>1,071,730</u>	<u>174,977</u>	<u>1,246,707</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	3,669,022	3,526,703	7,195,725
Restricted for:			
Tax increment financing district	-	-	-
Motor fuel tax	265,268	-	265,268
Capital Projects	1,659,234	-	1,659,234
Debt Service	77,564	-	77,564
Community projects	174,260	-	174,260
Tourism	148,637	-	148,637
Unrestricted	750,790	1,496,446	2,247,236
	<u>6,744,775</u>	<u>5,023,149</u>	<u>11,767,924</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 11,719,234</u>	<u>\$ 7,333,358</u>	<u>\$ 19,052,592</u>

The accompanying notes are an integral part of this statement.



City of LeRoy, Illinois

Statement of Activities

For the Year Ended April 30, 2020

	Expenses	Charges for Services	Fines, Fees Licenses and Permits	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		Total
						Governmental Activities	Business-Type Activities	
Governmental activities								
Administration	\$ 219,824	\$ -	\$ 28,796	\$ 5,151	\$ 269,000	\$ 83,123	\$ -	\$ 83,123
Streets	534,544	-	-	-	-	(534,544)	-	(534,544)
Parks	176,044	-	-	-	-	(176,044)	-	(176,044)
Zoning and building	43,523	-	-	-	-	(43,523)	-	(43,523)
Police	851,901	58,785	22,735	-	-	(770,381)	-	(770,381)
ESDA	1,270	-	-	-	-	(1,270)	-	(1,270)
Economic development	173,216	-	-	-	-	(173,216)	-	(173,216)
Animal control	18	-	-	-	-	(18)	-	(18)
Tourism	24,715	-	-	-	-	(24,715)	-	(24,715)
Interest on long term debt	85,222	-	-	-	-	(85,222)	-	(85,222)
Total governmental activities	2,110,277	58,785	51,531	5,151	269,000	(1,725,810)	-	(1,725,810)
Business-type activities								
Water	763,624	741,155	-	-	-	-	(22,469)	(22,469)
Sewer	683,436	737,232	-	-	-	-	53,796	53,796
Refuse	469,047	494,146	-	-	-	-	25,099	25,099
Total business type activities	1,916,107	1,972,533	-	-	-	-	56,426	56,426
Total primary government	\$ 4,026,384	\$ 2,031,318	\$ 51,531	\$ 5,151	\$ 269,000	(1,725,810)	56,426	(1,669,384)

**City of LeRoy, Illinois**

**Statement of Activities - Continued**

**For the Year Ended April 30, 2020**

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business- Type Activities	Total
General revenues:			
Taxes:			
Property	\$ 567,132	\$ -	\$ 567,132
Sales	543,762	-	543,762
Income	350,156	-	350,156
Use	124,575	-	124,575
Replacement	18,689	-	18,689
Motor fuel	131,370	-	131,370
Excise	8,500	-	8,500
Utility	153,629	-	153,629
Video gaming	72,238	-	72,238
Cannabis	880	-	880
Hotel/motel	63,541	-	63,541
Franchise	36,045	-	36,045
Interest	6,845	4,649	11,494
Other	12,414	9,394	21,808
Change in pension obligations	329,524	113,143	442,667
Interfund transfers	(181,778)	181,778	-
	<u>2,237,522</u>	<u>308,964</u>	<u>2,546,486</u>
Total general revenues and transfers			
	511,712	365,390	877,102
Change in net position			
	<u>6,233,063</u>	<u>4,657,759</u>	<u>10,890,822</u>
Net position, beginning			
	<u>\$ 6,744,775</u>	<u>\$ 5,023,149</u>	<u>\$ 11,767,924</u>
Net position, ending			

The accompanying notes are an integral part of this statement.

**City of LeRoy, Illinois**

**Balance Sheet - Governmental Fund**

**April 30, 2020**

	General	2016A GO (ARS) Bond Fund	Capital Projects Fund	2020 Series Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash (Notes 1 and 5)	\$ 278,085	\$ -	\$ 575,600	\$ 1,083,634	\$ 564,065	\$ 2,501,384
Investments (Notes 1 and 5)	6,295	-	-	-	-	6,295
Receivables, net:						
Property taxes (Note 6)	548,474	-	-	-	-	548,474
Sales tax	52,317	19,440	-	-	-	71,757
Income tax	-	58,124	-	-	-	58,124
Use tax	20,106	-	-	-	-	20,106
Replacement tax	2,112	-	-	-	-	2,112
Motor fuel tax	-	-	-	-	10,559	10,559
Excise tax	1,362	-	-	-	-	1,362
Utility taxes	12,647	-	-	-	-	12,647
Video gaming tax	4,006	-	-	-	-	4,006
Cannabis tax	298	-	-	-	-	298
Hotel/Motel tax	-	-	-	-	13,541	13,541
Prepaid expenses	4,966	-	-	-	-	4,966
<b>Total assets</b>	<b>\$ 930,668</b>	<b>\$ 77,564</b>	<b>\$ 575,600</b>	<b>\$ 1,083,634</b>	<b>\$ 588,165</b>	<b>\$ 3,255,631</b>
<b>Liabilities</b>						
Accounts payable	\$ 31,900	\$ -	\$ -	\$ -	\$ -	\$ 31,900
Accrued expenses	122,033	-	-	-	-	122,033
<b>Total liabilities</b>	<b>153,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,933</b>
<b>Deferred inflows of Resources</b>						
Deferred property tax	548,474	-	-	-	-	548,474
<b>Fund Balance</b>						
Nonspendable	4,966	-	-	-	-	4,966
Restricted:						
TIF District	-	-	-	-	-	-
Motor fuel tax	-	-	-	-	265,268	265,268
Committed:						
Debt service	-	77,564	-	-	-	77,564
Capital expenditures	-	-	-	-	174,260	174,260
Assigned:						
Capital projects	-	-	575,600	1,083,634	-	1,659,234
Tourism	-	-	-	-	148,637	148,637
Unassigned	223,295	-	-	-	-	223,295
<b>Total fund balance</b>	<b>228,261</b>	<b>77,564</b>	<b>575,600</b>	<b>1,083,634</b>	<b>588,165</b>	<b>2,553,224</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 930,668</b>	<b>\$ 77,564</b>	<b>\$ 575,600</b>	<b>\$ 1,083,634</b>	<b>\$ 588,165</b>	<b>\$ 3,255,631</b>

The accompanying notes are an integral part of this statement.

**City of LeRoy, Illinois**

**Reconciliation of the Balance Sheet - Governmental  
Funds to the Statement of Net Position**

**April 30, 2020**

Total governmental fund balance	\$ 2,553,224
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net assets	7,232,583
Notes receivable are not reported on the fund financial statements because it is not available to defray the cost of current expenses.	509,128
Certain liabilities are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net assets.	
Accrued interest	(27,525)
Net IMRF pension obligations	40,926
Bonds payable	(3,350,000)
Notes payable	<u>(213,561)</u>
Net assets of governmental activities	<u><u>\$ 6,744,775</u></u>

The accompanying notes are an integral part of this statement.

**City of LeRoy, Illinois**

**Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds**

**For the Year Ended April 30, 2020**

	General	2016A GO (ARS) Bond Fund	Capital Projects Fund	2020 Series Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 567,132	\$ -	\$ -	\$ -	\$ -	\$ 567,132
Sales tax	390,038	153,724	-	-	-	543,762
Income tax	115,754	234,401	-	-	-	350,155
Use tax	124,575	-	-	-	-	124,575
Replacement tax	18,689	-	-	-	-	18,689
Motor fuel tax	-	-	-	-	131,370	131,370
Excise tax	8,500	-	-	-	-	8,500
Utility taxes	153,629	-	-	-	-	153,629
Video gaming tax	72,238	-	-	-	-	72,238
Cannabis tax	880	-	-	-	-	880
Hotel/Motel tax	-	-	-	-	63,541	63,541
Licenses and permits	20,763	-	-	-	-	20,763
Fines	30,768	-	-	-	-	30,768
Interest	1,832	-	2,875	-	2,138	6,845
Grants	5,151	-	-	-	-	5,151
Other	107,244	-	-	-	9,787	117,031
<b>Total revenues</b>	<b>1,617,193</b>	<b>388,125</b>	<b>2,875</b>	<b>-</b>	<b>206,836</b>	<b>2,215,029</b>
<b>Expenditures:</b>						
Administration	194,820	-	-	-	-	194,820
Streets	390,528	-	-	-	-	390,528
Parks	32,616	-	-	-	-	32,616
Zoning and building	43,523	-	-	-	-	43,523
Police	815,786	-	-	-	-	815,786
ESDA	1,270	-	-	-	-	1,270
Economic development	-	-	-	-	173,216	173,216
Tourism	-	-	-	-	24,715	24,715
Animal control	18	-	-	-	-	18
Debt service						
Principal	25,118	280,000	-	-	-	305,118
Interest	6,809	69,375	-	-	-	76,184
Capital outlay	200,521	-	-	-	-	200,521
<b>Total expenditures</b>	<b>1,711,009</b>	<b>349,375</b>	<b>-</b>	<b>-</b>	<b>197,931</b>	<b>2,258,315</b>
Excess (deficiency) of revenues over expenditures	(93,816)	38,750	2,875	-	8,905	(43,286)

-Continued-

**City of LeRoy, Illinois**

**Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds - Continued**

**For the Year Ended April 30, 2020**

	General	2016A GO (ARS) Bond Fund	Capital Projects Fund	2020 Series Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Other financing sources (uses):</b>						
Bond proceeds	-	-	-	1,116,666	-	1,116,666
Bond fees	-	-	-	(33,032)	-	(33,032)
Transfers in	146,004	-	-	-	45,000	191,004
Transfers out	-	(76,004)	(161,778)	-	(135,000)	(372,782)
Total other financing sources (uses)	146,004	(76,004)	(161,778)	1,083,634	(90,000)	901,856
Net change in fund balances	52,188	(37,254)	(158,903)	1,083,634	(81,095)	858,570
Fund balance, beginning	176,073	114,818	734,503	-	669,260	1,694,654
Fund balance, ending	\$ 228,261	\$ 77,564	\$ 575,600	\$ 1,083,634	\$ 588,165	\$ 2,553,224

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

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

For the Year Ended April 30, 2020

Net change in fund balance - total governmental funds	\$ 858,570
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. Depreciation (\$348,563) for the year is more than capital outlays (\$200,521) reported in the general fund.	(148,042)
In-kind donations of land parcels in the current year did not use current financial resources to acquire, this is considered a revenue for the statement of activities and is not and is not a revenue on the statement of revenues, expenditures, changes in fund balance	269,000
Net change in IMRF pension obligations is an expense on the statement of activities, however, it does not use financial resources and is not an expenditure on the statement of revenues, expenditures, changes in fund balance	329,524
Advances and repayments of the note receivable are included in the governmental fund; however, this activity only changes the note receivable in the statement of net assets.	(9,787)
Repayment of bond principal is an expenditure in the governmental fund; however the repayment reduces long-term liabilities in the statement of net assets.	(789,882)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.	<u>2,329</u>
Change in net position of governmental activities	<u>\$ 511,712</u>

The accompanying notes are an integral part of this statement.

**City of LeRoy, Illinois**

**Statement of Net Position - Proprietary Funds**

**April 30, 2020**

	Water Fund	Sewer Fund	Refuse Disposal Fund	Total
<b>Assets</b>				
Current assets:				
Cash (Note 5)	\$ 177,829	\$ 733,403	\$ 408,468	\$ 1,319,700
Receivables, net:				
Customer accounts	101,220	128,756	82,225	312,201
Prepaid expenses	1,415	1,368	569	3,352
 Total current assets	 280,464	 863,527	 491,262	 1,635,253
Capital assets:				
Land (Note 2)	-	10,000	-	10,000
Depreciable capital assets (Note 2)	4,811,535	8,200,200	1,179,299	14,191,034
Less: accumulated depreciation (Note 2)	(3,374,756)	(5,148,246)	(221,329)	(8,744,331)
 Total capital assets	 1,436,779	 3,061,954	 957,970	 5,456,703
 Total assets	 1,717,243	 3,925,481	 1,449,232	 7,091,956
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pension obligations	100,279	98,160	42,963	241,402
 Total assets and deferred outflows of resources	 \$ 1,817,522	 \$ 4,023,641	 \$ 1,492,195	 \$ 7,333,358

-Continued-



**City of LeRoy, Illinois**

**Statement of Net Position - Proprietary Funds - Continued**

**April 30, 2020**

	Water Fund	Sewer Fund	Refuse Disposal Fund	Total
<b>Liabilities and Net position</b>				
Current liabilities:				
Accounts payable	\$ 14,308	\$ 11,476	\$ 30,098	\$ 55,882
Accrued expenses	21,525	38,725	15,867	76,117
Accrued interest	20,494	-	-	20,494
Bonds payable, current (Note 3)	200,000	-	-	200,000
Total current liabilities	<u>256,327</u>	<u>50,201</u>	<u>45,965</u>	<u>352,493</u>
Noncurrent liabilities				
IMRF pension obligation (Note 6)	21,908	21,445	9,386	52,739
Bonds payable (Note 3)	1,730,000	-	-	1,730,000
Total non current liabilities	<u>1,751,908</u>	<u>21,445</u>	<u>9,386</u>	<u>1,782,739</u>
Total liabilities	<u>2,008,235</u>	<u>71,646</u>	<u>55,351</u>	<u>2,135,232</u>
<b>Deferred Inflow of Resources</b>				
Deferred inflows related to pension obligations	<u>72,686</u>	<u>71,150</u>	<u>31,141</u>	<u>174,977</u>
<b>Net Position</b>				
Invested in capital assets net of related debt	(493,221)	3,061,954	957,970	3,526,703
Unrestricted	229,822	818,891	447,733	1,496,446
Total net position	<u>(263,399)</u>	<u>3,880,845</u>	<u>1,405,703</u>	<u>5,023,149</u>
Total liabilities, deferred inflows, and net position	<u>\$ 1,817,522</u>	<u>\$ 4,023,641</u>	<u>\$ 1,492,195</u>	<u>\$ 7,333,358</u>

The accompanying notes are an integral part of this statement.

**City of LeRoy, Illinois**

**Statement of Revenues, Expenses, and Changes in  
Fund Net Position - Proprietary Funds**

**For the Year Ended April 30, 2020**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Disposal Fund</u>	<u>Total</u>
Operating revenues:				
Charges for service	\$ 741,155	\$ 737,232	\$ 494,146	\$ 1,972,533
 Total operating revenue	 <u>741,155</u>	 <u>737,232</u>	 <u>494,146</u>	 <u>1,972,533</u>
Operating expenses:				
Salaries	166,144	183,497	85,038	434,679
Payroll taxes and retirement	28,554	31,172	15,052	74,778
Chemicals	100,896	69,625	-	170,521
Refuse disposal	-	-	274,176	274,176
Insurance	57,087	60,369	19,535	136,991
Utilities and telephone	51,698	37,254	280	89,232
Repairs and maintenance	8,825	29,404	4,846	43,075
Supplies and materials	30,454	10,732	2,624	43,810
Truck expenses	3,255	7,017	3,582	13,854
Professional fees	3,858	2,762	2,762	9,382
Engineering fees	20,450	12,052	-	32,502
Contractual services	44,966	10,268	2,606	57,840
Uniform rental	852	850	200	1,902
Training	684	1,249	-	1,933
Permit fees	-	11,000	-	11,000
Depreciation	191,602	212,464	48,268	452,334
Miscellaneous	2,865	3,721	10,078	16,664
 Total operating expenses	 <u>712,190</u>	 <u>683,436</u>	 <u>469,047</u>	 <u>1,864,673</u>
 Operating income (loss)	 <u>28,965</u>	 <u>53,796</u>	 <u>25,099</u>	 <u>107,860</u>

-Continued-

**City of LeRoy, Illinois**

**Statement of Revenues, Expenses, and Changes in  
Fund Net Position - Proprietary Funds - Continued**

**For the Year Ended April 30, 2020**

	Water Fund	Sewer Fund	Refuse Disposal Fund	Total
Non-operating revenues (expenses):				
Change in pension obligation	46,741	46,737	19,665	113,143
Miscellaneous income	9,394	-	-	9,394
Interest revenue	725	2,384	1,540	4,649
Interest expense and bond fees	(51,434)	-	-	(51,434)
Total non-operating revenue	5,426	49,121	21,205	75,752
Net income (loss) before transfers	34,391	102,917	46,304	183,612
Other financing sources (uses):				
Transfers in	107,010	168,311	-	275,321
Transfers out	(15,000)	(63,543)	(15,000)	(93,543)
Total other financing sources (uses)	92,010	104,768	(15,000)	181,778
Change in net assets	126,401	207,685	31,304	365,390
Total net position-beginning	(389,800)	3,673,160	1,374,399	4,657,759
Total net position-ending	(263,399)	3,880,845	1,405,703	5,023,149

The accompanying notes are an integral part of this statement.

**City of LeRoy, Illinois**

**Statement of Cash Flows - Proprietary Funds**

**For the Year Ended April 30, 2020**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Disposal Fund</u>	<u>Total</u>
Cash flows from (used in)				
operating activities:				
Receipts from customers	\$ 734,210	\$ 738,973	\$ 497,949	\$ 1,971,132
Payments to suppliers	(341,165)	(257,965)	(314,116)	(913,246)
Payments for employee expenses	<u>(196,624)</u>	<u>(205,583)</u>	<u>(101,156)</u>	<u>(503,363)</u>
Net cash from operating activities	<u>196,421</u>	<u>275,425</u>	<u>82,677</u>	<u>554,523</u>
Cash flows from (used in)				
non-capital financing activities:				
Miscellaneous revenue	9,394	-	-	9,394
Transfers from (to) other funds	<u>92,010</u>	<u>104,768</u>	<u>(15,000)</u>	<u>181,778</u>
Net cash from (used in) non-capital financing activities	<u>101,404</u>	<u>104,768</u>	<u>(15,000)</u>	<u>191,172</u>
Cash flows from (used in) capital and related financing activities:				
Acquisition of capital assets	(88,645)	(262,267)	(46,472)	(397,384)
Principal paid on capital debt	(245,732)	-	-	(245,732)
Interest and fees paid on capital debt	<u>(53,204)</u>	<u>-</u>	<u>-</u>	<u>(53,204)</u>
Net cash from (used in) capital and related financing activities	<u>(387,581)</u>	<u>(262,267)</u>	<u>(46,472)</u>	<u>(696,320)</u>
Cash flows from (used in) investing activities:				
Interest income	<u>725</u>	<u>2,384</u>	<u>1,540</u>	<u>4,649</u>
Net cash from investing activities	<u>725</u>	<u>2,384</u>	<u>1,540</u>	<u>4,649</u>
Net increase (decrease) for the year	(89,031)	120,310	22,745	54,024
Cash and cash equivalents - beginning	<u>266,860</u>	<u>613,093</u>	<u>385,723</u>	<u>1,265,676</u>
Cash and cash equivalents - ending	<u>\$ 177,829</u>	<u>\$ 733,403</u>	<u>\$ 408,468</u>	<u>\$ 1,319,700</u>

-Continued-

**City of LeRoy, Illinois**

**Statement of Cash Flows - Proprietary Funds - Continued**

**For the Year Ended April 30, 2020**

	Water Fund	Sewer Fund	Refuse Disposal Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 28,965	\$ 53,796	\$ 25,099	\$ 107,860
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	191,602	212,464	48,268	452,334
(Increase) / decrease in assets:				
Receivables, net	(6,945)	1,741	3,803	(1,401)
Prepaid expenses	13,234	9,814	2,886	25,934
Increase / (decrease) in liabilities:				
Accounts payable	(28,509)	(11,476)	3,687	(36,298)
Accrued expenses	(1,926)	9,086	(1,066)	6,094
Cash provided by operating activities	\$ 196,421	\$ 275,425	\$ 82,677	\$ 554,523

The accompanying notes are an integral part of this statement.

# City of LeRoy, Illinois

## Notes to Financial Statements

April 30, 2020

### Note 1 – Summary of Significant Accounting Policies:

#### Reporting Entity

The City operates under a City Council – Mayor form of government and provides the following services: public safety, streets, sanitation, health and social services, parks and recreation, building and zoning, water, sewer, and general administrative services.

In evaluating how to define the government for financial reporting purposes, the City has considered all potential component units. Generally accepted accounting principles require that the financial statements present component units for which the City is considered to be financially accountable. The City has determined that it is not financially accountable for any component units and, therefore, no component units have been made part of this statement.

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which are normally 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## City of LeRoy, Illinois

### Notes to Financial Statements – Continued

April 30, 2020

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to claims and judgments are recorded only when payment is due.

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

The funds are grouped into two fund types and four generic funds as described below:

##### Governmental Fund Types

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

*General Fund* – This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

*Special Revenue Funds* – These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* – These funds are established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than that payable from enterprise funds.

*Capital Projects Fund* – This fund is established to account for major capital expenditures not financed by enterprise funds.

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

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

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

Governmental Fund Types – Continued

The City reports the following major governmental funds:

General Fund

The principal operating fund of the City, which is used to account for all activities of the City not included in other specified funds.

2016A General Obligation (Alternative Revenue Service) Bond Fund

To account for all revenues and expenditures associated with servicing this bond.

Capital Projects Fund

Accounts for revenues and expenditures associated with major non-enterprise capital purchases.

2020 Series Capital Projects Fund

Accounts for revenues and expenditures associated with capital purchases using the 2020 General Obligation bond proceeds.

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

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

Proprietary Fund Types

These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds.

*Enterprise Funds* – These funds are established to account for operations that are financed and conducted in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.



## City of LeRoy, Illinois

### Notes to Financial Statements – Continued

April 30, 2020

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

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

##### Proprietary Fund Types – Continued

The City reports the following major proprietary funds:

##### Water Fund

Accounts for all activities related to the operation of the City's water system and related services provided to its citizens.

##### Sewer Fund

Accounts for all activities related to the operation of the City's sewer system and related services provided to its citizens.

##### Refuse Disposal Fund

Accounts for all activities related to refuse pickup and disposal in the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Fund, Sewer Fund, and Refuse Disposal Fund are charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

##### Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

##### Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

## City of LeRoy, Illinois

### Notes to Financial Statements – Continued

April 30, 2020

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

##### Assets, Liabilities, and Net Position or Equity – Continued

##### Deposits and Investments - Continued

The Public Funds Investment Act of the State of Illinois allows municipalities to invest in the following:

- U.S. Treasury obligations
- Direct obligations of any bank as defined by Illinois Banking Act
- Certain corporate short-term obligations
- Certain public agencies
- Public Treasurers' Investment Pool
- Certain money market mutual funds

Investments are reported at cost.

##### Internal and Interfund Balances and Activities

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

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

##### Property Tax Accrual

The City's property taxes are levied the last Tuesday in December each year on all taxable real property located in the City on January 1. Property taxes attach as an enforceable lien on property January 1 and are payable in two installments in June and September.

##### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2020

Note 1 – Summary of Significant Accounting Policies – Continued:

Assets, Liabilities, and Net Position or Equity – Continued

Capital Assets - Continued

Records of capital expenditures and depreciation were not maintained within the enterprise funds prior to May 1, 1975. Capital expenditures since this date have been accumulated and depreciated beginning in the year the assets were placed in service.

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

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

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	40
System infrastructure	40
Vehicles	5
Municipal landfill closure costs	5
Office equipment	5
Computer equipment	3

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, personal time, and sick pay benefits. All vacation pay is accrued when earned. Payment of accumulated personal time and sick pay benefits varies depending on the circumstances of termination of employment. These benefits are accrued at fifty percent of the total amount earned but unused at fiscal year-end.

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

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

Assets, Liabilities, and Net Position or Equity – Continued

Net Position

The City has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The objective of this Statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition or improvement of those assets.

Fund Equity – Fund Financial Statements

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

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory, prepaid expenses, long-term receivables) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

## City of LeRoy, Illinois

### Notes to Financial Statements – Continued

April 30, 2020

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

##### Fund Equity – Fund Financial Statements – Continued

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

##### Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

##### Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

##### Defining Operating Revenues and Expenses

The City's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the City's water and sewer funds consist of charges for services (including tap fees for the water fund and systems development charges for the sewer fund) and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 2 – Capital Assets:**

Capital asset activity for the year ended April 30, 2020, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ <u>385,310</u>	\$ <u>269,000</u>	\$ <u>-</u>	\$ <u>654,310</u>
Total capital assets not being depreciated	<u>385,310</u>	<u>269,000</u>	<u>-</u>	<u>654,310</u>
Capital assets being depreciated:				
Buildings	6,273,747	16,100	-	6,289,847
Improvements other than buildings	125,810	-	-	125,810
Machinery and equipment	1,291,026	35,273	-	1,326,299
Infrastructure	<u>4,475,927</u>	<u>149,148</u>	<u>-</u>	<u>4,625,075</u>
Total capital assets being depreciated	<u>12,166,510</u>	<u>200,521</u>	<u>-</u>	<u>12,367,031</u>
Less accumulated depreciation for:				
Buildings	(1,593,577)	(156,617)	-	(1,750,194)
Improvements other than buildings	(66,002)	(6,915)	-	(72,917)
Machinery and equipment	(1,181,699)	(47,817)	-	(1,229,516)
Infrastructure	<u>(2,598,917)</u>	<u>(137,214)</u>	<u>-</u>	<u>(2,736,131)</u>
Total accumulated depreciation	<u>(5,440,195)</u>	<u>(348,563)</u>	<u>-</u>	<u>(5,788,758)</u>
Total capital assets being depreciated, net	<u>6,726,315</u>	<u>(148,042)</u>	<u>-</u>	<u>6,578,273</u>
Governmental activities capital assets, net	<u>\$ 7,111,625</u>	<u>\$ 120,958</u>	<u>\$ -</u>	<u>\$ 7,232,583</u>

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 2 – Capital Assets – Continued:**

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ <u>10,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,000</u>
Total capital assets not being depreciated	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Capital assets being depreciated:				
Buildings and system	10,474,284	324,613	-	10,798,897
Improvements other than buildings	367,506	-	-	367,506
Municipal landfill closure costs	972,121	-	-	972,121
Machinery and equipment	<u>1,979,739</u>	<u>72,771</u>	<u>-</u>	<u>2,052,510</u>
Total capital assets being depreciated	<u>13,793,650</u>	<u>397,384</u>	<u>-</u>	<u>14,191,034</u>
Less accumulated depreciation for:				
Buildings and system	(6,430,263)	(349,895)	-	(6,780,158)
Improvements other than buildings	(53,454)	(9,801)	-	(63,255)
Machinery and equipment	<u>(1,808,280)</u>	<u>(92,638)</u>	<u>-</u>	<u>(1,900,918)</u>
Total accumulated depreciation	<u>(8,291,997)</u>	<u>(452,334)</u>	<u>-</u>	<u>(8,744,331)</u>
Total capital assets being depreciated, net	<u>5,501,653</u>	<u>(54,950)</u>	<u>-</u>	<u>5,446,703</u>
Business-type activities capital assets, net	\$ <u>5,511,653</u>	\$ <u>(54,950)</u>	\$ <u>-</u>	\$ <u>5,456,703</u>

**Depreciation Expense**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 25,004
Streets, including depreciation of applicable general infrastructure assets	144,016
Parks, including depreciation of applicable general infrastructure assets	143,428
Police	<u>36,115</u>
Total depreciation expense – governmental activities	<u>\$ 348,563</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2020

**Note 2 – Capital Assets – Continued:**

Depreciation Expense – Continued

Business-type activities:	
Water	\$ 191,602
Sewer	212,464
Refuse disposal	<u>48,268</u>
Total depreciation expense – business-type activities	<u>\$ 452,334</u>

**Note 3 – Long-Term Debt:**

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

The City authorized a General Obligation Bond (Alternate Revenue) issue of \$2,865,000 during the year ended April 30, 2017, to refinance existing bonds. During the current fiscal year, bonds in the amount of \$280,000 were retired. As of April 30, 2020, the City has outstanding Series 2016A General Obligation (ARS) bonds payable of \$2,255,000.

The City authorized a General Obligation Bond (Alternate Revenue) issue of \$2,510,000 during the year ended April 30, 2017, to refinance existing bonds and to provide cash for future capital projects. During the current fiscal year, bonds in the amount of \$200,000 were retired. As of April 30, 2020, the City has outstanding Series 2016B General Obligation (ARS) bonds payable of \$1,930,000.

The City authorized a General Obligation Bond (Alternate Revenue) issue of \$1,095,000 during the year ended April 30, 2020, to refinance existing bonds and to provide cash for future capital projects. There were no bonds that were retired during the current fiscal year. As of April 30, 2020, the City has outstanding Series 2020 General Obligation (ARS) bonds payable of \$1,095,000.

Total general obligation bonds payable at April 30, 2020, are as follows:

2016A General Obligation Bond (Alternate Revenue)	\$ 2,255,000
2016B General Obligation Bond (Alternate Revenue)	1,930,000
2020 General Obligation Bond (Alternate Revenue)	<u>1,095,000</u>
	<u>\$ 5,280,000</u>



**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 3 – Long-Term Debt – Continued:**

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended <u>April 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 285,000	\$ 82,208	\$ 200,000	\$ 49,185	\$ 485,000	\$ 131,393
2022	290,000	88,300	205,000	45,185	495,000	133,485
2023	300,000	81,050	220,000	41,085	520,000	122,135
2024	360,000	73,550	75,000	36,685	435,000	110,235
2025	365,000	63,300	75,000	35,035	440,000	98,335
2026-2030	1,050,000	184,180	410,000	147,760	1,460,000	331,940
2031-2035	325,000	100,590	440,000	89,100	765,000	189,690
2036-2040	<u>375,000</u>	<u>45,500</u>	<u>305,000</u>	<u>19,215</u>	<u>680,000</u>	<u>64,715</u>
	<u>\$ 3,350,000</u>	<u>\$ 718,678</u>	<u>\$ 1,930,000</u>	<u>\$ 463,250</u>	<u>\$ 5,280,000</u>	<u>\$ 1,181,928</u>

The City did not issue and has no outstanding special assessment debt in the year ended April 30, 2020.

**Notes Payable**

The City borrowed funds from the Illinois Environmental Protection Agency during the fiscal year 2014 for improvements to the City’s infrastructure. The total amount borrowed, plus accrued interest, was \$224,725 less principal forgiveness of \$57,409. The interest rate is 1.93%. The City will make semi-annual principal and interest payments of \$5,168 until the maturity of the note on September 18, 2033. The balance on this note was paid off during the year ended April 30, 2020.

The City borrowed funds from Busey Bank during the fiscal year 2018 for building renovations. The total amount borrowed, was \$275,000.. The interest rate is 2.890%. The City will make semi-annual principal and interest payments of \$15,963 until the maturity of the note on August 28, 2027. As of April 30, 2020, the City’s outstanding balance on this note was \$213,561.

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 3 – Long-Term Debt – Continued:**

Annual debt service requirements to maturity of notes payable are as follows:

Year Ended <u>April 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 25,842	\$ 6,085	\$ -	\$ -	\$ 25,842	\$ 6,085
2022	26,622	5,305	-	-	26,622	5,305
2023	27,408	4,519	-	-	27,408	4,519
2024	28,217	3,710	-	-	28,217	3,710
2025	29,041	2,886	-	-	29,041	2,886
2026-2030	<u>76,431</u>	<u>3,387</u>	<u>-</u>	<u>-</u>	<u>76,431</u>	<u>3,387</u>
	<u>\$ 213,561</u>	<u>\$ 25,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,561</u>	<u>\$ 25,892</u>

**Changes in Long-Term Liabilities**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
Bonds payable:					
2016A General obligation bonds (alternate revenue)	\$ 2,535,000	\$ -	\$ (280,000)	\$ 2,255,000	\$ 285,000
2020 General obligation bonds (alternate revenue)	-	1,095,000	-	1,095,000	-
Notes payable	<u>238,679</u>	<u>-</u>	<u>(25,118)</u>	<u>213,561</u>	<u>25,842</u>
Long-term liabilities	<u>\$ 2,773,679</u>	<u>\$ 1,095,000</u>	<u>\$ (305,118)</u>	<u>\$ 3,563,561</u>	<u>\$ 310,842</u>
<u>Business-Type Activities:</u>					
2016 B General obligation bonds (alternate revenue)	2,130,000	-	(200,000)	1,930,000	200,000
Notes payable	<u>45,732</u>	<u>-</u>	<u>(45,732)</u>	<u>-</u>	<u>-</u>
Long-term liabilities	<u>\$ 2,175,732</u>	<u>\$ -</u>	<u>\$ (245,732)</u>	<u>\$ 1,930,000</u>	<u>\$ 200,000</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2020

**Note 4 – Deposits and Investments with Financial Institutions:**

The carrying amount of the City’s deposits and investments with financial institutions was \$3,827,379 and the total institutions’ balances were \$3,882,649. The institutions’ balances are categorized as follows:

Amount insured by FDIC	\$ 339,528
Uninsured and collateralized with securities held by the pledging financial institution in the name of the City	<u>3,543,121</u>
Total institutions’ balances	<u>\$ 3,882,649</u>

The following securities were pledged as collateral for these deposits in excess of the maximum depository insurance:

	<u>Fair Value</u>
Various municipal bonds with interest rates from 2.20% to 5.50% and maturities from July 15, 2020, through February 15, 2033	<u>\$ 3,750,147</u>

**Note 5 – Property Taxes:**

The City levies property taxes on the last Tuesday in December on all taxable real property located in the City on January 1. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in June and September.

Property taxes receivable as of April 30, 2020, consist of the following:

	2019 Tax
	<u>Levy Year</u>
General Fund	<u>\$ 548,474</u>

**Note 6 – Defined Benefit Pension Plan:**

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2020

Note 6 – Defined Benefit Pension Plan – Continued:

Plan Description

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

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

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

Plan Membership

At December 31, 2019, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	17
Inactive, non-retired members	15
Active members	<u>19</u>
Total	<u>51</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2020

**Note 6 – Defined Benefit Pension Plan – Continued:**

Contributions

As set by statute, City regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual required contribution rate for calendar year 2019 was 8.08%. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability / (Asset)

The net pension liability / (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability / (asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability / (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF, and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

Total pension liabilities for the Regular plan were determined by actuarial valuations performed as of December 31, 2019, using the following actuarial methods and assumptions:

	<u>Regular Plan</u>
Actuarial cost method	Entry age normal
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.25%
Salary increase	3.35% to 14.25%, including inflation
Price inflation	2.50%

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 6 – Defined Benefit Pension Plan – Continued:**

Mortality

For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Morality Table with the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/2019</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37%	29.23%	7.05%	5.75%
International equities	18%	23.76%	8.10%	6.50%
Fixed income	28%	9.50%	3.70%	3.25%
Real estate	9%	9.78%	6.35%	5.20%
Alternatives	7%			
Private equity		N/A	11.30%	7.60%
Hedge funds		N/A	N/A	N/A
Commodities		N/A	4.65%	3.60%
Cash equivalents	1%	3.59%	1.85%	1.85%

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 6 – Defined Benefit Pension Plan – Continued:**

Discount Rate

The discount rate used to measure the total pension liability for IMRF for December 31, 2019 was 7.25%. The discount rate calculated using the December 31, 2018, measurement date was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rate equal to the differences between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.25% was blended with the index rate of 2.75% for tax-exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2019, to arrive at a discount rate of 7.25% used to determine the total pension liability. The year ending December 31, 2119, is the last year in the 2020 to 2119 projection period for which projected benefit payments are fully funded.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net position liability / (asset) to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.25% as well as what the net position liability / (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 6,326,293	\$ 5,623,936	\$ 5,053,625
Plan fiduciary net position	<u>5,413,487</u>	<u>5,413,487</u>	<u>5,413,487</u>
Net position liability / (asset)	<u>\$ 912,806</u>	<u>\$ 210,449</u>	<u>\$ (359,862)</u>

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 6 – Defined Benefit Pension Plan – Continued:**

Change in Net Pension Liability / (Asset)

The City's change in net position liability / (asset) for the calendar year ended December 31, 2019, was as follows:

	<u>Increase / (Decrease)</u>		
	<u>Total Pension Liability/Net</u>	<u>Plan Fiduciary Position</u>	<u>Net Pension Liability/(Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>( a ) - ( b )</u>
Balance at December 31, 2018	\$ 4,759,788	\$ 4,200,881	\$ 558,907
Service cost	109,352	-	109,352
Interest on total pension liability	339,507	-	339,507
Differences between expected and actual experience of the total pension liability	678,518	-	678,518
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(263,229)	(263,229)	-
Contributions – employer	-	85,659	(85,659)
Contributions – employee	-	47,707	(47,707)
Net investment income	-	747,447	(747,447)
Other (net transfer)	-	595,022	(595,022)
Balance at December 31, 2019	<u>\$ 5,623,936</u>	<u>\$ 5,413,487</u>	<u>\$ 210,449</u>



**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 6 – Defined Benefit Pension Plan – Continued:**

Pension Expense and Deferred Inflows/Outflows of Resources

For the year ended December 31, 2019, the City recognized pension income of \$357,009 for the Regular Plan. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Regular:</u>		
Difference between expected and actual experience	\$ 553,741	\$ 135,503
Assumption changes	64,624	60,045
Net difference between projected and actual earnings on pension plan investments	<u>344,928</u>	<u>502,685</u>
 Total deferred amounts to be recognized in pension expense in future periods	 <u>\$ 963,293</u>	 <u>\$ 698,233</u>
 Pension contributions made subsequent to the measurement dates	 <u>26,463</u>	 <u>-</u>
 Total deferred amounts related to pension	 <u>\$ 989,756</u>	 <u>\$ 698,233</u>

The amounts reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net position liabilities / (asset) for the year ending December 31, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred (Inflows) / Outflows of Resources</u>
2020	\$ 72,577
2021	69,519
2022	187,243
2023	(64,279)
2024	-
Thereafter	<u>-</u>
Total	<u>\$ 265,060</u>

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 7 – Revenue from Governmental Units:**

The City receives a substantial amount of its revenue from state and local governments. If a material reduction in the level of this revenue were to occur, it would have a significant effect on the City’s activities.

**Note 8 – Interfund Loans and Transfers:**

There were no interfund loans at the year ended April 30, 2020

Interfund transfers consist of the following transactions:

	<u>Transfer From</u>	<u>Transfer To</u>
General Fund:	\$	\$
Tourism Fund	70,000	
2016A GO (ARS) Bond Fund	<u>76,004</u>	-
	<u>\$ 146,004</u>	<u>\$ -</u>
Enterprise Capital Replacement Fund:		
Refuse Disposal Fund	\$ 15,000	\$ -
Sewer Fund	15,000	65,000
Water Fund	<u>15,000</u>	<u>-</u>
	<u>\$ 45,000</u>	<u>\$ 65,000</u>
Capital Projects Fund:		
Sewer Fund	\$ -	\$ 103,311
Water Fund	<u>-</u>	<u>58,467</u>
	<u>\$ -</u>	<u>\$ 161,778</u>
2016A GO (ARS) Bond Fund:		
General Fund	<u>\$ -</u>	<u>\$ 76,004</u>
	<u>\$ -</u>	<u>\$ 76,004</u>
Tourism Fund:		
General Fund	<u>\$ -</u>	<u>\$ 70,000</u>
	<u>\$ -</u>	<u>\$ 70,000</u>
Water Fund:		
Capital Projects Fund	\$ 58,467	\$ -
Enterprise Capital Replacement Fund	-	15,000
Sewer Fund	<u>48,543</u>	<u>-</u>
	<u>\$ 107,010</u>	<u>\$ 15,000</u>

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 8 – Interfund Loans and Transfers – Continued:**

Sewer Fund:

Capital Projects Fund	\$ 103,311	\$ -
Enterprise Capital Replacement Fund	65,000	15,000
Water Fund	-	48,543
	<u>\$ 168,311</u>	<u>\$ 63,543</u>

Refuse Disposal Fund:

Enterprise Capital Replacement Fund	\$ -	\$ 15,000
	<u>\$ -</u>	<u>\$ 15,000</u>

Origin of Interfund Balances

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources, primarily to provide services. The interfund receivables/payables owed to the various funds reflect advances made and received that are still outstanding as of April 30, 2020. All interfund balances are expected to be repaid in a future fiscal year.

Transfers are used to provide resources from unrestricted funds' revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 9 – Risk Management:**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Consequently, liability coverage has been obtained from a commercial insurance company. Tort liabilities are principally funded through property taxes. Taxes collected are recorded in the General Fund. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

**Note 10 – Contingent Liability:**

The City is a party to various legal proceedings that normally occur in the course of governmental operations. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 11 – Landfill Closure:**

The City of LeRoy operated a municipal landfill prior to 1982, when the City stopped accepting refuse. The City is currently working with the Illinois Environmental Protection Agency to finalize closure of the landfill. Post-closure costs incurred during the fiscal year ended April 30, 2020, in the amount of \$36,758 have been capitalized and will be depreciated over a five-year period once the closure is finalized. The City estimates that future landfill costs will be at a minimum of \$35,000 each year for five years for monitoring groundwater wells which have been installed. In addition, IEPA has also required that the City resolve all issues relating to discharge gases. Including engineering, the annual estimate of cost for advancing this mandate is \$100,000 per year. Future landfill costs are being funded by a refuse disposal rate increase effective December 2004 and by an \$8.00 per month landfill closure fee effective May 2010 through April 2020.

**Note 12 – Intergovernmental Agreements:**

The City signed an intergovernmental cooperation agreement with the LeRoy Park District on April 23, 2012. The agreement called for the LeRoy Park District to reimburse the City for 50% or up to \$2,200,000 of the money that the City borrowed to construct the Recreation Center. This agreement was restated on December 3, 2013, to provide for the forgiveness of the remaining balance of \$1,750,000 that was owed to the City by the Park District at that time. The restated agreement calls for the Park District to assume responsibility for the operations of the Recreation Center and relieves the City of financial responsibility of the operations of the Recreation Center. The restated agreement also specifies that if District is unable to meet its financial obligations in keeping the Recreation Center open, then the City would resume operations of the Center as a department of the City, and the Park District would then resume liability for the remaining \$1,750,000 owed to the City for the Park District's share of the bonds.

**City of LeRoy, Illinois**

**Notes to Financial Statements – Continued**

**April 30, 2020**

**Note 13 – Restatement of Fund Balance and Net Position:**

During the year ended April 30, 2020, the City discovered errors that had been made in recording certain amounts; fund balances have been restated to reflect the corrected balances.

The following financial statement items were affected by this error correction as of April 30, 2019:

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
<i><u>Statement of Net Position</u></i>			
Business-Type Activities:			
Accounts receivable	\$ 208,964	\$ 310,800	\$ 101,836
Net position	4,555,923	4,657,759	101,836
<i><u>Statement of Net Position – Proprietary Funds</u></i>			
Water Fund:			
Accounts receivable	\$ 67,654	\$ 94,275	\$ 26,621
Fund balance	(416,421)	(389,800)	26,621
Sewer Fund:			
Accounts receivable	\$ 85,857	\$ 130,497	\$ 44,640
Fund balance	3,628,520	3,673,160	44,640
Refuse Disposal Fund:			
Accounts receivable	\$ 55,453	\$ 86,028	\$ 30,575
Fund balance	1,343,824	1,374,399	30,575

**Note 14 – Subsequent Events:**

On March 9, 2020 the Governor of Illinois declared all counties in the State of Illinois a disaster area in response to the outbreak of COVID-19 (Gubernatorial Disaster Proclamation). This disaster proclamation includes a stay at home order, temporary closing of non-essential businesses, and social distancing requirements. At this point, the extent to which COVID-19 may impact the Village’s financial condition or results of operations is uncertain.

Except for the even described above no other events have occurred subsequent to April 30, 2020, that are required to be disclosed in these financial statements. This evaluation was made as of November 11, 2020, the date these financial statements were available to be issued.

## **Required Supplementary Information**

**City of LeRoy, Illinois**

**Illinois Municipal Retirement Fund**

**Schedule of Changes in the City's Net Pension Liability and Related Ratios**

**Last 10 Calendar Years**

	2019	2018	2017	2016	2015
<b>Total pension liability:</b>					
Service cost	\$ 109,352	\$ 100,805	\$ 100,062	\$ 100,697	\$ 98,569
Interest on the total pension liability	339,507	344,888	332,418	317,370	288,285
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience on the total pension liability	678,518	(252,923)	92,312	(16,340)	185,816
Changes in assumptions	-	123,683	(151,740)	(5,821)	5,654
Benefit payments, including refunds of employee contributions	<u>(263,229)</u>	<u>(209,527)</u>	<u>(204,796)</u>	<u>(196,393)</u>	<u>(175,501)</u>
Net change in total pension liability	\$ 864,148	\$ 106,926	\$ 168,256	\$ 199,513	\$ 402,823
Total pension liability - beginning	<u>4,759,788</u>	<u>4,652,862</u>	<u>4,484,606</u>	<u>4,285,093</u>	<u>3,882,270</u>
Total pension liability - ending <b>(a)</b>	<u>\$ 5,623,936</u>	<u>\$ 4,759,788</u>	<u>\$ 4,652,862</u>	<u>\$ 4,484,606</u>	<u>\$ 4,285,093</u>
<b>Plan fiduciary net position:</b>					
Employer contributions	\$ 85,659	\$ 106,624	\$ 104,919	\$ 93,017	\$ 97,622
Employee contributions	47,707	45,653	44,541	41,858	42,079
Net investment income	747,447	(227,359)	701,867	258,570	18,642
Benefit payments, including refunds of member contributions	<u>(263,229)</u>	<u>(209,527)</u>	<u>(204,796)</u>	<u>(196,393)</u>	<u>(175,501)</u>
Other (net transfer)	<u>595,022</u>	<u>(171,560)</u>	<u>40,360</u>	<u>43,558</u>	<u>339</u>
Net change in plan fiduciary net position	1,212,606	(456,169)	686,891	240,610	(16,819)
Plan fiduciary net position - beginning	<u>4,200,881</u>	<u>4,657,050</u>	<u>3,970,159</u>	<u>3,729,549</u>	<u>3,746,368</u>
Plan fiduciary net position - ending <b>(b)</b>	<u>\$ 5,413,487</u>	<u>\$ 4,200,881</u>	<u>\$ 4,657,050</u>	<u>\$ 3,970,159</u>	<u>\$ 3,729,549</u>
Employer's net pension liability - ending - <b>(a-b)</b>	<u>\$ 210,449</u>	<u>\$ 558,907</u>	<u>\$ (4,188)</u>	<u>\$ 514,447</u>	<u>\$ 555,544</u>
Plan fiduciary net position as a percentage of the total pension liability	96.26%	88.26%	100.09%	88.53%	87.04%
Covered-employee payroll	1,060,141	1,014,501	989,796	930,174	935,079
Employer's net pension liability as a percentage of covered-employee payroll	19.85%	55.09%	-0.42%	55.31%	59.41%

**Note to schedule:**

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

**City of LeRoy, Illinois**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions**

**Last 10 Calendar Years**

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 97,622	\$ 97,622	\$ -	\$ 935,079	10.44%
2016	93,017	93,017	-	930,174	10.00%
2017	104,918	104,919	(1)	989,796	10.60%
2018	106,624	106,624	-	1,014,501	10.51%
2019	85,659	85,659	-	1,060,141	8.08%

**Note to schedule:**

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

\* - Estimated based on contribution rate of 8.08 % and covered payroll of \$1,060,141.



## City of LeRoy, Illinois

### Illinois Municipal Retirement Fund Summary of Actuarial Methods and Assumptions

#### Valuation date

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years closed period until remaining period reaches 15 years (then 15 year rolling period). Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset valuation method	5-Year Smoothed Market, 20% Corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.50%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	<p>For non-disabled retirees, fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.</p> <p>For disabled retirees, fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Morality Table apply the same adjustment that were applied for non-disabled lives.</p> <p>For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.</p>
Other information	There were no benefit changes during the year

**City of LeRoy, Illinois**

**Budgetary Comparison Schedule – General Fund – Unaudited**

**For the Year Ended April 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Over (under)</u>
<b>Cash Receipts</b>				
Property taxes	\$ 569,317	\$ 569,317	\$ 567,132	\$ (2,185)
Sales tax	374,517	374,517	392,900	18,383
Income tax	101,936	101,936	115,754	13,818
Use tax	99,090	99,090	122,841	23,751
Replacement tax	12,360	12,360	17,215	4,855
Excise tax	10,320	10,320	8,602	(1,718)
Utility tax	138,012	138,012	160,275	22,263
Video gaming tax	76,920	76,920	75,207	(1,713)
Cannabis tax	-	-	582	582
Licenses and permits	23,136	23,136	20,763	(2,373)
Fines	24,500	24,500	30,768	6,268
Interest	2,787	2,787	1,832	(955)
Grants	35,000	35,000	5,151	(29,849)
Other	275,392	275,392	107,244	(168,148)
	<u>1,743,287</u>	<u>1,743,287</u>	<u>1,626,266</u>	<u>(117,021)</u>
<b>Total cash receipts</b>				
<b>Cash Disbursements</b>				
Administration	242,107	242,107	150,508	(91,599)
Streets	591,934	591,934	388,780	(203,154)
Parks	53,453	53,453	30,442	(23,011)
Zoning and building	40,133	40,133	43,568	3,435
Police	813,578	813,578	813,186	(392)
ESDA	2,875	2,875	1,279	(1,596)
Animal control	250	250	18	(232)
Debt service				
Principal	25,118	25,118	25,118	-
Interest	6,809	6,809	6,809	-
Capital outlay	37,000	37,000	200,521	163,521
	<u>1,813,257</u>	<u>1,813,257</u>	<u>1,660,229</u>	<u>(153,028)</u>
<b>Total cash disbursements</b>				
Excess (deficiency) of cash receipts over cash disbursements	<u>(69,970)</u>	<u>(69,970)</u>	<u>(33,963)</u>	<u>36,007</u>

-Continued-

**City of LeRoy, Illinois**

**Budgetary Comparison Schedule – General Fund – Unaudited – Continued**

**For the Year Ended April 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Over (under)</u>
<b>Other financing sources (uses)</b>				
Transfers in	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 146,004</u>	<u>\$ 76,004</u>
Total other financing sources (uses)	<u>70,000</u>	<u>70,000</u>	<u>146,004</u>	<u>76,004</u>
Net change in fund balance	<u><u>\$ 30</u></u>	<u><u>\$ 30</u></u>	112,041	<u><u>\$ 112,011</u></u>
Fund balance beginning (budgetary basis)			<u>172,339</u>	
Fund balance ending (budgetary basis)			<u><u>\$ 284,380</u></u>	

City of LeRoy, Illinois

Reconciliation of Budgetary Basis Cash  
Receipts and Cash Disbursements to GAAP  
Revenues and Expenses - General Fund

For the Year Ended April 30, 2020

Total cash receipts for general fund activities \$ 1,626,266

Differences - Budget to GAAP:

Accounts receivable is not recorded  
as a cash receipt for budgetary basis  
but is a revenue for financial  
reporting purposes:

Sales tax	(2,862)	
Use tax	1,734	
Replacement tax	1,474	
Excise tax	(102)	
Utility tax	(6,646)	
Video gaming tax	(2,969)	
Cannabis tax	298	(9,073)

Total revenues as reported on the statement  
of revenues, expenditures, and  
changes in fund balances \$ 1,617,193

Total cash disbursements for general fund activities \$ 1,660,229

Differences - Budget to GAAP:

Certain accrual accounts are not recorded  
as a cash disbursement for budgetary  
basis but is an expenditure for  
financial reporting purposes:

Prepaid expenses	27,841	
Accounts payable	8,126	
Accrued expenses	14,813	50,780

Total expenditures as reported on the  
statement of revenues, expenditures,  
and changes in fund balance \$ 1,711,009

**City of LeRoy, Illinois**

**Budgetary Comparison Schedule – 2016 General Obligation  
(Alternative Revenue) Bond Fund – Unaudited**

**April 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Over (under)</u>
<b>Cash Receipts</b>				
Sales tax	\$ 153,724	\$ 153,724	\$ 155,286	\$ 1,562
Income tax	234,402	234,402	270,093	35,691
	<u>388,126</u>	<u>388,126</u>	<u>425,379</u>	<u>37,253</u>
<b>Cash Disbursements</b>				
Debt service - principal	280,000	280,000	280,000	-
Debt service - interest	69,375	69,375	69,375	-
	<u>349,375</u>	<u>349,375</u>	<u>349,375</u>	<u>-</u>
Excess (deficiency) of cash receipts over cash disbursements	<u>38,751</u>	<u>38,751</u>	<u>76,004</u>	<u>37,253</u>
Other financing sources (uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>(76,004)</u>	<u>(76,004)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(76,004)</u>	<u>(76,004)</u>
Net change in fund balance	<u>\$ 38,751</u>	<u>\$ 38,751</u>	-	<u>\$ (38,751)</u>
Fund balance beginning (budgetary basis)			<u>-</u>	
Fund balance ending (budgetary basis)			<u>\$ -</u>	

City of LeRoy, Illinois

Reconciliation of Budgetary Basis Cash Receipts and  
Cash Disbursements to GAAP Revenues  
and Expenses – 2016 GO Bond Fund

April 30, 2020

Total cash receipts for 2016 GO Bond Fund activities	\$ 425,379
Differences - Budget to GAAP:	
Accounts receivable is not recorded as a cash receipt for budgetary basis but is a revenue for financial reporting purposes:	
Intergovernmental tax receivable	<u>(37,254)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances	<u>\$ 388,125</u>

**Note:** There were no differences between cash disbursements for 2016 GO Bond Fund activities and total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.

**City of LeRoy, Illinois**

**Budgetary Comparison Schedule -  
Capital Projects Fund – Unaudited**

**April 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Over (under)</u>
<b>Cash Receipts</b>				
Interest	\$ 2,800	\$ 2,800	\$ 2,875	\$ 75
Total cash receipts	<u>2,800</u>	<u>2,800</u>	<u>2,875</u>	<u>75</u>
<b>Cash Disbursements</b>				
Administration	-	-	-	-
Capital outlay	-	-	-	-
Total cash disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of cash receipts over cash disbursements	<u>2,800</u>	<u>2,800</u>	<u>2,875</u>	<u>75</u>
Other financing sources (uses)				
Transfers out	<u>(365,000)</u>	<u>(365,000)</u>	<u>(161,778)</u>	<u>203,222</u>
Total other financing sources (uses)	<u>(365,000)</u>	<u>(365,000)</u>	<u>(161,778)</u>	<u>203,222</u>
Net change in fund balance	<u>\$ (362,200)</u>	<u>\$ (362,200)</u>	<u>(158,903)</u>	<u>\$ 203,297</u>
Fund balance beginning (budgetary basis)			<u>734,503</u>	
Fund balance ending (budgetary basis)			<u>\$ 575,600</u>	

**Note:** There were no differences between cash receipts and cash disbursements for budgetary basis to GAAP revenues and expenditures.

**City of LeRoy, Illinois**

**Budgetary Comparison Schedule - 2020 Series  
Capital Projects Fund – Unaudited**

**April 30, 2020**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (under)
<b>Cash Receipts</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Total cash receipts	-	-	-	-
<b>Cash Disbursements</b>				
Administration	-	-	-	-
Total cash disbursements	-	-	-	-
Excess (deficiency) of cash receipts over cash disbursements	-	-	-	-
Other financing sources (uses)				
Bond proceeds	759,113	759,113	1,116,666	357,553
Bond fees	-	-	(33,032)	(33,032)
Total other financing sources (uses)	759,113	759,113	1,083,634	324,521
Net change in fund balance	\$ 759,113	\$ 759,113	1,083,634	\$ 324,521
Fund balance beginning (budgetary basis)			-	
Fund balance ending (budgetary basis)			\$ 1,083,634	

**Note:** There were no differences between cash receipts and cash disbursements for budgetary basis to GAAP revenues and expenditures.



**City of LeRoy, Illinois**

**Reconciliation of Fund Balance (Budgetary Basis)  
to Fund Balance (GAAP) – Unaudited**

**For the Year Ended April 30, 2020**

	<u>General</u>	<u>2016A GO (ARS) Bond Fund</u>	<u>Capital Projects Fund</u>	<u>2020 Series Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance - budgetary basis	\$ 284,380	\$ -	\$ 575,600	\$ 1,083,634	\$ 564,065	\$ 2,507,679
Add:						
Receivables:						
Sales tax	52,317	19,440	-	-	-	71,757
Income tax	-	58,124	-	-	-	58,124
Use tax	20,106	-	-	-	-	20,106
Replacement tax	2,112	-	-	-	-	2,112
Motor fuel tax	-	-	-	-	10,559	10,559
Excise tax	1,362	-	-	-	-	1,362
Utility taxes	12,647	-	-	-	-	12,647
Video gaming tax	4,006	-	-	-	-	4,006
Cannabis tax	298	-	-	-	-	298
Hotel/Motel tax	-	-	-	-	13,541	13,541
Prepaid expenses	4,966	-	-	-	-	4,966
Less:						
Accounts payable	(31,900)	-	-	-	-	(31,900)
Accrued expenses	(122,033)	-	-	-	-	(122,033)
Fund balance - GAAP	<u>\$ 228,261</u>	<u>\$ 77,564</u>	<u>\$ 575,600</u>	<u>\$ 1,083,634</u>	<u>\$ 588,165</u>	<u>\$ 2,553,224</u>

## City of LeRoy, Illinois

### Notes to Required Supplementary Information

April 30, 2020

#### **Note 1 – Budget Policy and Practice:**

The City Administrator serves the City as the Budget Officer.

The Administrator shall prepare an annual budget and an annual long-range capital improvement program for the City in connection with the budget and finance committee for presentation to the City Council. He shall prepare and submit to the Mayor and City Council, at monthly intervals, reports which will advise the City Council of the financial condition and future needs of the City. In so doing, the Administrator may make such other recommendations as he may deem appropriate. The Administrator shall assemble and make available such other information concerning the fiscal matters of the City as the Mayor or City Council shall periodically request.

On or before March 15 in each calendar year and before the annual budget ordinance is prepared by the corporate authorities, the Administrator shall submit to the corporate authorities an estimate of the money necessary to defray the City's expenses during the current fiscal year; this estimate shall classify in detail the purposes of the expenditures and shall further provide necessary information as to the income of the City from all sources during the preceding fiscal year and any liabilities, contingent or noncontingent, together with such other information as may be required to assist the Mayor and City Council in the preparation and adoption of the annual budget ordinance. For the purpose of preparing the above estimate, the Administrator shall work with the committees of the City Council and the other appointed and elected officers of the City to obtain statements of the conditions and expenses of the respective offices and departments, together with a description of necessary city repairs and improvements and the probable expense thereof. The Administrator shall further work with all city officials in helping to prepare information as may be necessary to enable the preparation of the annual tax levy ordinance. The Administrator shall also be responsible for the preparation of the annual budget ordinance and/or the annual tax levy ordinance.

The budget and finance committee will evaluate the operations budget, capital budget, property tax levy, and any requests for expenditures that exceed staff authority. This committee is responsible for the cash position of the City and will assist other committees with rate evaluations. Any issue that requires the expenditure of more than five thousand dollars (\$5,000.00) may be evaluated by the budget and finance committee.

Proposed budgets are provided to the public and public hearings are conducted to obtain taxpayer comments and comply with Illinois Compiled Statutes.

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

There were no funds that had expenditures in excess of budgeted amounts for the year ended April 30, 2020.

## **Other Schedules**

**City of LeRoy, Illinois**

**Schedule of Departmental Expenditures - General Fund**

**For the Year Ended April 30, 2020**

	<u>Administration</u>	<u>Streets</u>	<u>Parks</u>	<u>Zoning &amp; Building</u>
Personal services:				
Salaries	\$ 91,730	\$ 142,668	\$ 5,544	\$ 22,322
Payroll taxes and retirement	14,813	19,731	1,006	4,889
Health insurance	<u>9,015</u>	<u>26,694</u>	<u>2,400</u>	<u>3,005</u>
Total personal services	<u>115,558</u>	<u>189,093</u>	<u>8,950</u>	<u>30,216</u>
Operations and contractual services:				
Insurance and bonding	15,068	18,876	-	-
Utilities and telephone	11,135	4,596	3,459	183
Maintenance and repairs	32,207	112,627	5,256	-
Supplies and materials	2,082	36,510	14,489	234
Vehicle maintenance	-	27,302	-	-
Professional fees	8,220	-	-	12,230
Office expense	355	-	-	200
Meetings and training	3,395	152	-	-
Grants	-	1,372	-	-
Other	<u>6,800</u>	<u>-</u>	<u>462</u>	<u>460</u>
Total operations and contractual services	<u>79,262</u>	<u>201,435</u>	<u>23,666</u>	<u>13,307</u>
Total operating expenditures before capital outlay	<u>194,820</u>	<u>390,528</u>	<u>32,616</u>	<u>43,523</u>
Capital outlay	<u>20,204</u>	<u>146,789</u>	<u>5,160</u>	<u>-</u>
Total operating expenditures	<u>\$ 215,024</u>	<u>\$ 537,317</u>	<u>\$ 37,776</u>	<u>\$ 43,523</u>

-Continued-

**City of LeRoy, Illinois**

**Schedule of Departmental Expenditures - General Fund - Continued**

**For the Year Ended April 30, 2020**

	<u>Police</u>	<u>ESDA</u>	<u>Animal Control</u>	<u>Total</u>
Personal services:				
Salaries	\$ 469,433	\$ -	\$ -	\$ 731,697
Payroll taxes and retirement	82,391	-	-	122,830
Health insurance	<u>141,964</u>	<u>-</u>	<u>-</u>	<u>183,078</u>
Total personal services	<u>693,788</u>	<u>-</u>	<u>-</u>	<u>1,037,605</u>
Operations and contractual services:				
Insurance and bonding	33,122	-	-	67,066
Utilities and telephone	8,955	1,270	-	29,598
Maintenance and repairs	2,351	-	-	152,441
Supplies and materials	3,606	-	-	56,921
Vehicle maintenance	15,986	-	-	43,288
Professional fees	30,452	-	-	50,902
Office expense	769	-	-	1,324
Meetings and training	1,976	-	-	5,523
Grants	9,721	-	-	11,093
Other	<u>15,060</u>	<u>-</u>	<u>18</u>	<u>22,800</u>
Total operations and contractual services	<u>121,998</u>	<u>1,270</u>	<u>18</u>	<u>440,956</u>
Total operating expenditures before capital outlay	<u>815,786</u>	<u>1,270</u>	<u>18</u>	<u>1,478,561</u>
Capital outlay	<u>28,368</u>	<u>-</u>	<u>-</u>	<u>200,521</u>
Total operating expenditures	<u>\$ 844,154</u>	<u>\$ 1,270</u>	<u>\$ 18</u>	<u>\$ 1,679,082</u>

**City of LeRoy, Illinois**

**Combining Balance Sheet - Non-Major Governmental Funds**

**April 30, 2020**

	Special Revenue				Capital Projects	
	First Tax Increment Financing Redevelopment District Fund	Motor Fuel Tax Fund	Community Projects Fund	Tourism Fund	Enterprise Capital Replacement Fund	Total Non-Major Governmental Funds
<b>Assets</b>						
Cash	\$ -	\$ 254,709	\$ 70,116	\$ 135,096	\$ 104,144	\$ 564,065
Receivables, net:						
Intergovernmental taxes	-	10,559	-	-	-	10,559
Other taxes	-	-	-	13,541	-	13,541
<b>Total assets</b>	<b>-</b>	<b>265,268</b>	<b>70,116</b>	<b>148,637</b>	<b>104,144</b>	<b>588,165</b>
<b>Liabilities</b>						
Accounts payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>						
Restricted:						
TIF district	-	-	-	-	-	-
Motor fuel tax	-	265,268	-	-	-	265,268
Committed:						
Capital expenditures	-	-	70,116	-	104,144	174,260
Assigned:						
Tourism	-	-	-	148,637	-	148,637
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>265,268</b>	<b>70,116</b>	<b>148,637</b>	<b>104,144</b>	<b>588,165</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 265,268</b>	<b>\$ 70,116</b>	<b>\$ 148,637</b>	<b>\$ 104,144</b>	<b>\$ 588,165</b>

**City of LeRoy, Illinois**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non-Major  
Governmental Funds**

**For the Year Ended April 30, 2020**

	Special Revenue				Capital Projects	
	First Tax Increment Financing Redevelopment District Fund	Motor Fuel Tax Fund	Community Projects Fund	Tourism Fund	Enterprise Capital Replacement Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>						
Motor fuel tax	\$ -	\$ 131,370	\$ -	\$ -	\$ -	\$ 131,370
Hotel/Motel tax	-	-	-	63,541	-	63,541
Interest	-	729	603	395	411	2,138
Other	-	-	9,787	-	-	9,787
<b>Total revenue</b>	<b>-</b>	<b>132,099</b>	<b>10,390</b>	<b>63,936</b>	<b>411</b>	<b>206,836</b>
<b>Expenditures:</b>						
Economic development	173,216	-	-	-	-	173,216
Tourism	-	-	-	24,715	-	24,715
<b>Total expenditures</b>	<b>173,216</b>	<b>-</b>	<b>-</b>	<b>24,715</b>	<b>-</b>	<b>197,931</b>
Excess (deficiency) of revenues over expenditures	(173,216)	132,099	10,390	39,221	411	8,905
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	45,000	45,000
Transfers out	-	-	-	(70,000)	(65,000)	(135,000)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(70,000)</b>	<b>(20,000)</b>	<b>(90,000)</b>
<b>Net change in fund balance</b>	<b>(173,216)</b>	<b>132,099</b>	<b>10,390</b>	<b>(30,779)</b>	<b>(19,589)</b>	<b>(81,095)</b>
<b>Fund balance beginning</b>	<b>173,216</b>	<b>133,169</b>	<b>59,726</b>	<b>179,416</b>	<b>123,733</b>	<b>669,260</b>
<b>Fund balance ending</b>	<b>\$ -</b>	<b>\$ 265,268</b>	<b>\$ 70,116</b>	<b>\$ 148,637</b>	<b>\$ 104,144</b>	<b>\$ 588,165</b>

**City of LeRoy, Illinois**

**Computation of Legal Debt Margin – Unaudited**

**For the Year Ended April 30, 2020**

Total assessed valuation as of April 30, 2020	<u><u>\$ 56,806,661</u></u>
Legal debt margin (based on 8.625% assessed valuation)	\$ 4,899,575
Deduct debt subject to limitation:	
Notes payable	<u>(213,561)</u>
Available legal debt margin – April 30, 2020	<u><u>\$ 4,686,014</u></u>



**City of LeRoy, Illinois**

**Schedule of Long-Term Debt and Interest – Unaudited**

**April 30, 2020**

	Fiscal Year Ended April 30,	Annual Payments	
		Principal	Interest
General Obligation Bond (Alternate Revenue)	2021	\$ 285,000	\$ 63,275
Series 2016A Refinancing Bonds	2022	290,000	56,150
Issued June 30, 2016	2023	300,000	48,900
	2024	305,000	41,400
	2025	310,000	32,250
	2026	250,000	22,950
	2027	255,000	15,450
	2028	260,000	7,800
		<u>\$ 2,255,000</u>	<u>\$ 288,175</u>
General Obligation Bond (Alternate Revenue)	2021	\$ 200,000	\$ 49,185
Series 2016B Refinancing Bonds	2022	205,000	45,185
Issued June 30, 2016	2023	220,000	41,085
	2024	75,000	36,685
	2025	75,000	35,035
	2026	80,000	33,385
	2027	80,000	31,625
	2028	80,000	29,625
	2029	85,000	27,625
	2030	85,000	25,500
	2031	85,000	22,950
	2032	85,000	20,400
	2033	85,000	17,850
	2034	90,000	15,300
	2035	95,000	12,600
	2036	100,000	9,608
	2037	105,000	6,457
	2038	100,000	3,150
		<u>\$ 1,930,000</u>	<u>\$ 463,250</u>

-Continued-

**City of LeRoy, Illinois**

**Schedule of Long-Term Debt and Interest – Unaudited - Continued**

**April 30, 2020**

	Fiscal Year Ended April 30,	Annual Payments	
		Principal	Interest
General Obligation Bond	2021	\$ -	\$ 18,933
(Alternate Revenue) Series 2020	2022	-	32,150
Issued April 29, 2020	2023	-	32,150
	2024	55,000	32,150
	2025	55,000	31,050
	2026	55,000	29,950
	2027	55,000	28,850
	2028	55,000	27,640
	2029	60,000	26,430
	2030	60,000	25,110
	2031	60,000	23,550
	2032	65,000	21,990
	2033	65,000	20,300
	2034	65,000	18,350
	2035	70,000	16,400
	2036	70,000	14,300
	2037	70,000	12,200
	2038	75,000	9,400
	2039	80,000	6,400
	2040	80,000	3,200
		<u>\$ 1,095,000</u>	<u>\$ 430,503</u>
Note Payable			
Busey Bank	2021	\$ 25,842	\$ 6,085
Signed August 29, 2017	2022	26,622	5,305
	2023	27,408	4,519
	2024	28,217	3,710
	2025	29,041	2,886
	2026	29,907	2,020
	2027	30,789	1,138
	2028	15,735	229
		<u>\$ 213,561</u>	<u>\$ 25,892</u>

City of LeRoy, Illinois

Schedule of Investments – Unaudited

April 30, 2020

	<u>Interest Rate</u>	<u>Principal</u>
<b><u>General Fund</u></b>		
Bi-Centennial Committee Fund		
Certificate of Deposit – Busey Bank	0.75%	<u>\$ 6,295</u>

**City of LeRoy, Illinois**

**Statement of Assessed Valuation and Taxes Received – Unaudited**

**April 30, 2020**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Rate Setting Assessed Valuation	<u>\$ 56,806,661</u>	<u>\$ 57,036,603</u>	<u>\$ 57,542,501</u>	<u>\$ 55,926,796</u>
Tax Rates:				
General Fund*	0.27717	0.27616	0.27615	0.27580
Retirement	0.18330	0.17317	0.17314	0.17083
Police	0.07500	0.07500	0.07500	0.07500
Liability Insurance	0.13520	0.11510	0.11508	0.11354
Social Security	0.14607	0.13597	0.13594	0.13413
Civil Defense	0.05000	0.05000	0.05000	0.05000
Workers Compensation	0.09496	0.09389	0.08264	0.08154
Unemployment Insurance	<u>0.00381</u>	<u>0.00481</u>	<u>0.00481</u>	<u>0.00474</u>
Totals	<u>0.96551</u>	<u>0.92410</u>	<u>0.91276</u>	<u>0.90558</u>
Tax Extensions:				
General Fund	\$ 157,451	\$ 157,512	\$ 158,904	\$ 154,246
Retirement	104,127	98,770	99,629	95,540
Police	42,605	42,777	43,157	41,945
Liability Insurance	76,803	65,649	66,220	63,499
Social Security	82,977	77,553	78,223	75,015
Civil Defense	28,403	28,518	28,771	27,963
Workers compensation	53,944	53,552	47,553	45,603
Unemployment Insurance	<u>2,164</u>	<u>2,743</u>	<u>2,768</u>	<u>2,651</u>
Totals	<u>\$ 548,474</u>	<u>\$ 527,074</u>	<u>\$ 525,225</u>	<u>\$ 506,462</u>

-Continued-

**City of LeRoy, Illinois**

**Statement of Assessed Valuation and Taxes Received – Unaudited – Continued**

**April 30, 2020**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Rate Setting Assessed Valuation	<u>\$ 54,704,437</u>	<u>\$ 54,116,253</u>	<u>\$ 53,162,179</u>	<u>\$ 42,608,341</u>
Tax Rates:				
General Fund*	0.27548	0.27404	0.27329	0.27328
Retirement	0.16869	0.18230	0.16856	0.16849
Police	0.07500	0.07500	0.07500	0.07500
Liability Insurance	0.11212	0.11817	0.14406	0.23235
Social Security	0.13245	0.13014	0.12995	0.13757
Civil Defense	0.05000	0.03814	0.01815	0.00212
Workers Compensation	0.08052	0.07206	0.08003	0.00000
Unemployment Insurance	<u>0.00468</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
Totals	<u>0.89894</u>	<u>0.88985</u>	<u>0.88904</u>	<u>0.88881</u>
Tax Extensions:				
General Fund	\$ 150,700	\$ 148,300	\$ 145,287	\$ 116,440
Retirement	92,281	98,654	89,610	71,791
Police	41,028	40,587	39,872	31,956
Liability Insurance	61,335	63,949	76,585	99,000
Social Security	72,456	70,427	69,084	58,616
Civil Defense	27,352	20,640	9,649	903
Workers compensation	44,048	38,996	42,546	-
Unemployment Insurance	<u>2,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 491,760</u>	<u>\$ 481,553</u>	<u>\$ 472,633</u>	<u>\$ 378,706</u>

-Continued-

**City of LeRoy, Illinois**

**Statement of Assessed Valuation and Taxes Received – Unaudited – Continued**

**April 30, 2020**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Collections, Including Back Taxes:				
General Fund	\$ -	\$ 156,993	\$ 157,836	\$ 153,853
Retirement	-	98,445	98,960	95,297
Police	-	42,636	42,867	41,838
Liability Insurance	-	65,433	65,775	63,337
Social Security	-	77,298	77,698	74,823
Civil Defense	-	28,424	28,578	27,892
Workers Compensation	-	53,375	47,234	45,487
Unemployment Insurance	-	2,734	2,749	2,651
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ -</u>	<u>\$ 525,338</u>	<u>\$ 521,697</u>	<u>\$ 505,178</u>
Percentage of Extensions Collected	<u>0.0000%</u>	<u>99.6706%</u>	<u>99.3283%</u>	<u>99.7465%</u>

\* The General Fund tax rate includes the Audit Fund rate in addition to the corporate rate.

**City of LeRoy, Illinois**

**Statement of Assessed Valuation and Taxes Received – Unaudited - Continued**

**April 30, 2020**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Collections, Including Back Taxes:				
General Fund	\$ 149,619	\$ 146,371	\$ 176,865	\$ 116,344
Retirement	91,619	97,370	109,085	71,732
Police	40,734	40,059	48,537	31,930
Liability Insurance	60,895	63,117	93,230	98,919
Social Security	71,936	69,510	84,098	58,568
Civil Defense	27,156	20,371	11,746	902
Workers Compensation	43,732	38,489	51,792	-
Unemployment Insurance	2,542	-	-	-
	<u>\$ 488,233</u>	<u>\$ 475,287</u>	<u>\$ 575,353</u>	<u>\$ 378,395</u>
Percentage of Extensions Collected	<u>99.2828%</u>	<u>98.6988%</u>	<u>121.7336%</u>	<u>99.9179%</u>

\* The General Fund tax rate includes the Audit Fund rate in addition to the corporate rate.

**City of LeRoy, Illinois**

**General Information – Unaudited**

**April 30, 2020**

General Statistics:

Total gallons received at the Waste Water Plant	451,450,000
Total gallons of finished water	86,500,000
Total gallons billed for water	69,747,043
Estimated water loss	16,752,957
Number of users connected to the system	1,485
Number of non-metered users	7
Number of miles of sewer mains	22.8
Number of miles of water mains	25.3
Number of miles of streets	30
Water rate:	
\$8.65 minimum for 0 to 1,000 gallons	
\$8.65 per 1,000 gallons beyond 1,000 gallons	
Sewer rate:	
\$8.65 minimum for 0 to 1,000 gallons	
\$8.65 per 1,000 gallons beyond 1,000 gallons	

Insurance Data:

General liability and law enforcement (per occurrence)	\$ 1,000,000
General annual limit	3,000,000
Additional property earthquake	5,000,000
Additional Flood Zone A	5,000,000
Excess liability (general)	10,000,000
Excess liability (law enforcement)	10,000,000
Auto liability	1,000,000
Public officials	1,000,000