

CITY OF FARMER CITY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the fiscal year ended April 30, 2025



CITY OF FARMER CITY, ILLINOIS

CONTENTS
APRIL 30, 2025

INDEPENDENT AUDITORS' REPORT **1 - 3**

BASIC FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF FARMER CITY, ILLINOIS

CONTENTS (Continued)

April 30, 2025

REQUIRED SUPPLEMENTARY INFORMATION, Continued	
Illinois Municipal Retirement Fund – Summary of Actuarial Methods and Assumptions	46
Budgetary Comparison Schedule - General Fund	47
Reconciliation of Budgetary Basis Cash Receipts and Cash Disbursements to GAAP Revenues and Expenses – General Fund	48
Budgetary Comparison Schedule - TIF II Fund	49
Reconciliation of Budgetary Basis Cash Receipts and Cash Disbursements to GAAP Revenues and Expenses – TIF II Fund	50
Budgetary Comparison Schedule - TIF III Fund	51
Reconciliation of Budgetary Basis Cash Receipts and Cash Disbursements to GAAP Revenues and Expenses – TIF III Fund	52
Reconciliation of Budgetary Basis Fund Balance to GAAP Basis Fund Balance	53
Notes to Required Supplementary Information	54
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Non-Major Governmental Funds	55 and 56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	57 and 58
OTHER INFORMATION	
Schedules of Assessed Valuation, Property Tax Rates, and Tax Extensions	59
Schedules of Property Tax Collections	60



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

INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Farmer City, Illinois, as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Farmer City, Illinois, as of April 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

MCK CPAs & Advisors

Bloomington, Illinois
October 15, 2025

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2025

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets			
Cash and cash equivalents	\$ 2,044,013	931,173	2,975,186
Investments	765,000	1,335,000	2,100,000
Receivables, net:			
Property taxes	1,279,407	25,999	1,305,406
Intergovernmental	178,822		178,822
Accounts	327	273,880	274,207
Lease	4,734		4,734
Internal balances	23,126	(23,126)	-
Prepaid expenses	55,505	51,781	107,286
			<hr/>
Total current assets	4,350,934	2,594,707	6,945,641
Noncurrent assets			
Lease receivable, less current portion	9,475		9,475
Capital assets, net of accumulated depreciation	5,619,795	4,704,547	10,324,342
			<hr/>
Total Assets	9,980,204	7,299,254	17,279,458
<u>Deferred Outflows of Resources</u>			
Deferred outflows related to pension obligations			
	48,345	37,290	85,635
			<hr/>
Total Assets and Deferred Outflows of Resources	10,028,549	7,336,544	17,365,093

(continued)

STATEMENT OF NET POSITION (Continued)
April 30, 2025

	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities			
Accounts payable	19,469	62,051	81,520
Meter deposits		31,907	31,907
Accrued expenses	18,972	9,802	28,774
Compensated absences, current portion	51,280	35,783	87,063
Accrued interest	26,396	31,559	57,955
Bonds payable, due within one year	60,000	145,000	205,000
Total current liabilities	176,117	316,102	492,219
Noncurrent liabilities			
Unamortized bond premiums	107,584	94,177	201,761
Compensated absences, less current portion	13,646	11,855	25,501
Bonds payable, due in more than one year	1,580,000	1,940,000	3,520,000
IMRF pension liability	231,221	178,349	409,570
Total noncurrent liabilities	1,932,451	2,224,381	4,156,832
Total Liabilities	2,108,568	2,540,483	4,649,051
<u>Deferred Inflows of Resources</u>			
Deferred property tax	1,279,407	25,999	1,305,406
Deferred lease	14,209		14,209
Deferred inflows related to pension obligations	42,906	33,095	76,001
Total deferred inflows of resources	1,336,522	59,094	1,395,616
<u>Net Position</u>			
Net investment in capital assets	3,979,795	2,619,547	6,599,342
Restricted for:			
Tax increment financing district II	429,130		429,130
Tax increment financing district III	167,240		167,240
Insurance	313,202		313,202
Motor fuel tax	329,724		329,724
Hotel-motel tax	15,715		15,715
Business district tax	203,116		203,116
ESDA	5,054		5,054
Audit	83,199		83,199
Social security	98,850		98,850
Illinois municipal retirement fund	313,910		313,910
Library	45,461		45,461
Unrestricted	599,063	2,117,420	2,716,483
Total Net Position	6,583,459	4,736,967	11,320,426
Total Liabilities, Deferred Inflows of Resourced and Net Position	\$ 10,028,549	7,336,544	17,365,093

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF ACTIVITIES

Year ended April 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense)/Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 960,262	27,549	83,500	(849,213)		(849,213)
Public safety	560,532	46,772		(513,760)		(513,760)
Public works	338,230			(338,230)		(338,230)
Streets and alleys	367,097			(367,097)		(367,097)
Culture and recreation	379,643	6,917	29,470	(343,256)		(343,256)
Interest on long-term debt	64,120			(64,120)		(64,120)
Total governmental activities	2,669,884	81,238	112,970	(2,475,676)	-	(2,475,676)
Business-type activities:						
Electric	2,338,247	2,537,359	8,980		208,092	208,092
Water	316,272	554,812	54,416		292,956	292,956
Sewer	480,638	595,027			114,389	114,389
Garbage	150,362	150,561			199	199
Total business-type activities	3,285,519	3,837,759	63,396	-	615,636	615,636
TOTAL	\$ 5,955,403	3,918,997	176,366	(2,475,676)	615,636	(1,860,040)
General Revenues:						
Taxes						
Property taxes				1,094,196	24,056	1,118,252
Income tax				324,870		324,870
Motor fuel tax				82,623		82,623
Replacement tax				28,393		28,393
Sales tax				279,450	145,719	425,169
Excise tax				8,980		8,980
Use tax				51,958		51,958
Video gaming tax				95,199		95,199
Cannabis tax				2,864		2,864
Business district tax				121,214		121,214
Hotel-motel taxes				11,674		11,674
Miscellaneous income				18,181		18,181
Insurance proceeds				102,030		102,030
Proceeds from disposal of assets				5,010		5,010
Unrestricted investment earnings				164,965	37,129	202,094
Inter-office charges				310,000	(310,000)	-
Total general revenues				2,701,607	(103,096)	2,598,511
Change in net position				225,931	512,540	738,471
Net position - beginning, as restated				6,357,528	4,224,427	10,581,955
Net position - ending				\$ 6,583,459	4,736,967	11,320,426

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

April 30, 2025

	General Fund	Tax Increment Financing Fund II	Tax Increment Financing Fund III	Non-Major Governmental Funds	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 694,566	185,635	168,485	995,327	2,044,013
Investments	110,000	250,000		405,000	765,000
Receivables, net:					
Property taxes	116,994	559,444	234,427	368,542	1,279,407
Intergovernmental	152,282			26,540	178,822
Lease	14,209				14,209
Other		327			327
Prepaid expenses	167			55,338	55,505
Due from other funds	25,063				25,063
Total Assets	1,113,281	995,406	402,912	1,850,747	4,362,346
<u>Liabilities</u>					
Accounts payable	11,392	6,832	1,245		19,469
Accrued expenses	15,910			3,062	18,972
Due to other funds				1,937	1,937
Total Liabilities	27,302	6,832	1,245	4,999	40,378
<u>Deferred Inflows of Resources</u>					
Deferred lease	14,209				14,209
Deferred property tax	116,994	559,444	234,427	368,542	1,279,407
Total Deferred Inflows of Resources	131,203	559,444	234,427	368,542	1,293,616
<u>Fund Balances</u>					
Nonspendable	167			55,338	55,505
Restricted for:					
Tax increment financing districts		429,130	167,240		596,370
Insurance				313,202	313,202
Motor fuel tax				329,724	329,724
Hotel-motel tax				15,715	15,715
Business district tax				203,116	203,116
ESDA				5,054	5,054
Audit				83,199	83,199
Social security				98,850	98,850
Illinois municipal retirement fund				313,910	313,910
Library				45,461	45,461
Committed:					
Public safety				15,844	15,844
Unassigned	954,609			(2,207)	952,402
Total Fund Balances	954,776	429,130	167,240	1,477,206	3,028,352
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,113,281	995,406	402,912	1,850,747	4,362,346

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

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

April 30, 2025

Total fund balances - governmental funds	\$ 3,028,352
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets of \$11,164,670 net of accumulated depreciation of \$5,544,875 are not current financial resources and, therefore, are not reported in the governmental fund.	5,619,795
Net pension obligations are not reported in the fund financial statement because they are not due and payable, but they are presented in the statement of net position.	(225,782)
Long-term liabilities are not payable with current financial resources and are not reported in the governmental funds.	
Bonds payable	(1,640,000)
Bond premium	(107,584)
Compensated absences	(64,926)
Accrued interest	<u>(26,396)</u>
Net position of governmental activities	<u>\$ 6,583,459</u>

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended April 30, 2025

	General Fund	Tax Increment Financing Fund II	Tax Increment Financing Fund III	Non-Major Governmental Funds	Total
Revenues:					
Property taxes	\$ 124,567	470,354	147,542	351,733	1,094,196
Income tax	324,870				324,870
Motor fuel tax				82,623	82,623
Replacement tax	28,393				28,393
Sales tax	279,450				279,450
Excise tax	8,980				8,980
Use tax	51,958				51,958
Video gaming tax	95,199				95,199
Cannabis tax	2,864				2,864
Other taxes				132,888	132,888
Donations				9,140	9,140
Fines, fees, permits & licenses	60,388			5,457	65,845
Grants					
Operating	83,500			20,330	103,830
Interest income	109,812	10,636	3,740	40,777	164,965
Pool income	6,160				6,160
Rental income	9,233				9,233
Miscellaneous	10,268			7,913	18,181
Total revenues	1,195,642	480,990	151,282	650,861	2,478,775
Expenditures:					
Current:					
General government	534,942			307,382	842,324
Public safety	538,852			7,592	546,444
Public works		47,634	31,118	54,874	133,626
Streets and alleys	267,274			35,950	303,224
Culture and recreation	201,454			88,867	290,321
Debt service:					
Principal		60,000			60,000
Interest		64,670			64,670
Capital outlay	129,518	32,718	37,378	80,660	280,274
Total expenditures	1,672,040	205,022	68,496	575,325	2,520,883
Excess (deficiency) of revenues over (under) expenditures	(476,398)	275,968	82,786	75,536	(42,108)
Other financing sources (uses):					
Inter-office charges	310,000				310,000
Proceeds from disposal of assets	5,010				5,010
Insurance proceeds	102,030				102,030
Transfers in	17,000			80,221	97,221
Transfers out	(80,221)	(5,000)	(2,000)	(10,000)	(97,221)
Total other financing sources (uses)	353,819	(5,000)	(2,000)	70,221	417,040
Net change in fund balances	(122,579)	270,968	80,786	145,757	374,932
Fund balances - beginning	1,077,355	158,162	86,454	1,331,449	2,653,420
Fund balances - ending	\$ 954,776	429,130	167,240	1,477,206	3,028,352

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year ended April 30, 2025**

Net change in fund balances - governmental funds \$ 374,932

Amounts reported for governmental activities in the Statement of
Activities are different because:

Capital outlays are reported as expenditures in the fund financial statements because they use current financial resources, but they are presented as assets in the Statement of Activities and depreciated over their estimated economic lives; depreciation (\$545,675) for the year is greater than capital outlays (\$280,274) reported in the governmental funds. (265,401)

Repayment of loan principal is an expenditure in the fund financial statements; however, the repayment reduces long-term liabilities in the Statement of Net Position. 60,000

Net change in pension obligations is not recognized in the fund financial statements since it does not use current financial resources. 47,211

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the fund financial statements:

Accrued expenses	5,406
Compensated absences	(2,429)
Accrued interest	550
Amortization of bond premium	5,662

Change in net position of governmental activities \$ 225,931

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2025

	Business-Type Activities Proprietary Funds				Total
	(Major)	(Major)	(Major)	(Nonmajor)	
	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 767,580	120,251	43,342		931,173
Investments	659,000	549,000	127,000		1,335,000
Property taxes receivable			25,999		25,999
Accounts receivable, net	168,502	35,876	55,129	14,373	273,880
Prepaid expenses	38,080	4,378	9,323		51,781
Total current assets	1,633,162	709,505	260,793	14,373	2,617,833
Capital assets:					
Land	2,000	38,000			40,000
Buildings	130,708	422,619	3,245,000		3,798,327
Systems and infrastructure	9,214,526	2,562,602	3,138,939		14,916,067
Equipment	334,669	796,644	244,588		1,375,901
Construction in progress	29,992	35,625	35,625		101,242
Accumulated depreciation	(7,328,115)	(2,755,820)	(5,443,055)		(15,526,990)
Total capital assets	2,383,780	1,099,670	1,221,097	-	4,704,547
Total Assets	4,016,942	1,809,175	1,481,890	14,373	7,322,380
<u>Deferred Outflows of Resources</u>					
Deferred outflows related to pension obligations	25,601	8,708	2,981		37,290
Total Assets and Deferred Outflows of Resources	4,042,543	1,817,883	1,484,871	14,373	7,359,670

(Continued)

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS
 April 30, 2025

	Business-Type Activities Proprietary Funds				Total
	(Major)	(Major)	(Major)	(Nonmajor)	
	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	
<u>Liabilities</u>					
Current liabilities:					
Meter deposits		31,907			31,907
Accounts payable	57,795	557	3,699		62,051
Due to other funds				23,126	23,126
Bonds payable, current	90,000	27,500	27,500		145,000
Accrued expenses	6,771	1,772	1,259		9,802
Compensated absences, current portion	26,007	4,949	4,827		35,783
Accrued interest	9,429	11,065	11,065		31,559
Total current liabilities	190,002	77,750	48,350	23,126	339,228
Noncurrent liabilities					
Unamortized bond premiums	14,057	40,060	40,060		94,177
Compensated absences, less current portion	8,912	1,578	1,365		11,855
IMRF pension liability	122,440	41,650	14,259		178,349
Bonds payable less current maturities	595,000	672,500	672,500		1,940,000
Total noncurrent liabilities	740,409	755,788	728,184	-	2,224,381
Total Liabilities	930,411	833,538	776,534	23,126	2,563,609
<u>Deferred Inflows of Resources</u>					
Deferred inflows related to:					
Property tax			25,999		25,999
Pension obligations	22,720	7,729	2,646		33,095
Total deferred inflows of resources	22,720	7,729	28,645	-	59,094
<u>Net Position</u>					
Invested in capital assets, net of related debt	1,698,780	399,670	521,097		2,619,547
Unrestricted	1,390,632	576,946	158,595	(8,753)	2,117,420
Total Net Position	3,089,412	976,616	679,692	(8,753)	4,736,967
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,042,543	1,817,883	1,484,871	14,373	7,359,670

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year ended April 30, 2025**

	Business-Type Activities				Total
	Proprietary Funds				
	(Major) Electric Light Plant and System Fund	(Major) Water Fund	(Major) Sewer Fund	(Nonmajor) Garbage Fund	
Operating revenues:					
Charges for services	\$ 2,488,640	526,759	584,963	150,561	3,750,923
Other	48,719	28,053	10,064		86,836
Total operating revenues	2,537,359	554,812	595,027	150,561	3,837,759
Operating expenses:					
Personnel services	401,822	107,062	135,475		644,359
Operations and contractual services	1,662,143	43,951	145,323	150,362	2,001,779
Materials and supplies	35,092	36,577	38,709		110,378
Depreciation	217,256	103,906	136,355		457,517
Total operating expenses	2,316,313	291,496	455,862	150,362	3,214,033
Operating income	221,046	263,316	139,165	199	623,726
Non-operating revenues (expenses):					
Sewer chlorination levy			24,056		24,056
State and municipal sales tax	119,828	25,891			145,719
Grants	8,980	54,416			63,396
Interest revenue		5,711	958		6,669
Interest expense	(21,934)	(24,776)	(24,776)		(71,486)
Inter-office charges	(195,000)	(67,000)	(48,000)		(310,000)
Investments earnings	30,460				30,460
Total non-operating revenues (expenses)	(57,666)	(5,758)	(47,762)	-	(111,186)
Change in net position	163,380	257,558	91,403	199	512,540
Net position (deficit) - beginning, as restated	2,926,032	719,058	588,289	(8,952)	4,224,427
Net position (deficit) - ending	\$ 3,089,412	976,616	679,692	(8,753)	4,736,967

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year ended April 30, 2025

	Business-Type Activities Proprietary Funds				Total
	(Major)	(Major)	(Major)	(Nonmajor)	
	Electric Light Plant and System Fund	Water Fund	Sewer Fund	Garbage Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,532,728	549,686	584,141	149,307	3,815,862
Cash paid to suppliers for goods and services	(1,670,183)	(81,023)	(186,782)	(150,362)	(2,088,350)
Cash paid to employees for services	(435,369)	(117,978)	(137,951)		(691,298)
Net cash flows from operating activities	427,176	350,685	259,408	(1,055)	1,036,214
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances to (from) other funds	372,591	364,040	9,628	1,055	747,314
Inter-office charges	(195,000)	(67,000)	(48,000)		(310,000)
Grants	8,980	54,416			63,396
State and municipal sales tax	119,828	25,891			145,719
Proceeds from sewer chlorination levy			24,056		24,056
Net cash flows from noncapital financing activities	306,399	377,347	(14,316)	1,055	670,485
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Purchase of capital assets	(29,992)	(494,685)	(153,853)		(678,530)
Principal paid on revenue bonds	(90,000)	(25,000)	(25,000)		(140,000)
Interest paid on revenue bonds	(23,942)	(26,884)	(26,884)		(77,710)
Net cash flows from capital financing activities	(143,934)	(546,569)	(205,737)	-	(896,240)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(520,154)	(439,018)	(87,000)		(1,046,172)
Interest from investments	30,460	5,711	958		37,129
Net cash flows from investing activities	(489,694)	(433,307)	(86,042)	-	(1,009,043)
Net increase (decrease) in cash and cash equivalents	99,947	(251,844)	(46,687)	-	(198,584)
Cash and cash equivalents, beginning of year	667,633	372,095	90,029		1,129,757
Cash and cash equivalents, end of year	767,580	120,251	43,342	-	931,173
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	221,046	263,316	139,165	199	623,726
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	217,256	103,906	136,355		457,517
Expenses related to pension obligations	(28,699)	(10,495)	(724)		(39,918)
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(4,631)	(6,580)	(10,886)	(1,254)	(23,351)
Prepaid expenses	(5,278)	(289)	(1,045)		(6,612)
(Decrease) increase in:					
Accounts payable	36,198	36	726		36,960
Accrued expenses	(3,868)	(242)	(2,431)		(6,541)
Compensated absences	(4,848)	(421)	(1,752)		(7,021)
Meter deposits		1,454			1,454
Net cash flows from operating activities	\$ 427,176	350,685	259,408	(1,055)	1,036,214

See Notes to Financial Statements.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2025

Note 1 - Summary of Significant Accounting Policies

Reporting Entity: The City of Farmer City (the “City”) is a municipal corporation governed by an elected Mayor and City Council. The accompanying financial statements present the operations of the primary government.

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

New Accounting GASB Pronouncements: During the year ended April 30, 2025, the City implemented the following Governmental Auditing Standards Board (GASB) Statements:

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this standard resulted in an accounting change for the Governmental Activities, Electric Light Plant and System Fund, Water Fund, and Sewer Fund, as detailed in Note 17.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on all non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are generally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for fees, licenses and permits, (2) fines, (3) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (4) operating and capital grants and contributions. Taxes and other revenue sources not properly included among program revenues are reported instead as general revenues.

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

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2025

Note 1 - Summary of Significant Accounting Policies, continued

Government-Wide and Fund Financial Statements, continued

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

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

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

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

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

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

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

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

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 1 - Summary of Significant Accounting Policies, continued

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

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

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

The City reports the following major governmental funds:

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

Tax Increment Financing Fund II: This is a special revenue fund used to account for and report all financial resources that are restricted, committed, or assigned to expenditures related to the Tax Increment Financing District II redevelopment project. Revenues are generated from local property taxes.

Tax Increment Financing Fund III: This is a special revenue fund used to account for and report all financial resources that are restricted, committed, or assigned to expenditures related to the Tax Increment Financing District III redevelopment project. Revenues are generated from local property taxes.

Proprietary Fund Types: Proprietary Funds are those that account for operations that are organized to be self-supported through user charges. The funds included in this category are the Enterprise funds.

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

The City reports the following major proprietary funds:

Electric Light Plant and System Fund: An enterprise fund that accounts for the provision of electric services to residents. All activities necessary to providing such services are accounted for in this fund, including, but not limited to, administration and billing operations, capital outlay and maintenance, financing, and related debt service. Revenues are generated from charges for services.

Water Fund: An enterprise fund that accounts for the provision of water services to residents. All activities necessary to providing such services are accounted for in this fund, including, but not limited to, administration and billing operations, capital outlay and maintenance, financing, and related debt service. Revenues are generated from charges for services.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2025

Note 1 - Summary of Significant Accounting Policies, continued

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

Sewer Fund: An enterprise fund that accounts for the provision of sewer services to residents. All activities necessary to providing such services are accounted for in this fund, including, but not limited to, administration and billing operations, capital outlay and maintenance, financing, and related debt service. Revenues are generated from charges for services.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Electric Light Plant and Systems, Water, Sewer, and non-major Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 1 - Summary of Significant Accounting Policies, continued

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

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

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

Capital Assets: Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital assets consisting of property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost exceeding \$ 5,000 and an estimated useful life in excess of twenty-four consecutive months. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are stated at their fair value on the date donated.

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

Depreciation of all exhaustible capital assets and intangible assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation and amortization are reported on the proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Electric light plant and system	20-30 years
Waterworks and sewerage system	20-30 years
Infrastructure	20 years
Machinery and equipment	5-10 years
Furniture and office equipment	5-10 years

Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems. The City has elected to report only those infrastructure fixed assets that were acquired or constructed after April 30, 2005.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2025

Note 1 - Summary of Significant Accounting Policies, continued

Compensated Absences: It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A percentage of accumulated sick leave is accrued in the same financial statements based on the average usage of a sample of longer-tenured employees over the prior three years. The General Fund is the primary fund to liquidate the governmental activities liability for compensated absences. Governmental activities and proprietary fund financial statements reflect total liabilities of \$ 64,926 and \$ 47,638, respectively, as compensated absences at April 30, 2025.

Long-Term Debt: In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

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

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

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

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

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

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

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2025

Note 1 - Summary of Significant Accounting Policies, continued

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

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

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

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

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

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

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

Net Position Flow Assumption: Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted to have been depleted before unrestricted is applied.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2025

Note 1 - Summary of Significant Accounting Policies, continued

Fund Balance Flow Assumptions: Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Budgets and Budgetary Accounting: The City is under the appropriations method as described in the Illinois Compiled Statutes. The Annual Appropriations Ordinance passed by the City is the legally binding document which restricts the City's maximum expenditure of funds.

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

Internal and Interfund Balances and Activities: In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activities and balances in the fund financial statements have been eliminated or reclassified. Interfund services are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

Note 2 - Deposits and Investments

Deposits

The City maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and cash equivalents". The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. In addition, investments are separately held by several of the City's funds. The investments are governed by an investment policy.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 2 - Deposits and Investments, continued

Deposits, continued

The carrying amount of the City's deposits with financial institutions was \$ 2,974,826 and the bank balance was \$ 3,010,317, at April 30, 2025. The institutions' balances are categorized as follows:

Demand Deposits

Amount insured by FDIC	\$ 218,585
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>1,807,019</u>
Total demand deposits	<u>\$ 2,025,604</u>

Time Deposits

Amount insured by FDIC	\$ 77,594
Uninsured and collateralized with securities held by the pledging financial institution but not in the name of the City	<u>907,119</u>
Total time deposits	<u>\$ 984,713</u>
Total balance uninsured and uncollateralized	<u>\$ -</u>

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. As of April 30, 2025, \$ 2,714,138 of the City's bank balance of \$ 3,010,317 was exposed to custodial credit risk. The City mitigates this risk by entering into collateral agreements for uninsured cash amounts on deposit.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 2 - Deposits and Investments, continued

Investments

The City invests excess unrestricted cash reserves with the Illinois Metropolitan Investment Fund (IMET). IMET is an actively managed investment fund for Illinois units of local government, which offers two investment options, the IMET 1-3 Year Series and the IMET Convenience Series. Both investment options are comprised of collateralized bank deposits, FDIC insured certificates of deposit, and U.S. Government securities. At April 30, 2025, the City’s funds invested with IMET were as follows:

<u>Fund</u>	<u>Shares Held</u>	<u>Price per Share</u>	<u>Fair Value</u>
Convenience Fund	2,100,000.000	\$ 1.0000	\$ 2,100,000

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to the investment, the City will not be able to recover the value of their investments that are in the possession of an outside party. The City limits the exposure to credit risk by limiting investments to securities in accordance with their respective policies, prequalifying institutions, and diversifying the portfolio so the impact of potential losses from any one type of security or from one individual issuer will be minimized.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The City limits the exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations and investing funds in secured investment pools.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 3 - Capital Assets

Capital asset activity for the fiscal year ended April 30, 2025 was as follows:

	Balance April 30, 2024	Additions	Deletions	Balance April 30, 2025
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 155,413			155,413
Construction in progress	729,863	135,207	729,863	135,207
Total assets not being depreciated	885,276	135,207	729,863	290,620
Capital assets being depreciated:				
Buildings	2,916,761	724,893		3,641,654
Equipment	1,204,305	82,977	(78,060)	1,209,222
Infrastructure	5,235,882			5,235,882
Land improvements	720,281	67,011		787,292
Total assets being depreciated	10,077,229	874,881	(78,060)	10,874,050
Less accumulated depreciation for:				
Buildings	(1,344,571)	(73,696)		(1,418,267)
Equipment	(488,265)	(149,077)	78,060	(559,282)
Infrastructure	(3,148,361)	(283,633)		(3,431,994)
Land improvement	(96,063)	(39,269)		(135,332)
Total accumulated depreciation	(5,077,260)	(545,675)	78,060	(5,544,875)
Total assets being depreciated, net	4,999,969	329,206	-	5,329,175
Governmental activities, net	\$ 5,885,245	464,413	729,863	5,619,795

Depreciation expense for the year ended April 30, 2025 was charged to functions of the City as follows:

General government	\$ 144,444
Public safety	32,566
Public works	204,604
Streets and alleys	70,571
Culture and recreation	93,490
Total depreciation expense - governmental activities	\$ 545,675

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 3 - Capital Assets, continued

	Balance April 30, 2024	Additions	Deletions	Balance April 30, 2025
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 40,000			40,000
Construction in progress		101,242		101,242
Total assets not being depreciated	40,000	101,242	-	141,242
Capital assets being depreciated:				
Buildings	3,798,327			3,798,327
Systems and infrastructure	14,388,309	527,758		14,916,067
Equipment	1,326,371	49,530		1,375,901
Total assets being depreciated	19,513,007	577,288	-	20,090,295
Less accumulated depreciation for:				
Buildings	(3,798,327)			(3,798,327)
Systems and infrastructure	(10,181,364)	(397,439)		(10,578,803)
Equipment	(1,089,782)	(60,078)		(1,149,860)
Total accumulated depreciation	(15,069,473)	(457,517)	-	(15,526,990)
Total assets being depreciated, net	4,443,534	119,771	-	4,563,305
Business-type activities, net	\$ 4,483,534	221,013	-	4,704,547

Depreciation expense for the year ended April 30, 2025 was charged to functions of the City as follows:

Electric light plant and system	\$ 217,256
Water	103,906
Sewer	136,355
Total depreciation expense - business-type activities	<u>\$ 457,517</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 4 - Long-term Debt

Governmental Activities:

Alternate Revenue Bonds – Series 2019B: During the fiscal year ended April 30, 2020, the City issued \$ 1,930,000 of General Obligation Bonds (Alternative Revenue Source), Series 2019B. Proceeds of this issue were used for street and other infrastructure improvements. Repayment commenced December 1, 2019 with regular payments due December 1st and June 1st annually and a final payment due December 1, 2043.

Remaining liabilities under the Series 2019B Alternate Revenue Bond at April 30, 2025 were as follows:

<u>Year ending April 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	2.20%	\$ 60,000	63,350	123,350
2027	2.20%	65,000	62,030	127,030
2028	4.00%	65,000	60,600	125,600
2029	4.00%	65,000	58,000	123,000
2030	4.00%	70,000	55,400	125,400
2031-2035	4.00%	390,000	233,200	623,200
2036-2040	4.00%	475,000	148,200	623,200
2041-2044	4.00%	450,000	46,000	496,000
Total		<u>\$ 1,640,000</u>	<u>726,780</u>	<u>2,366,780</u>

Business-Type Activities:

Alternate Revenue Bonds – Series 2017: During the fiscal year ended April 30, 2018, the City issued \$ 1,130,000 of General Obligation Bonds (Alternative Revenue Source), Series 2017. Proceeds of this issue were used to pay down the callable portion of the Series 2011 bond issue. These bonds are due in annual installments of \$ 10,000 to \$ 105,000 commencing December 1, 2018 through 2031, with interest rates ranging from 2% to 4%. Interest is payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2018.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 4 - Long-term Debt, continued

Business-Type Activities, continued:

Remaining liabilities under the Series 2017 Alternate Revenue Bond at April 30, 2025 were as follows:

<u>Year ending April 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	2.50%	\$ 90,000	22,630	112,630
2027	2.80%	95,000	20,380	115,380
2028	2.80%	95,000	17,720	112,720
2029	2.80%	95,000	15,060	110,060
2030	4.00%	100,000	12,400	112,400
2031-2032	4.00%	210,000	12,600	222,600
Total		\$ 685,000	100,790	785,790

Alternate Revenue Bonds – Series 2019A: During the fiscal year ended April 30, 2020, the City issued \$ 1,650,000 of General Obligation Bonds (Alternative Revenue Source), Series 2019A. Proceeds of this issue were used to support major infrastructure improvements in the Water and Sewer Funds. Repayment commenced December 1, 2019 with regular payments due December 1st and June 1st annually and a final payment due December 1, 2043.

Remaining liabilities under the Series 2019A Alternate Revenue Bond at April 30, 2025 were as follows:

<u>Year ending April 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	2.25%	\$ 55,000	53,113	108,113
2027	2.25%	55,000	51,875	106,875
2028	2.25%	55,000	50,637	105,637
2029	4.00%	55,000	49,400	104,400
2030	4.00%	60,000	47,200	107,200
2031-2035	4.00%	330,000	198,600	528,600
2036-2040	4.00%	405,000	126,600	531,600
2041-2044	4.00%	385,000	39,200	424,200
Total		\$ 1,400,000	616,625	2,016,625

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 4 - Long-term Debt, continued

Changes in Long-Term Liabilities: Changes in general long-term liability activity for the year ended April 30, 2025 was as follows:

	Balance May 1, 2024	Additions	Reductions	Balance April 30, 2025	Due Within One Year
<u>Governmental Activities:</u>					
Alternate Revenue:					
Series 2019B	\$ 1,700,000		60,000	1,640,000	60,000
Net Pension Liability	410,622		179,401	231,221	
Compensated Absences	28,272	36,654		64,926	51,280
	<u>2,138,894</u>	<u>36,654</u>	<u>239,401</u>	<u>1,936,147</u>	<u>111,280</u>
<u>Business-Type Activities:</u>					
Alternate Revenue:					
Series 2017	775,000		90,000	685,000	90,000
Series 2019A	1,450,000		50,000	1,400,000	55,000
Net Pension Liability	321,998		143,649	178,349	
Compensated Absences	22,456	25,182		47,638	35,783
	<u>2,569,454</u>	<u>25,182</u>	<u>283,649</u>	<u>2,310,987</u>	<u>180,783</u>
 Total	 <u>\$ 4,708,348</u>	 <u>61,836</u>	 <u>523,050</u>	 <u>4,247,134</u>	 <u>292,063</u>

Note 5 - Property Taxes

The City's tax levy ordinance related to the taxes collected in 2025 was adopted December 2024. Property taxes are assessed and attached as an enforceable lien on property as of January 1 of each year. Taxes normally are collected between May 1 and September 1 (the last day of payment without penalty or interest) of the following year. The DeWitt County Treasurer is responsible for collecting and disbursing the tax monies to the City.

In accordance with generally accepted accounting principles, property taxes are recognized as revenue in the budgetary year for which they are levied. Property taxes receivable are recorded as deferred revenue since they are budgeted to pay next year's expenses.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 5 - Property Taxes, continued

Property taxes receivable as of April 30, 2025, consist of the following:

	<u>2024 Tax Levy Year</u>
General Fund	\$ 116,994
Tax Increment Financing Fund II	559,444
Tax Increment Financing Fund III	234,427
Non-Major Governmental Funds	368,542
Proprietary Funds	<u>25,999</u>
Total	<u>\$ 1,305,406</u>

Note 6 - Interfund Transactions

During the course of normal operations, the City has many transactions between funds including expenses and transfers of resources primarily to provide services. Individual fund interfund receivable and payable balances at April 30, 2025 arising from these transactions follow:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 25,063	
Nonmajor Governmental Funds		1,937
Proprietary Funds:		
Garbage Fund		<u>23,126</u>
	<u>\$ 25,063</u>	<u>25,063</u>

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

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 6 - Interfund Transactions, continued

Transfers are used to provide resources from unrestricted funds revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers consist of the following transactions:

	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$ 17,000	80,221
Tax Increment Financing Fund II		5,000
Tax Increment Financing Fund III		2,000
Nonmajor governmental funds	80,221	10,000
	\$ 97,221	97,221

All of the above transfers were for administrative costs and various reclassifications.

Inter-office charges are year-end transfers into the General Fund to support the administrative duties conducted on behalf of the other funds. For the year ended April 30, 2025, inter-office charges included:

	Transfer To	Transfer From
General Fund	\$ 310,000	
Water		67,000
Sewer		48,000
Electric		195,000
	\$ 310,000	310,000

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2025

Note 7 - Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

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

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

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2025

Note 7 - Defined Benefit Pension Plan, continued

Employees Covered by Benefit Terms

At December 31, 2024, the measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	34
Inactive plan members entitled to but not yet receiving benefits	21
Active plan members	<u>21</u>
Total	<u><u>76</u></u>

Contributions

As set by statute, the City's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2024 was 11.54%. For the calendar year ended December 31, 2024, the City contributed \$149,623 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) was measured as of December 31, 2024. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The amount is included on the Statement of Net Position.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability as of December 31, 2024:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Fair Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.

Mortality Assumptions

For **non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021 were used.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2025

Note 7 - Defined Benefit Pension Plan, continued

Mortality Assumptions, continued

For **disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

For **active members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Long-Term Expected Real Rate of Return

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

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2024.

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.5%	4.35%
International equity	18.0%	5.40%
Fixed income	24.5%	5.20%
Real estate	10.5%	6.40%
Alternative investments	12.5%	4.85 - 6.25%
Cash equivalents	1.0%	3.60%

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2024. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects: 1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and 2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 7 - Defined Benefit Pension Plan, continued

Changes in Net Pension Liability/(Asset)

	Increase/ (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at December 31, 2023	\$ 7,008,231	6,275,611	732,620
Service cost	123,507		123,507
Interest on total pension liability	496,706		496,706
Differences between expected and actual experience of the total pension liability	51,169		51,169
Change of assumptions			-
Benefit payments, including refunds of employee contributions	(468,978)	(468,978)	-
Contributions – employer		149,623	(149,623)
Contributions – employee		72,618	(72,618)
Net investment income		781,188	(781,188)
Other (Net Transfer)		(8,997)	8,997

Balance at December 31, 2024	\$ 7,210,635	6,801,065	409,570

Plan fiduciary net position as a percentage of the total pension liability			94.32%
Covered valuation payroll			1,296,555
Net pension liability as a percentage of covered valuation payroll			31.59%

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

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

	Current		
	1% Lower (6.25%)	Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability/(asset)	\$ 1,166,577	409,570	(215,135)

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 7 - Defined Benefit Pension Plan, continued

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

For the year ended April 30, 2025, the City recognized pension income of \$ 10,322. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 39,116	
Changes in assumptions		3,728
Net difference between projected and actual earning on pension plan investments		<u>72,273</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>39,116</u>	<u>76,001</u>
Pension plan contributions made subsequent to the measurement date	<u>46,519</u>	
Total deferred amounts related to pension	<u>\$ 85,635</u>	<u>76,001</u>

\$ 46,519 reported as deferred outflows of resources related to pension resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the reporting year ending April 30, 2026.

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

<u>Year Ending December 31,</u>	<u>Net Deferred Inflows of Resources</u>
2025	\$ 29,292
2026	152,439
2027	(150,509)
2028	(68,107)
Thereafter	<u>-</u>
	<u>\$ (36,885)</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 7 - Defined Benefit Pension Plan, continued

Change in Net Pension Liability

	April 30, 2024	Additions	Deletions	April 30, 2025
Net pension liability - IMRF	\$ 732,620		323,050	409,570

Note 8 - Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the State of Illinois to form the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for its member municipalities.

The City pays an annual premium to IMLRMA for its general insurance coverage which includes workers' compensation, comprehensive general liability, inland marine, automobile physical damage, and property loss. Each area of coverage is subject to limitations that would be comparable to commercial insurance coverage. The agreement for formation of the IMLRMA provides that IMLRMA will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of \$ 15 million for each insured event. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

Note 9 - Legal Debt Margin

The statutory debt limit of the City is 8.625% of assessed valuation, less any applicable debt. The legal debt margin at April 30, 2025 is as follows:

Total Assessed Valuation – 2024 Tax Year	<u>\$ 25,998,765</u>
Statutory Debt Limitation:	
8.625% of Assessed Valuation	2,242,393
Less: Total Applicable Debt - None	<u> </u>
Legal Debt Margin	<u>\$ 2,242,393</u>

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 10 - Intergovernmental Receivables

Intergovernmental taxes receivable as of April 30, 2025, consist of the following:

Income tax – General Fund	\$ 77,042
Replacement tax – General Fund	5,848
Sales tax – General Fund	47,381
Excise tax – General Fund	1,462
Use tax – General Fund	2,087
Video gaming tax – General Fund	17,969
Cannabis tax – General Fund	493
Motor fuel tax – Motor Fuel Tax Fund	6,607
Business district tax – Business District Tax Fund	<u>19,933</u>
Total	<u>\$ 178,822</u>

Note 11 - Fair Value Measurements

The City has determined the fair value of its investments through application of GASB Statement No. 72 *Fair Value Measurement and Application*. Fair value measurements are categorized into one of three levels based on the lowest level of significant input:

- Level 1 – Value is based on observable inputs that reflect quoted prices in active markets, for identical assets or liabilities, for which the government has access to.
- Level 2 – Value is based on inputs that reflect quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- Level 3 – Value is based on unobservable inputs for the asset or liability.

The fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 11 - Fair Value Measurements, continued

The fair value of the City’s investments, measured on a recurring basis, are as follows at April 30, 2025:

	Fair Value Measurements at Reported Date, using:			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
IMET Convenience Fund	\$ 2,100,000	2,100,000		

Note 12 - Leases

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

Total rent received during the fiscal year ended April 30, 2025 was \$ 5,015.

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

	Principal	Implied Interest	Present Value of Lease Receivable
2026	\$ 5,166	(432)	4,734
2027	5,320	(584)	4,736
2028	5,480	(741)	4,739
Total	\$ 15,966	(1,757)	14,209

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2025

Note 13 - Deficit Fund Balance

The following funds had a deficit fund balance at April 30, 2025:

Fund	Amount
Governmental Funds	
School Crossing Guard	\$ (2,207)
Proprietary Fund	
Garbage	(8,753)

The City anticipates funding the deficits with future revenues.

Note 14 - Insurance Recoveries

In February 2022, one of the City’s public works buildings, and the contents thereof, were destroyed in a no-fault fire. During the year ended April 30, 2024, the building and other assets were replaced. During the year ended April 30, 2025, the final payment of insurance proceeds, \$ 47,284, was received for these replacements. In addition, during the year ended April 30, 2025, the City also received insurance proceeds totaling \$ 54,746 related to storm damages and a swimming pool settlement.

Note 15 - Contingencies

The City is a defendant in a legal claim. In the event that lost wages or punitive damages are awarded by the court, those would not be covered by the City’s insurance. These damages seem unlikely at this time, with legal counsel estimating less than a thirty percent chance of an unfavorable outcome.

Note 16 - Availability Payment Arrangement

In March 2024, the City Council approved a Redevelopment Agreement between the City of Farmer City and Tabelaing Development Company, LLC (Developer) to create a total of approximately 17 acres of buildable lots, build, manage, and own a 16-unit apartment complex, construct a commercial retail center, and construct approximately 300 feet of east west road. Developer reimbursements or payments it is to receive under this Agreement shall be contingent on the number of units it has completed. Reimbursement amounts will be capped at \$ 60,000 each year for the first five years for the apartment complex and \$ 30,000 each year for the first five years for the commercial retail center. After that, reimbursement amounts shall be up to 75% of tax increment available, until all eligible redevelopment project costs are fully reimbursed. The total eligible redevelopment project costs combined shall be capped at \$ 1,500,000, or upon the end of tax year 2042, whichever occurs first.

CITY OF FARMER CITY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2025

Note 17 - Restatement for Change in Accounting Principle

Net Position as of May 1, 2024 has been restated as follows to implement GASB Statement No. 101, *Compensated Absences*:

	Governmental Activities	Electric Light Plant and System Fund	Water Fund	Sewer Fund
Net position as previously reported at May 1, 2024	\$ 6,391,753	2,950,530	723,451	591,601
Adoption of GASB Statement No. 101	(34,225)	(24,498)	(4,393)	(3,312)
Net position as restated, May 1, 2024	<u>\$ 6,357,528</u>	<u>2,926,032</u>	<u>719,058</u>	<u>588,289</u>

Note 18 - Subsequent Events

No events have occurred subsequent to April 30, 2025 that are required to be disclosed in these financial statements. This evaluation was made as of October 15, 2025, the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FARMER CITY, ILLINOIS

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Calendar Years**

	2024	2023	2022
Total pension liability:			
Service cost	123,507	130,950	124,028
Interest on the total pension liability	496,706	483,855	473,171
Changes in benefit terms			
Differences between expected and actual experience on the total pension liability	51,169	19,210	(43,057)
Changes in assumptions		(12,566)	
Benefit payments, including refunds of employee contributions	(468,978)	(422,013)	(411,534)
Net change in total pension liability	202,404	199,436	142,608
Total pension liability - beginning	7,008,231	6,808,795	6,666,187
Total pension liability - ending (a)	7,210,635	7,008,231	6,808,795
Plan fiduciary net position:			
Employer contributions	149,623	158,039	160,576
Employee contributions	72,618	71,538	64,606
Net investment income	781,188	815,196	(960,814)
Benefit payments, including refunds of member contributions	(468,978)	(422,013)	(411,534)
Other (net transfer)	(8,997)	(4,067)	139,319
Net change in plan fiduciary net position	525,454	618,693	(1,007,847)
Plan fiduciary net position - beginning	6,275,611	5,656,918	6,664,765
Plan fiduciary net position - ending (b)	6,801,065	6,275,611	5,656,918
Employer's net pension liability (a) - (b)	409,570	732,620	1,151,877
Plan fiduciary net position as a percentage of the total pension liability	94.32%	89.55%	83.08%
Covered-employee payroll	1,296,555	1,325,853	1,222,043
Employer's net pension liability as a percentage of covered-employee payroll	31.59%	55.26%	94.26%

2021	2020	2019	2018	2017	2016	2015
109,917	119,439	104,933	99,756	101,415	102,665	100,734
463,773	443,728	430,563	407,218	393,962	363,424	342,811
(47,521)	138,498 (11,084)	(506)	121,648 154,434	70,887 (151,093)	133,614 (24,681)	(5,279)
(403,783)	(414,891)	(306,436)	(246,388)	(228,791)	(157,624)	(168,232)
122,386	275,690	228,554	536,668	186,380	417,398	270,034
6,543,801	6,268,111	6,039,557	5,502,889	5,316,509	4,899,111	4,629,077
6,666,187	6,543,801	6,268,111	6,039,557	5,502,889	5,316,509	4,899,111
167,848	174,720	152,903	194,628	147,314	139,281	133,376
54,632	55,370	46,839	43,195	42,177	42,859	39,590
1,057,888	751,196	847,715	(230,954)	654,289	262,995	19,137
(403,783)	(414,891)	(306,436)	(246,388)	(228,791)	(157,624)	(168,232)
(242,650)	143,046	15,909	162,695	(12,682)	15,304	(112,719)
633,935	709,441	756,930	(76,824)	602,307	302,815	(88,848)
6,030,830	5,321,389	4,564,459	4,641,283	4,038,976	3,736,161	3,825,009
6,664,765	6,030,830	5,321,389	4,564,459	4,641,283	4,038,976	3,736,161
1,422	512,971	946,722	1,475,098	861,606	1,277,533	1,162,950
99.98%	92.16%	84.90%	75.58%	84.34%	75.97%	76.26%
1,201,498	1,092,682	1,040,868	959,900	937,264	938,554	879,782
0.12%	46.95%	90.96%	153.67%	91.93%	136.12%	132.19%

**NOTES TO SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
Year ended April 30, 2025**

Most Recent Calendar Year

This schedule is presented to illustrate the requirement to show information for 10 consecutive years.

Changes in Assumptions:

- | | |
|------|---|
| 2015 | Changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015 |
| 2016 | Changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016. |
| 2017 | Changes are primarily from adopting an IMRF specific mortality table with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables. |
| 2018 | Assumed investment rate of return was lowered from 7.50% to 7.25%. |
| 2019 | No changes. |
| 2020 | Changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members. |
| 2021 | No changes. |
| 2022 | No changes. |
| 2023 | Changes are primarily from adopting an IMRF specific mortality table with fully generational projection scale MP-2021. |
| 2024 | No changes. |

CITY OF FARMER CITY, ILLINOIS

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Calendar Years**

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 133,375	133,376	(1)	879,782	15.16%
2016	139,281	139,281	-	938,554	14.84%
2017	140,402	147,314	(6,912)	937,261	15.72%
2018	156,464	194,628	(38,164)	959,900	20.28%
2019	152,904	152,903	1	1,040,868	14.69%
2020	174,720	174,720	-	1,092,682	15.99%
2021	167,849	167,848	1	1,201,498	13.97%
2022	160,576	160,577	(1)	1,222,043	13.14%
2023	158,970	158,038	932	1,325,853	11.92%
2024	149,622 *	149,623	(1)	1,296,555	11.54%

* Estimated based on contribution rate of 11.54% and covered valuation payroll of \$1,296,555.

CITY OF FARMER CITY, ILLINOIS

**ILLINOIS MUNICIPAL RETIREMENT FUND
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
Year ended April 30, 2025**

Valuation Date

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

Methods and assumptions used to determine 2024 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 19-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years; and one employer was financed over 25 years).
Asset valuation method	5-Year smoothed market, 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.75% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other information	There were no benefit changes during the year.

CITY OF FARMER CITY, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND (Unaudited)
Year ended April 30, 2025**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Over (Under) Budget
Cash receipts:			
Property tax	\$ 122,500	124,567	2,067
Income tax	300,000	317,714	17,714
Replacement tax	45,000	29,446	(15,554)
Sales tax	198,000	272,192	74,192
Excise tax	9,000	9,047	47
Use tax	69,000	61,165	(7,835)
Video gaming tax	87,500	92,858	5,358
Cannabis tax	2,800	2,872	72
Fines, fees, permits and licenses	59,400	60,388	988
Grants	119,029	83,500	(35,529)
Interest	92,000	109,812	17,812
Miscellaneous	114,115	25,661	(88,454)
Total cash receipts	1,218,344	1,189,222	(29,122)
Cash disbursements:			
General government	737,500	559,666	(177,834)
Public safety	685,000	538,852	(146,148)
Streets and alleys	335,000	267,274	(67,726)
Recreation	370,000	201,454	(168,546)
Capital outlay	260,000	129,518	(130,482)
Total cash disbursements	2,387,500	1,696,764	(690,736)
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(1,169,156)</u>	<u>(507,542)</u>	<u>661,614</u>
Other financing sources (uses):			
Inter-office charges	272,000	310,000	38,000
Proceeds from disposal of asset		5,010	5,010
Insurance proceeds		102,030	102,030
Transfer in	17,000	17,000	-
Transfer out		(80,221)	(80,221)
Total other financing sources (uses)	289,000	353,819	64,819
Net change in fund balance	<u>\$ (880,156)</u>	<u>(153,723)</u>	<u>726,433</u>
Fund balance (budgetary basis), beginning of year		<u>983,352</u>	
Fund balance (budgetary basis), end of year		<u><u>829,629</u></u>	

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF BUDGETARY BASIS CASH RECEIPTS AND CASH
DISBURSEMENTS TO GAAP REVENUES AND EXPENSES - GENERAL FUND
Year ended April 30, 2025**

Total cash receipt sources for general fund activities	\$ 1,189,222
Differences - Budget to GAAP:	
Receivables are not recorded as budgetary cash receipts or other sources, but are revenue for financial reporting purposes:	
Intergovernmental tax receivable	<u>6,420</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>1,195,642</u>
Total cash disbursements for general fund activities	1,696,764
Differences - Budget to GAAP:	
Accruals are not recorded as budgetary cash disbursements or other financing uses, but are expenses for financial reporting purposes:	
Accounts payable	(21,764)
Accrued expenses	<u>(2,960)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 1,672,040</u>

CITY OF FARMER CITY, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
TIF II FUND (Unaudited)
Year ended April 30, 2025**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Over (Under) Budget
Cash receipts:			
Property tax	\$ 410,000	470,354	60,354
Interest	3,000	10,631	7,631
	<hr/>		
Total cash receipts	413,000	480,985	67,985
<hr/>			
Cash disbursements:			
Public works	175,000	42,703	(132,297)
Capital outlay	600,000	32,718	(567,282)
Debt service - principal	60,475	60,000	(475)
Debt service - interest	89,525	64,670	(24,855)
	<hr/>		
Total cash disbursements	925,000	200,091	(724,909)
<hr/>			
Excess (deficiency) of cash receipts over (under) cash disbursements	(512,000)	280,894	792,894
<hr/>			
Other financing sources (uses):			
Transfers out		(5,000)	(5,000)
	<hr/>		
Total other financing sources (uses)	-	(5,000)	(5,000)
<hr/>			
Net change in fund balance	<u>\$ (512,000)</u>	275,894	<u>787,894</u>
Fund balance (budgetary basis), beginning of year		<u>159,741</u>	
Fund balance (budgetary basis), end of year		<u><u>435,635</u></u>	

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF BUDGETARY BASIS CASH RECEIPTS AND CASH DISBURSEMENTS
TO GAAP REVENUES AND EXPENSES - TIF II FUND**

Year ended April 30, 2025

Total cash receipt sources for TIF II activities	\$ 480,985
Differences - Budget to GAAP:	
Receivables are not recorded as budgetary cash receipts or other sources, but are revenue for financial reporting purposes:	
Other receivables	<u>5</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>480,990</u></u>
Total cash disbursements for TIF II activities	200,091
Differences - Budget to GAAP:	
Accruals are not recorded as budgetary cash disbursements or other financing uses, but are expenses for financial reporting purposes:	
Accounts payable	<u>4,931</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 205,022</u></u>

CITY OF FARMER CITY, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
TIF III FUND (Unaudited)
Year ended April 30, 2025**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Over (Under) Budget
Cash receipts:			
Property tax	\$ 91,000	147,542	56,542
Interest	900	3,740	2,840
Total cash receipts	<u>91,900</u>	<u>151,282</u>	<u>59,382</u>
Cash disbursements:			
Public works	30,000	32,410	2,410
Capital outlay	200,000	37,378	(162,622)
Total cash disbursements	<u>230,000</u>	<u>69,788</u>	<u>(160,212)</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(138,100)</u>	81,494	219,594
Other financing sources (uses):			
Transfers out		(2,000)	(2,000)
Total other financing sources (uses)	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Net change in fund balance	<u>\$ (138,100)</u>	79,494	<u>217,594</u>
Fund balance (budgetary basis), beginning of year		<u>88,991</u>	
Fund balance (budgetary basis), end of year		<u><u>168,485</u></u>	

CITY OF FARMER CITY, ILLINOIS

**RECONCILIATION OF BUDGETARY BASIS CASH RECEIPTS AND CASH DISBURSEMENTS
TO GAAP REVENUES AND EXPENSES - TIF III FUND**

Year ended April 30, 2025

Total cash receipt sources for TIF III activities	\$ 151,282
Differences - Budget to GAAP:	
None	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>151,282</u>
Total cash disbursements for TIF III activities	69,788
Differences - Budget to GAAP:	
Accruals are not recorded as budgetary cash disbursements or other financing uses, but are expenses for financial reporting purposes:	
Accounts payable	<u>(1,292)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 68,496</u>

CITY OF FARMER CITY, ILLINOIS

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

Year ended April 30, 2025

	General Fund	Tax Increment Financing Fund II	Tax Increment Financing Fund III	Non-Major Governmental Funds	Total
Fund balance - Budgetary basis	\$ 829,629	435,635	168,485	1,398,390	2,832,139
Add back:					
Intergovernmental receivables	152,282			26,540	178,822
Other receivables		327			327
Prepaid expenses	167			55,338	55,505
Less:					
Accounts payable	(11,392)	(6,832)	(1,245)		(19,469)
Accrued expenses	(15,910)			(3,062)	(18,972)
Fund balance - GAAP basis	\$ 954,776	429,130	167,240	1,477,206	3,028,352

CITY OF FARMER CITY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year ended April 30, 2025

Note A - Budget Policy and Practice

The City operates under an Annual Appropriation Ordinance that sets a limit on what may be spent during the fiscal year. The City staff also develops an annual budget in greater detail than the appropriation ordinance. This budget is based on the City's goals of what programs are to be funded, capital projects and purchases desired, levels of taxation, types and amounts of user fees, estimates of state revenues, historical operating expenses and desired cash reserves and fund balance. The appropriation is based on the budget. The appropriation ordinance must be adopted by majority vote of the City Council before the end of the first quarter of the fiscal year. The City staff uses this budget to guide operations during the fiscal year. The Annual Appropriation Ordinance was passed and approved by the City Council on June 3, 2024. No amendments were made.

All budgets are adopted on the cash basis of accounting, which is an accounting framework other than those generally accepted in the United States of America (U.S. GAAP). The budgetary cash basis reports revenues (receipts) upon receipt of cash and expenditures (disbursements) when cash is paid.

Note B - Expenditures in Excess of Budget

None of the major funds had disbursements in excess of budgeted amounts for the fiscal year ended April 30, 2025.

SUPPLEMENTARY INFORMATION

CITY OF FARMER CITY, ILLINOIS

**COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS
April 30, 2025**

	Special Revenue Funds				
	Library Fund	ESDA Fund	Insurance Fund	Social Security Fund	School Crossing Guard Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 46,179	5,054	143,202	99,719	
Investments			170,000		
Property tax receivable	38,998	673	52,603	56,360	5,200
Intergovernmental tax receivable					
Prepaid expenses			55,338		
Total Assets	85,177	5,727	421,143	156,079	5,200
<u>Liabilities</u>					
Accrued expenses	718			869	270
Due to other funds					1,937
Total Liabilities	718	-	-	869	2,207
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - property taxes	38,998	673	52,603	56,360	5,200
<u>Fund Balances</u>					
Nonspendable			55,338		
Restricted for:					
Insurance			313,202		
Motor fuel tax					
Hotel-motel tax					
Business district tax					
ESDA		5,054			
Audit					
Social security				98,850	
IMRF					
Library	45,461				
Committed:					
Public safety					
Unassigned					(2,207)
Total Fund Balances (Deficit)	45,461	5,054	368,540	98,850	(2,207)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 85,177	5,727	421,143	156,079	5,200

Special Revenue Funds						
Illinois Municipal Retirement Fund	Audit Fund	Hotel- Motel Tax Fund	Business District Tax Fund	Motor Fuel Tax Fund	DUI Fund	Total
120,115	43,199	15,715	183,183	323,117	15,844	995,327
195,000	40,000					405,000
174,449	40,259					368,542
			19,933	6,607		26,540
						55,338
489,564	123,458	15,715	203,116	329,724	15,844	1,850,747
1,205						3,062
						1,937
1,205	-	-	-	-	-	4,999
174,449	40,259					368,542
						55,338
						313,202
				329,724		329,724
		15,715				15,715
			203,116			203,116
						5,054
	83,199					83,199
						98,850
313,910						313,910
						45,461
					15,844	15,844
						(2,207)
313,910	83,199	15,715	203,116	329,724	15,844	1,477,206
489,564	123,458	15,715	203,116	329,724	15,844	1,850,747

CITY OF FARMER CITY, ILLINOIS

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

Year ended April 30, 2025

	Special Revenue Funds				
	Library Fund	ESDA Fund	Insurance Fund	Social Security Fund	School Crossing Guard Fund
Revenues:					
Property taxes	\$ 36,084	616	49,204	61,502	4,811
Motor fuel taxes					
Other taxes					
Fines, fees, permits & licenses	757				
Grants					
Operating	20,330				
Donations	9,140				
Other income	7,545				
Interest	933		7,741	1,090	4
Total revenues	<u>74,789</u>	<u>616</u>	<u>56,945</u>	<u>62,592</u>	<u>4,815</u>
Expenditures:					
Current:					
General government			127,356	64,580	
Public safety		984			4,550
Public works					
Streets and alleys					
Culture and recreation	88,867				
Capital outlay					
Total expenditures	<u>88,867</u>	<u>984</u>	<u>127,356</u>	<u>64,580</u>	<u>4,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,078)</u>	<u>(368)</u>	<u>(70,411)</u>	<u>(1,988)</u>	<u>265</u>
Other financing sources (uses):					
Transfer in		28,302			
Transfers out					
Total financing sources (uses)	<u>-</u>	<u>28,302</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(14,078)	27,934	(70,411)	(1,988)	265
Fund balances (deficit), beginning	<u>59,539</u>	<u>(22,880)</u>	<u>438,951</u>	<u>100,838</u>	<u>(2,472)</u>
Fund balances (deficit), ending	<u>\$ 45,461</u>	<u>5,054</u>	<u>368,540</u>	<u>98,850</u>	<u>(2,207)</u>

Special Revenue Funds						
Illinois Municipal Retirement Fund	Audit Fund	Hotel- Motel Tax Fund	Business District Tax Fund	Motor Fuel Tax Fund	DUI Fund	Total
160,153	39,363					351,733
				82,623		82,623
		11,674	121,214			132,888
					4,700	5,457
						20,330
						9,140
					368	7,913
7,757	2,181	19	7,036	13,877	139	40,777
167,910	41,544	11,693	128,250	96,500	5,207	650,861
87,446	28,000					307,382
					2,058	7,592
		15,756	39,118			54,874
				35,950		35,950
						88,867
			49,426	31,234		80,660
87,446	28,000	15,756	88,544	67,184	2,058	575,325
80,464	13,544	(4,063)	39,706	29,316	3,149	75,536
		51,274	645			80,221
			(10,000)			(10,000)
-	-	51,274	(9,355)	-	-	70,221
80,464	13,544	47,211	30,351	29,316	3,149	145,757
233,446	69,655	(31,496)	172,765	300,408	12,695	1,331,449
313,910	83,199	15,715	203,116	329,724	15,844	1,477,206

OTHER INFORMATION

CITY OF FARMER CITY, ILLINOIS

**SCHEDULES OF ASSESSED VALUATIONS, RATES, AND EXTENSIONS - Unaudited
TAX YEARS 2021 THROUGH 2024**

TAX YEAR	2024	2023	2022	2021
Rate Setting Assessed Valuation	\$ 25,998,765	24,364,015	23,562,710	22,589,338
Increment Valuation (for TIF)	\$ 8,364,588	6,476,390	5,209,730	4,546,139
Tax Rates:				
General				
Corporate	0.25000	0.25000	0.25000	0.25000
Police protection	0.07500	0.07500	0.07500	0.07500
Parks	0.07500	0.07500	0.07500	0.07500
Street lighting	0.05000	0.05000	0.05000	0.05000
Total General	0.45000	0.45000	0.45000	0.45000
Sewer	0.10000	0.10000	0.10000	0.10000
Social security and Illinois Municipal Retirement Fund	0.88777	0.92141	0.90838	0.90877
Library	0.15000	0.15000	0.15000	0.15000
Civil defense	0.00259	0.00256	0.00252	0.00253
Liability insurance	0.20233	0.20454	0.21150	0.21205
School crossing guard	0.02000	0.02000	0.02000	0.02000
Audit	0.15485	0.16363	0.16114	0.15147
Total	1.96754	2.01214	2.00354	1.99482
Tax Extensions:				
General				
Corporate	\$ 64,997	60,910	58,907	56,473
Police protection	19,499	18,273	17,673	16,942
Parks	19,499	18,273	17,673	16,942
Street lighting	13,000	12,182	11,781	11,295
Total General	116,995	109,638	106,034	101,652
Sewer	25,999	24,364	23,562	22,589
Social security and Illinois Municipal Retirement Fund	230,809	224,492	214,039	205,285
Library	38,998	36,546	35,344	33,884
Civil defense	673	624	594	572
Liability insurance	52,603	49,834	49,835	47,901
School crossing guard	5,200	4,873	4,712	4,518
Audit	40,259	39,867	37,969	34,216
Total	\$ 511,536	490,238	472,089	450,617

CITY OF FARMER CITY, ILLINOIS

**SCHEDULES OF PROPERTY TAX COLLECTIONS - Unaudited
TAX YEARS 2020 THROUGH 2023**

TAX YEAR	2023	2022	2021	2020
Tax Collections (including Roads & Bridges and Mobile Home Privilege Tax):				
General:				
Corporate	\$ 60,141	58,824	56,544	57,037
Police protection	18,042	17,646	16,963	17,110
Parks	18,042	17,646	16,963	17,110
Roads & bridges	16,314	16,592	15,998	16,300
Street lighting	12,028	11,765	11,309	11,407
Total General	124,567	122,473	117,777	118,964
Sewer	24,056	23,529	22,618	22,814
Social security and Illinois Municipal Retirement Fund	221,655	213,734	205,542	190,115
Library	36,084	35,294	33,927	34,222
Civil defense	616	593	572	575
Liability insurance	49,204	49,764	47,961	52,685
School crossing guard	4,811	4,706	4,524	4,563
Audit	39,363	37,914	34,259	27,489
Tax increment financing fund II	470,354	411,652	381,212	374,293
Tax increment financing fund III	147,542	91,361	61,563	63,806
Total Tax Collected	1,118,252	991,020	909,955	889,526
Less: Non-levied taxes included above:				
Tax increment financing fund II	470,354	411,652	381,212	374,293
Tax increment financing fund III	147,542	91,361	61,563	63,806
Roads & bridges	16,314	16,592	15,998	16,300
Total non-levied taxes	634,210	519,605	458,773	454,399
Net Levied Tax Collected	\$ 484,042	471,415	451,182	435,127
Percentage of Extension Collected	100%	100%	100%	100%