

City of LeRoy, Illinois
Annual Financial Report
For the Fiscal Year Ended April 30, 2018

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Independent Auditor's Report

The Honorable Mayor and City Council
City of LeRoy, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of LeRoy, Illinois ("City"), as of and for the year ended April 30, 2018, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the Illinois Municipal Retirement Fund – Schedule of Changes in the City's Net Pension Liability and Related Ratios; the Illinois Municipal Retirement Fund – Schedule of Employer Contributions; and budgetary comparison information on pages 47 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2018 on our consideration of the City of LeRoy's internal control over financial reporting and on our test of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of LeRoy's internal control over financial reporting and compliance.

Striegel Knobloch & Company LLC

Bloomington, Illinois
October 26, 2018

City of LeRoy, Illinois

Statement of Net Position

For the Year Ended April 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash (Notes 1 and 5)	\$ 2,252,469	\$ 1,220,100	\$ 3,472,569
Investments (Notes 1 and 5)	6,212	-	6,212
Receivables, net:			
Property tax	525,225	-	525,225
Other taxes	306,529	-	306,529
Accounts	-	204,731	204,731
Prepaid expenses	33,516	22,624	56,140
Interfund balances	2,985	(2,985)	-
Intergovernmental balances	506,454	-	506,454
Note receivable	8,997	-	8,997
Capital assets (net) (Notes 1 and 2):			
Land	385,310	10,000	395,310
Other capital assets, less accumulated depreciation	<u>6,728,460</u>	<u>5,547,907</u>	<u>12,276,367</u>
Total assets	<u>10,756,157</u>	<u>7,002,377</u>	<u>17,758,534</u>
Deferred Outflows of Resources			
Deferred outflows related to pension obligations (Note 7)	<u>200,553</u>	<u>68,572</u>	<u>269,125</u>
Total assets and deferred outflows of resources	<u>\$ 10,956,710</u>	<u>\$ 7,070,949</u>	<u>\$ 18,027,659</u>

-Continued-

City of LeRoy, Illinois

Statement of Net Position – Continued

For the Year Ended April 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Liabilities			
Accounts payable	\$ 66,531	\$ 204,133	\$ 270,664
Accrued expenses	140,398	82,608	223,006
IMRF pension liability (Note 7)	(3,112)	(1,067)	(4,179)
Bonds payable (Note 3)			
Due within one year	275,000	195,000	470,000
Due in more than one year	2,535,000	2,130,000	4,665,000
Long-term liabilities (Note 3)			
Due within one year	34,398	8,905	43,303
Due in more than one year	<u>238,678</u>	<u>67,490</u>	<u>306,168</u>
 Total liabilities	 <u>3,286,893</u>	 <u>2,687,069</u>	 <u>5,973,962</u>
Deferred Inflows of Resources			
Deferred property tax	525,225	-	525,225
Deferred inflows related to pension obligations (Note 7)	<u>341,302</u>	<u>116,699</u>	<u>458,001</u>
 Total deferred inflows of resources	 <u>866,527</u>	 <u>116,699</u>	 <u>983,226</u>
Net Position			
Invested in capital assets, net of related debt	4,030,694	3,156,512	7,187,206
Restricted for:			
TIF district	353,031	-	353,031
Motor fuel tax	42,455	-	42,455
Capital projects	1,169,412	-	1,169,412
Debt service	120,810	-	120,810
Community projects	62,408	-	62,408
Tourism	210,734	-	210,734
Unrestricted	<u>813,746</u>	<u>1,110,669</u>	<u>1,924,415</u>
 Total net position	 <u>6,803,290</u>	 <u>4,267,181</u>	 <u>11,070,471</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 10,956,710</u>	 <u>\$ 7,070,949</u>	 <u>\$ 18,027,659</u>

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

Statement of Activities

For the Year Ended April 30, 2018

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenue</u>	
			<u>Fines, Fees, Licenses, and Permits</u>	<u>Operating Grants and Contributions</u>
Governmental activities:				
Administration	\$ 182,314	\$ -	\$ 18,411	\$ -
Streets	777,736	-	-	-
Parks	194,032	-	-	-
Zoning and building	47,460	-	-	-
Police	730,012	-	29,101	3,973
ESDA	6,388	-	-	-
Economic development	154,333	-	-	-
Public works	3,213	-	-	-
Animal control	50	-	-	-
Community property	13,675	-	-	-
Tourism	21,380	-	-	-
Interest on long-term debt	<u>91,604</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total governmental activities	 <u>2,222,197</u>	 <u>-</u>	 <u>47,512</u>	 <u>3,973</u>
Business-type activities:				
Water	1,048,078	801,550	-	-
Sewer	959,064	796,420	-	-
Refuse	<u>367,023</u>	<u>512,491</u>	<u>-</u>	<u>-</u>
 Total business-type activities	 <u>2,374,165</u>	 <u>2,110,461</u>	 <u>-</u>	 <u>-</u>
 Total primary government	 <u>\$ 4,596,362</u>	 <u>\$ 2,110,461</u>	 <u>\$ 47,512</u>	 <u>\$ 3,973</u>

City of LeRoy, Illinois

Statement of Activities – Continued

For the Year Ended April 30, 2018

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental activities:			
Administrative	\$ (163,903)	\$ -	\$ (163,903)
Streets	(777,736)	-	(777,736)
Parks	(194,032)	-	(194,032)
Zoning and building	(47,460)	-	(47,460)
Police	(696,938)	-	(696,938)
ESDA	(6,388)	-	(6,388)
Economic development	(154,333)	-	(154,333)
Public works	(3,213)	-	(3,213)
Animal control	(50)	-	(50)
Community property	(13,675)	-	(13,675)
Tourism	(21,380)	-	(21,380)
Interest on long-term debt	<u>(91,604)</u>	<u>-</u>	<u>(91,604)</u>
Total governmental activities	<u>(2,170,712)</u>	<u>-</u>	<u>(2,170,712)</u>
Business-type activities:			
Water	-	(246,528)	(246,528)
Sewer	-	(162,644)	(162,644)
Refuse	<u>-</u>	<u>145,468</u>	<u>145,468</u>
Total business-type activities	<u>-</u>	<u>(263,704)</u>	<u>(263,704)</u>
Total primary government	<u>(2,170,712)</u>	<u>(263,704)</u>	<u>(2,434,416)</u>

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City of LeRoy, Illinois

Statement of Activities – Continued

For the Year Ended April 30, 2018

	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General revenues:			
Taxes:			
Property	\$ 519,695	\$ -	\$ 519,695
Sales	502,201	-	502,201
Income	321,818	-	321,818
Use	93,640	-	93,640
Replacement	13,064	-	13,064
Motor fuel	90,897	-	90,897
Excise	10,753	-	10,753
Utility	156,285	-	156,285
Video gaming	67,967	-	67,967
Hotel/motel	113,246	-	113,246
Franchise	34,327	-	34,327
Interest	12,160	4,083	16,243
Other	19,148	-	19,148
Gain on sale	-	-	-
Interfund transfers	(533,997)	533,997	-
Total general revenues and transfers	1,421,204	538,080	1,959,284
Change in net position	(749,508)	274,376	(475,132)
Net position, beginning	7,552,798	3,992,805	11,545,603
Net position, ending	\$ 6,803,290	\$ 4,267,181	\$ 11,070,471

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

Balance Sheet – Governmental Funds

April 30, 2018

	General Fund	First Tax Increment Financing Redevelopment District Fund	2016A GO (ARS) Bond Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
Assets						
Cash (Notes 1 and 5)	\$ 482,045	\$ 353,031	\$ -	\$ 1,091,074	\$ 326,319	\$ 2,252,469
Investments (Notes 1 and 5)	6,212	-	-	-	-	6,212
Receivables, net:						
Property taxes (Note 6)	525,225	-	-	-	-	525,225
Other taxes	97,466	-	141,447	-	67,616	306,529
Prepaid expenses	33,516	-	-	-	-	33,516
Due from other funds (Note 8)	<u>23,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,622</u>
Total assets	<u>\$ 1,168,086</u>	<u>\$ 353,031</u>	<u>\$ 141,447</u>	<u>\$ 1,091,074</u>	<u>\$ 393,935</u>	<u>\$ 3,147,573</u>
Liabilities						
Accounts payable	\$ 66,531	\$ -	\$ -	\$ -	\$ -	\$ 66,531
Accrued expenses	108,134	-	-	-	-	108,134
Due to other funds (Note 8)	<u>-</u>	<u>-</u>	<u>20,637</u>	<u>-</u>	<u>-</u>	<u>20,637</u>
Total liabilities	<u>174,665</u>	<u>-</u>	<u>20,637</u>	<u>-</u>	<u>-</u>	<u>195,302</u>
Deferred Inflows of Resources						
Deferred property taxes	<u>525,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,225</u>
Fund Balances						
Restricted for:						
TIF district	-	353,031	-	-	-	353,031
Motor fuel tax	-	-	-	-	42,455	42,455
Debt service	-	-	120,810	-	-	120,810
Committed:						
Capital expenditures	-	-	-	-	78,338	78,338
Assigned:						
Economic development	-	-	-	-	62,408	62,408
Capital projects	-	-	-	1,091,074	-	1,091,074
Tourism	-	-	-	-	210,734	210,734
Unassigned	<u>468,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>468,196</u>
Total fund balances (deficits)	<u>468,196</u>	<u>353,031</u>	<u>120,810</u>	<u>1,091,074</u>	<u>393,935</u>	<u>2,427,046</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,168,086</u>	<u>\$ 353,031</u>	<u>\$ 141,447</u>	<u>\$ 1,091,074</u>	<u>\$ 393,935</u>	<u>\$ 3,147,573</u>

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

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

April 30, 2018

Fund balances of governmental funds	\$ 2,427,046
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not reported in the fund financial statements because they are not current financial resources, but they are reported in the statement of net position.	7,113,770
Other assets not available to defray the cost of current expenses are not reported in the fund financial statements.	515,451
Certain liabilities (such as bonds payable, capital leases, net IMRF pension obligations, and accrued expenses) are not reported in the fund financial statements because they are not due and payable, but they are presented in the statement of net position.	<u>(3,252,977)</u>
Net position of governmental activities	\$ <u>6,803,290</u>

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

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

For the Year Ended April 30, 2018

	General Fund	First Tax Increment Financing Redevelopment District Fund	2016A GO (ARS) Bond Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 519,695	\$ -	\$ -	\$ -	\$ -	\$ 519,695
Sales tax	363,008	-	139,193	-	-	502,201
Income tax	65,436	-	256,382	-	-	321,818
Use tax	93,640	-	-	-	-	93,640
Replacement tax	13,064	-	-	-	-	13,064
Motor fuel tax	-	-	-	-	90,897	90,897
Excise tax	10,753	-	-	-	-	10,753
Utility taxes	156,285	-	-	-	-	156,285
Video gaming tax	67,967	-	-	-	-	67,967
Licenses and permits	18,411	-	-	-	-	18,411
Fines	29,101	-	-	-	-	29,101
Interest	3,577	-	-	6,760	1,823	12,160
Grants	3,973	-	-	-	-	3,973
Other taxes	-	-	-	-	113,246	113,246
Other	53,475	-	-	-	6,959	60,434
Total revenues	1,398,385	-	395,575	6,760	212,925	2,013,645
Expenditures:						
Administration	222,262	-	500	-	1,000	223,762
Streets	502,990	-	-	-	108,051	611,041
Parks	59,376	-	-	-	-	59,376
Zoning and building	47,460	-	-	-	-	47,460
Police	667,019	-	-	-	-	667,019
ESDA	5,271	-	-	-	-	5,271
Economic development	-	154,333	-	-	-	154,333
Tourism	-	-	-	-	21,380	21,380
Community property	49,130	-	-	-	-	49,130
Animal control	50	-	-	-	-	50
Debt service:						
Principal	43,134	-	25,000	-	240,000	308,134
Interest	5,033	-	74,875	-	12,430	92,338
Capital outlay	13,715	-	-	-	-	13,715
Total expenditures	1,615,440	154,333	100,375	-	382,861	2,253,009
Excess (deficiency) of revenues over expenditures	<u>(217,055)</u>	<u>(154,333)</u>	<u>295,200</u>	<u>6,760</u>	<u>(169,936)</u>	<u>(239,364)</u>

-Continued-

City of LeRoy, Illinois

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

For the Year Ended April 30, 2018

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>2016A GO (ARS) Bond Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):						
Bond proceeds	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ 275,000
Transfer in	11,775	-	-	-	219,390	231,165
Transfer out	<u>-</u>	<u>-</u>	<u>(174,390)</u>	<u>(542,772)</u>	<u>(48,000)</u>	<u>(765,162)</u>
Total other financing sources (uses)	<u>286,775</u>	<u>-</u>	<u>(174,390)</u>	<u>(542,772)</u>	<u>171,390</u>	<u>(258,997)</u>
Net change in fund balances	69,720	(154,333)	120,810	(536,012)	1,454	(498,361)
Fund balances, beginning, as restated (Note 13)	<u>398,476</u>	<u>507,364</u>	<u>-</u>	<u>1,627,086</u>	<u>392,481</u>	<u>2,925,407</u>
Fund balances, ending	<u>\$ 468,196</u>	<u>\$ 353,031</u>	<u>\$ 120,810</u>	<u>\$ 1,091,074</u>	<u>\$ 393,935</u>	<u>\$ 2,427,046</u>

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

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

For the Year Ended April 30, 2018

Net change in fund balances – total governmental funds	\$ (498,361)
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 (\$409,379) for the year is more than capital outlays (\$85,552) reported in the general fund.	(323,827)
Net change in IMRF pension obligations is an expense on the statement of activities. However, it does not use financial resources and is not an expenditure on the statement of revenues, expenditures and changes in fund balance.	45,771
Advances and repayments of the notes receivable are included in the governmental fund; however, this activity only changes the notes receivable in the statement of net position.	(6,959)
Repayment of bond principal is an expenditure in the governmental fund; however, the repayment reduces long-term liabilities in the statement of net position.	308,134
Proceeds from bonds is an other financing source in the government fund; however, the proceeds increase long-term liabilities in the statement of net position.	(275,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.	<u>734</u>
Change in net position of governmental activities	\$ <u>(749,508)</u>

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

Statement of Net Position – Proprietary Funds

April 30, 2018

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Disposal Fund</u>	<u>Total</u>
Assets				
Current assets:				
Cash (Note 5)	\$ 266,898	\$ 598,879	\$ 354,323	\$ 1,220,100
Receivables, net:				
Customer accounts	66,238	84,121	54,372	204,731
Prepaid expenses	<u>9,555</u>	<u>9,223</u>	<u>3,846</u>	<u>22,624</u>
Total current assets	<u>342,691</u>	<u>692,223</u>	<u>412,541</u>	<u>1,447,455</u>
Capital assets:				
Land (Note 2)	-	10,000	-	10,000
Depreciable capital assets (Note 2)	4,671,816	7,606,742	1,097,459	13,376,017
Less: accumulated depreciation (Note 2)	<u>(2,970,959)</u>	<u>(4,685,886)</u>	<u>(171,265)</u>	<u>(7,828,110)</u>
Total capital assets	<u>1,700,857</u>	<u>2,930,856</u>	<u>926,194</u>	<u>5,557,907</u>
Total assets	<u>2,043,548</u>	<u>3,623,079</u>	<u>1,338,735</u>	<u>7,005,362</u>
Deferred Outflows of Resources				
Deferred outflows related to pension obligations	<u>28,796</u>	<u>27,908</u>	<u>11,868</u>	<u>68,572</u>
Total assets and deferred outflows of resources	<u>\$ 2,072,344</u>	<u>\$ 3,650,987</u>	<u>\$ 1,350,603</u>	<u>\$ 7,073,934</u>

-Continued-

City of LeRoy, Illinois

Statement of Net Position – Proprietary Funds – Continued

April 30, 2018

	Water Fund	Sewer Fund	Refuse Disposal Fund	Total
Liabilities and Net Position				
Current liabilities:				
Accounts payable	\$ 82,372	\$ 97,884	\$ 23,877	\$ 204,133
Accrued expenses	45,666	24,289	12,653	82,608
Bonds payable, current	195,000	-	-	195,000
Notes payable, current	8,905	-	-	8,905
Due to other funds	-	-	2,985	2,985
Total current liabilities	331,943	122,173	39,515	493,631
Noncurrent liabilities:				
IMRF pension obligation	(448)	(434)	(185)	(1,067)
Bonds payable (Note 3)	2,130,000	-	-	2,130,000
Notes payable	67,490	-	-	67,490
Total noncurrent liabilities	2,197,042	(434)	(185)	2,196,423
Total liabilities	2,528,985	121,739	39,330	2,690,054
Deferred Inflows of Resources				
Deferred inflows related to pension obligations	49,006	47,495	20,198	116,699
Invested in capital assets, net of related debt	(700,538)	2,930,856	926,194	3,156,512
Restricted:				
Debt service	-	-	-	-
Unrestricted	194,891	550,897	364,881	1,110,669
Total net position	(505,647)	3,481,753	1,291,075	4,267,181
Total liabilities, deferred inflows of resources and net position	\$ 2,072,344	\$ 3,650,987	\$ 1,350,603	\$ 7,073,934

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

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

For the Year Ended April 30, 2018

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Disposal Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ <u>801,550</u>	\$ <u>796,420</u>	\$ <u>512,491</u>	\$ <u>2,110,461</u>
Total operating revenues	<u>801,550</u>	<u>796,420</u>	<u>512,491</u>	<u>2,110,461</u>
Operating expenses:				
Salaries	152,290	149,806	61,833	363,929
Payroll taxes and retirement	61,364	25,407	9,853	96,624
Chemicals	91,507	68,435	-	159,942
Refuse disposal	-	-	259,048	259,048
Insurance	51,697	58,830	15,575	126,102
Utilities and telephone	10,664	35,477	-	46,141
Repairs and maintenance	13,325	221,011	720	235,056
Supplies and materials	29,863	7,806	2,838	40,507
Truck expense	3,197	6,004	5,025	14,226
Professional fees	3,765	2,735	2,677	9,177
Engineering fees	342,309	126,197	-	468,506
Contractual services	4,931	3,529	4,235	12,695
Uniform rental	662	745	200	1,607
Training	268	1,983	-	2,251
Permit fees	-	11,000	-	11,000
Depreciation	213,841	235,199	1,796	450,836
Miscellaneous	<u>2,890</u>	<u>4,900</u>	<u>3,223</u>	<u>11,013</u>
Total operating expenses	<u>982,573</u>	<u>959,064</u>	<u>367,023</u>	<u>2,308,660</u>
Operating income (loss)	<u>(181,023)</u>	<u>(162,644)</u>	<u>145,468</u>	<u>(198,199)</u>

-Continued-

City of LeRoy, Illinois

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

For the Year Ended April 30, 2018

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Disposal Fund</u>	<u>Total</u>
Non-operating revenues (expenses):				
Interest revenue	\$ 489	\$ 2,267	\$ 1,327	\$ 4,083
Interest expense and bond fees	<u>(65,505)</u>	<u>-</u>	<u>-</u>	<u>(65,505)</u>
Total non-operating revenues (expenses)	<u>(65,016)</u>	<u>2,267</u>	<u>1,327</u>	<u>(61,422)</u>
Net income (loss) before transfers	<u>(246,039)</u>	<u>(160,377)</u>	<u>146,795</u>	<u>(259,621)</u>
Other financing sources (uses):				
Transfers in	503,882	141,689	-	645,571
Transfers out	<u>(20,888)</u>	<u>(75,686)</u>	<u>(15,000)</u>	<u>(111,574)</u>
Total other financing sources (uses)	<u>482,994</u>	<u>66,003</u>	<u>(15,000)</u>	<u>533,997</u>
Changes in net position	236,955	(94,374)	131,795	274,376
Total net position, beginning	<u>(742,602)</u>	<u>3,576,127</u>	<u>1,159,280</u>	<u>3,992,805</u>
Total net position, ending	<u>\$ (505,647)</u>	<u>\$ 3,481,753</u>	<u>\$ 1,291,075</u>	<u>\$ 4,267,181</u>

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

Statement of Cash Flows – Proprietary Funds

For the Year Ended April 30, 2018

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Disposal Fund</u>	<u>Total</u>
Cash flows from (used in)				
operating activities:				
Receipts from:				
Customers	\$ 797,368	\$ 791,778	\$ 511,821	\$ 2,100,967
Payments to:				
Suppliers	(499,059)	(465,985)	(321,492)	(1,286,536)
Employees	<u>(216,125)</u>	<u>(167,683)</u>	<u>(69,967)</u>	<u>(453,775)</u>
Net cash from				
operating activities	<u>82,184</u>	<u>158,110</u>	<u>120,362</u>	<u>360,656</u>
Cash flows from (used in)				
non-capital financing activities:				
Transfers from (to)				
other funds	<u>482,994</u>	<u>66,003</u>	<u>(15,000)</u>	<u>533,997</u>
Net cash from (used in)				
non-capital financing				
activities	<u>482,994</u>	<u>66,003</u>	<u>(15,000)</u>	<u>533,997</u>
Cash flows from (used in) capital				
and related financing activities:				
Acquisitions of				
capital assets	(214,803)	(126,629)	(26,911)	(368,343)
Principal paid on debt	(208,425)	-	-	(208,425)
Interest paid on debt	<u>(88,524)</u>	<u>-</u>	<u>-</u>	<u>(88,524)</u>
Net cash from (used in)				
capital and related				
financing activities	<u>(511,752)</u>	<u>(126,629)</u>	<u>(26,911)</u>	<u>(665,292)</u>
Cash flows from				
investing activities:				
Interest income	<u>489</u>	<u>2,267</u>	<u>1,327</u>	<u>4,083</u>
Net cash from				
investing activities	<u>489</u>	<u>2,267</u>	<u>1,327</u>	<u>4,083</u>
Net increase for the year	53,915	99,751	79,778	233,444
Balance, beginning of year	<u>212,983</u>	<u>499,128</u>	<u>274,545</u>	<u>986,656</u>
Balance, end of year	\$ <u>266,898</u>	\$ <u>598,879</u>	\$ <u>354,323</u>	\$ <u>1,220,100</u>

-Continued-

City of LeRoy, Illinois

Statement of Cash Flows – Proprietary Funds – Continued

For the Year Ended April 30, 2018

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Disposal Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (181,023)	\$ (162,644)	\$ 145,468	\$ (198,199)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	213,841	235,199	1,796	450,836
Change in IMRF pension obligation	(6,390)	(3,382)	(2,589)	(12,361)
Change in assets and liabilities:				
Receivable, net	(4,182)	(4,642)	(670)	(9,494)
Prepaid expenses	(1,583)	(1,528)	(670)	(3,781)
Accounts payable	57,602	84,195	(27,281)	114,516
Accrued expenses	<u>3,919</u>	<u>10,912</u>	<u>4,308</u>	<u>19,139</u>
Net cash provided by operating activities	\$ <u>82,184</u>	\$ <u>158,110</u>	\$ <u>120,362</u>	\$ <u>360,656</u>

The accompanying notes are an integral part of this statement.

City of LeRoy, Illinois

Notes to Financial Statements

April 30, 2018

Note 1 – Summary of Significant Accounting Policies:

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 1 – Summary of Significant Accounting Policies – Continued:

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

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

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

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

Governmental Fund Types

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

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

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

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

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 1 – Summary of Significant Accounting Policies – Continued:

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

Governmental Fund Types – Continued

The City reports the following major governmental funds:

General Fund

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

First Tax Increment Financing Redevelopment District Fund

Accounts for all revenues and expenditures related to the City's TIF District I redevelopment project.

2016A General Obligation (Alternative Revenue Service) Bond Fund

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

Capital Fund

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

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

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

Proprietary Fund Types

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

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 1 – Summary of Significant Accounting Policies – Continued:

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

Proprietary Fund Types – Continued

The City reports the following major proprietary funds:

Water Fund

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

Sewer Fund

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

Refuse Disposal Fund

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

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

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 1 – Summary of Significant Accounting Policies – Continued:

Assets, Liabilities, and Net Position or Equity – Continued

Deposits and Investments

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

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

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

Investments are reported at cost.

Due to and Due from Other Funds

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. Any inter-fund receivables and payables outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Tax Accrual

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

Capital Assets

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 1 – Summary of Significant Accounting Policies – Continued:

Assets, Liabilities, and Net Position or Equity – Continued

Capital Assets – Continued

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

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

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

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

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

Compensated Absences

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

Long-Term Obligations

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 1 – Summary of Significant Accounting Policies – Continued:

Assets, Liabilities, and Net Position or Equity – Continued

Net Position

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

Fund Equity – Fund Financial Statements

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

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 1 – Summary of Significant Accounting Policies – Continued:

Fund Equity – Fund Financial Statements – Continued

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

Net Position Flow Assumption

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

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

Fund Balance Flow Assumptions

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

It is the government'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.

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 2 – Capital Assets:

Capital asset activity for the year ended April 30, 2018, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ <u>385,310</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>385,310</u>
Total capital assets not being depreciated	<u>385,310</u>	<u>-</u>	<u>-</u>	<u>385,310</u>
Capital assets being depreciated:				
Buildings	5,889,727	45,451	-	5,935,178
Improvements other than buildings	106,910	18,900	-	125,810
Machinery and equipment	1,227,555	21,201	-	1,248,756
Infrastructure	<u>4,475,927</u>	<u>-</u>	<u>-</u>	<u>4,475,927</u>
Total capital assets being depreciated	<u>11,700,119</u>	<u>85,552</u>	<u>-</u>	<u>11,785,671</u>
Less accumulated depreciation for:				
Buildings	(1,289,963)	(149,217)	-	(1,439,180)
Improvements other than buildings	(52,486)	(6,600)	-	(59,086)
Machinery and equipment	(1,009,044)	(99,830)	-	(1,108,874)
Infrastructure	<u>(2,296,339)</u>	<u>(153,732)</u>	<u>-</u>	<u>(2,450,071)</u>
Total accumulated depreciation	<u>(4,647,832)</u>	<u>(409,379)</u>	<u>-</u>	<u>(5,057,211)</u>
Total capital assets being depreciated, net	<u>7,052,287</u>	<u>(323,827)</u>	<u>-</u>	<u>6,728,460</u>
Governmental activities capital assets, net	<u>\$ 7,437,597</u>	<u>\$ (323,827)</u>	<u>\$ -</u>	<u>\$ 7,113,770</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 2 – Capital Assets – Continued:

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Total capital assets not being depreciated	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Capital assets being depreciated:				
Buildings and system	10,223,315	250,969	-	10,474,284
Improvements other than buildings	62,732	-	-	62,732
Municipal landfill closure costs	882,932	26,911	-	909,843
Machinery and equipment	<u>1,838,695</u>	<u>90,463</u>	<u>-</u>	<u>1,929,158</u>
Total capital assets being depreciated	<u>13,007,674</u>	<u>368,343</u>	<u>-</u>	<u>13,376,017</u>
Less accumulated depreciation for:				
Buildings and system	(5,767,176)	(337,485)	-	(6,104,661)
Improvements other than buildings	(46,505)	(1,284)	-	(47,789)
Machinery and equipment	<u>(1,563,593)</u>	<u>(112,067)</u>	<u>-</u>	<u>(1,675,660)</u>
Total accumulated depreciation	<u>(7,377,274)</u>	<u>(450,836)</u>	<u>-</u>	<u>(7,828,110)</u>
Total capital assets being depreciated, net	<u>5,630,400</u>	<u>(82,493)</u>	<u>-</u>	<u>5,547,907</u>
Business-type activities capital assets, net	<u>\$ 5,640,400</u>	<u>\$ (82,493)</u>	<u>\$ -</u>	<u>\$ 5,557,907</u>

Depreciation Expense

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 9,296
Streets, including depreciation of applicable general infrastructure assets	173,702
Parks, including depreciation of applicable general infrastructure assets	153,403
Community property	9,996
Public works	3,213
Police	58,652
ESDA	<u>1,117</u>
Total depreciation expense – governmental activities	<u>\$ 409,379</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 2 – Capital Assets – Continued:

Depreciation Expense – Continued

Business-type activities:

Water	\$ 213,841
Sewer	235,199
Refuse disposal	<u>1,796</u>

Total depreciation expense – business-type activities \$ 450,836

Note 3 – Long-Term Debt:

General Obligation Bonds

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

The City authorized a General Obligation Bond (Alternate Revenue) issue of \$2,865,000 during the year ended April 30, 2017, to refinance existing bonds. During the current fiscal year, bonds in the amount of \$25,000 were retired. As of April 30, 2018, the City has outstanding Series 2016A General Obligation (ARS) bonds payable of \$2,810,000.

General Obligation Bonds – Continued

The City authorized a General Obligation Bond (Alternate Revenue) issue of \$2,510,000 during the year ended April 30, 2017, to refinance existing bonds and to provide cash for future capital projects. During the current fiscal year, bonds in the amount of \$185,000 were retired. As of April 30, 2018, the City has outstanding Series 2016B General Obligation (ARS) bonds payable of \$2,325,000.

Total general obligation bonds payable at April 30, 2018, are as follows:

2016A General Obligation Bond (Alternate Revenue)	\$ 2,810,000
2016B General Obligation Bond (Alternate Revenue)	<u>2,325,000</u>
	\$ <u>5,135,000</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 3 – Long-Term Debt – Continued:

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

Year Ended April 30,	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 275,000	\$ 74,375	\$ 195,000	\$ 57,085	\$ 470,000	\$ 131,460
2020	280,000	68,875	200,000	53,185	480,000	122,060
2021	285,000	63,275	200,000	49,185	485,000	112,460
2022	290,000	56,150	205,000	45,185	495,000	101,335
2023	300,000	48,900	220,000	41,085	520,000	89,985
2024-2028	1,380,000	119,850	390,000	166,355	1,770,000	286,205
2029-2033	-	-	425,000	114,325	425,000	114,325
2034-2038	-	-	490,000	47,115	490,000	47,115
	<u>\$ 2,810,000</u>	<u>\$ 431,425</u>	<u>\$ 2,325,000</u>	<u>\$ 573,520</u>	<u>\$ 5,135,000</u>	<u>\$ 1,004,945</u>

The City did not issue and has no outstanding special assessment debt in the year ended April 30, 2018.

Notes Payable

The City borrowed funds from the Illinois Environmental Protection Agency during the fiscal year 2014 for improvements to the City’s infrastructure. The total amount borrowed, plus accrued interest, was \$224,725 less principal forgiveness of \$57,409. The interest rate is 1.93%. The City will make semi-annual principal and interest payments of \$5,168 until the maturity of the note on September 18, 2033. As of April 30, 2018, the City’s outstanding balance on this note was \$76,395.

The City purchased a building from the LeRoy Community Fire Protection District on July 7, 2014. The cost of the building was \$25,410, of which \$20,000 was payable in annual installments of \$5,000 through July 2019 and the remainder was paid at the purchase date. There is no stated interest rate. The balance outstanding as of April 30, 2018, was \$10,000.

The City borrowed funds from Busey Bank during the fiscal year 2018 for building renovations. The total amount borrowed, was \$275,000.. The interest rate is 2.890%. The City will make semi-annual principal and interest payments of \$15,963 until the maturity of the note on August 28, 2027. As of April 30, 2018, the City’s outstanding balance on this note was \$263,076.

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 3 – Long-Term Debt – Continued:

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

Year Ended <u>April 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 34,398	\$ 7,529	\$ 8,905	\$ 1,432	\$ 43,303	\$ 8,961
2020	25,118	6,809	9,078	1,259	34,196	8,068
2021	25,842	6,085	9,254	1,083	35,096	7,168
2022	26,622	5,305	9,433	904	36,055	6,209
2023	27,408	4,519	9,616	721	37,024	5,240
2024-2038	<u>133,688</u>	<u>9,982</u>	<u>30,109</u>	<u>1,222</u>	<u>163,797</u>	<u>11,204</u>
	<u>\$ 273,076</u>	<u>\$ 40,229</u>	<u>\$ 76,395</u>	<u>\$ 6,621</u>	<u>\$ 349,471</u>	<u>\$ 46,850</u>

Changes in Long-Term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
Bonds payable:					
General obligation bonds (alternate revenue)	\$ 3,020,000	\$ -	\$ (210,000)	\$ 2,810,000	\$ 275,000
General obligation bonds	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>	<u>-</u>	<u>-</u>
Total bonds payable	3,075,000	-	(265,000)	2,810,000	275,000
Notes payable	10,000	275,000	(11,924)	273,076	34,398
Capital lease payable	<u>31,210</u>	<u>-</u>	<u>(31,210)</u>	<u>-</u>	<u>-</u>
Long-term liabilities	<u>\$ 3,116,210</u>	<u>\$ 275,000</u>	<u>\$ (308,134)</u>	<u>\$ 3,083,076</u>	<u>\$ 309,398</u>
<u>Business-Type Activities:</u>					
General obligation bonds (alternate revenue)	2,510,000	-	(185,000)	2,325,000	195,000
Notes payable	<u>99,820</u>	<u>-</u>	<u>(23,425)</u>	<u>76,395</u>	<u>8,905</u>
Long-term liabilities	<u>\$ 2,609,820</u>	<u>\$ -</u>	<u>\$ (208,425)</u>	<u>\$ 2,401,395</u>	<u>\$ 203,905</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 4 – Deposits and Investments with Financial Institutions:

The carrying amount of the City’s deposits and investments with financial institutions was \$3,478,781 and the total institutions’ balances were \$3,548,011. The institutions’ balances are categorized as follows:

Amount insured by FDIC	\$ 256,212
Uninsured and collateralized with securities held by the pledging financial institution in the name of the City	<u>3,291,799</u>
Total institutions’ balances	<u>\$ 3,548,011</u>

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

	<u>Fair Value</u>
Various municipal bonds with interest rates from 1.75% to 5.50% and maturities from May 1, 2018, through December 1, 2026	<u>\$ 3,915,000</u>

Note 5 – Property Taxes:

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

Property taxes receivable as of April 30, 2018, consist of the following:

	2017 Tax
	<u>Levy Year</u>
General Fund	<u>\$ 525,225</u>

Note 6 – Defined Benefit Pension Plan:

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 6 – Defined Benefit Pension Plan – Continued:

Plan Description

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

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

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

Plan Membership

At December 31, 2017, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	13
Inactive, non-retired members	15
Active members	<u>19</u>
Total	<u>47</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 6 – Defined Benefit Pension Plan – Continued:

Contributions

As set by statute, City regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual required contribution rate for calendar year 2017 was 10.60%. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability / (Asset)

The net pension liability / (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability / (asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

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

Actuarial Assumptions

Total pension liabilities for the Regular plan were determined by actuarial valuations performed as of December 31, 2017, using the following actuarial methods and assumptions:

	<u>Regular Plan</u>
Actuarial cost method	Entry age normal
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.50%
Inflation	3.50%
Salary increase	3.75% to 14.50%, including inflation
Price inflation	2.75%

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 6 – Defined Benefit Pension Plan – Continued:

Mortality

For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projections scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Morality Table with the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Real Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/2017</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37%	19.60%	8.30%	6.85%
International equities	18%	27.53%	8.45%	6.75%
Fixed income	28%	4.67%	3.05%	3.00%
Real estate	9%	9.10%	6.90%	5.75%
Alternatives				
Private equity		N/A	12.45%	7.35%
Hedge funds		N/A	5.35%	5.05%
Commodities		N/A	4.25%	2.65%
Cash equivalents	1%	N/A	2.25%	2.25%

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 6 – Defined Benefit Pension Plan – Continued:

Discount Rate

The discount rate used to measure the total pension liability for IMRF for December 31, 2017 was 7.50%. The discount rate calculated using the December 31, 2016, measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rate equal to the differences between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.31% for tax-exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2017, to arrive at a discount rate of 7.50% used to determine the total pension liability. The year ending December 31, 2117, is the last year in the 2018 to 2117 projection period for which projected benefit payments are fully funded.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net position liability / (asset) to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.50% as well as what the net position liability / (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 5,211,800	\$ 4,652,862	\$ 4,197,896
Plan fiduciary net position	<u>4,657,050</u>	<u>4,657,050</u>	<u>4,657,050</u>
Net position liability / (asset)	<u>\$ 554,750</u>	<u>\$ (4,188)</u>	<u>\$ (459,154)</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 6 – Defined Benefit Pension Plan – Continued:

Change in Net Pension Liability / (Asset)

The City's change in net position liability / (asset) for the calendar year ended December 31, 2017, was as follows:

	Increase / (Decrease)		
	Total Pension Liability/Net (a)	Plan Fiduciary Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at December 31, 2016	\$ 4,484,606	\$ 3,970,159	\$ 514,447
Service cost	100,062	-	100,062
Interest on total pension liability	332,418	-	332,418
Differences between expected and actual experience of the total pension liability	92,312	-	92,312
Change of assumptions	(151,740)	-	(151,740)
Benefit payments, including refunds of employee contributions	(204,796)	(204,796)	-
Contributions – employer	-	104,919	(104,919)
Contributions – employee	-	44,541	(44,541)
Net investment income	-	701,867	(701,867)
Other (net transfer)	-	40,360	(40,360)
Balance at December 31, 2017	\$ <u>4,652,862</u>	\$ <u>4,657,050</u>	\$ <u>(4,188)</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 6 – Defined Benefit Pension Plan – Continued:

Pension Expense and Deferred Inflows/Outflows of Resources

For the year ended December 31, 2017, the City recognized pension expense of \$46,779 for the Regular Plan. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Regular:</u>		
Difference between expected and actual experience	\$ 150,107	\$ 9,968
Assumption changes	2,333	124,299
Net difference between projected and actual earnings on pension plan investments	<u>116,686</u>	<u>323,734</u>
 Total	 <u>\$ 269,126</u>	 <u>\$ 458,001</u>

The amounts reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net position liabilities / (asset) for the year ending December 31, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred (Inflows) / Outflows of Resources</u>
2018	\$ (3,600)
2019	(3,599)
2020	(89,309)
2021	(92,367)
2022	-
Thereafter	-
Total	<u>\$ (188,875)</u>

Note 7 – Revenue from Governmental Units:

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

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 8 – Interfund Loans and Transfers:

Interfund loans consist of the following transactions:

General Fund

From

2016 General Obligation Bonds (ARS) Fund	\$ 20,637
Refuse Disposal Fund	<u>2,985</u>
	<u>\$ 23,622</u>

2016 General Obligation Bonds (ARS) Fund

General Fund

\$ (20,637)

Refuse Disposal Fund

To

General Fund	<u>\$ (2,985)</u>
--------------	-------------------

Interfund transfers consist of the following transactions:

General Fund

From

Water Fund	\$ 5,888
Sewer Fund	<u>5,887</u>
	<u>\$ 11,775</u>

2016 General Obligation Bonds (ARS) Fund

To

Non-Major Governmental Funds	<u>\$ (174,390)</u>
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Capital Projects Fund

To

Water Fund	\$ (449,083)
Sewer Fund	<u>(93,689)</u>
	<u>\$ (542,772)</u>

Non-Major Governmental Funds

From

2016A GO (ARS) Bond Fund	\$ 174,390
Sewer Fund	15,000
Water Fund	15,000
Refuse Fund	<u>15,000</u>
	<u>\$ 219,390</u>

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 8 – Interfund Loans and Transfers – Continued:

To		
Sewer Fund		\$ <u>(48,000)</u>

Water Fund

From		
Sewer Fund		\$ 54,799
Capital Projects Fund		<u>449,083</u>
		\$ <u>503,882</u>

To		
General Fund		\$ (5,888)
Non-Major Government Funds		<u>(15,000)</u>
		\$ <u>(20,888)</u>

Sewer Fund

From		
Capital Projects Fund		\$ 93,689
Non-Major Government Funds		<u>48,000</u>
		\$ <u>141,689</u>

To		
General Fund		\$ (5,887)
Water Fund		(54,799)
Non-Major Government Funds		<u>(15,000)</u>
		\$ <u>(75,686)</u>

Refuse Disposal Fund

To		
Non-Major Governmental Funds		\$ <u>(15,000)</u>

Capital assets have been transferred to the General Fund when payments were made by other governmental funds.

Origin of Interfund Balances

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources, primarily to provide services. The interfund receivables/payables owed to the various funds reflect advances made and received that are still outstanding as of April 30, 2018. All interfund balances are expected to be repaid in a future fiscal year.

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 8 – Interfund Loans and Transfers – 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.

Note 9 – Risk Management:

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

Note 10 – Contingent Liability:

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

Note 11 – Landfill Closure:

The City of LeRoy operated a municipal landfill prior to 1982, when the City stopped accepting refuse. The City is currently working with the Illinois Environmental Protection Agency to finalize closure of the landfill. Post-closure costs incurred during the fiscal year ended April 30, 2018, in the amount of \$26,911 have been capitalized and will be depreciated over a five-year period once the closure is finalized. The City estimates that future landfill costs will be at a minimum of \$35,000 each year for five years for monitoring groundwater wells which have been installed. In addition, IEPA has also required that the City resolve all issues relating to discharge gases. Including engineering, the annual estimate of cost for advancing this mandate is \$100,000 per year. Future landfill costs are being funded by a refuse disposal rate increase effective December 2004 and by an \$8.00 per month landfill closure fee effective May 2010 through April 2018.

City of LeRoy, Illinois

Notes to Financial Statements – Continued

April 30, 2018

Note 12 – Intergovernmental Agreements:

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

Note 13 – Restatement of Fund Balance:

During the year ended April 30, 2018, it was discovered that errors had been made in recording certain amounts. Governmental Fund Balance has been restated to reflect the corrected balances.

The following financial statement items were affected by this correction at April 30, 2017:

<u>Balance Sheet – Governmental Funds – Insurance Fund</u>	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
Prepaid expenses	\$ -	\$ 27,964	\$ 27,964
Fund balance	370,512	398,476	27,964

Note 14 – Subsequent Events:

No events have occurred subsequent to April 30, 2018, that are required to be disclosed in these financial statements, except as previously noted. This evaluation was made as of October 26, 2018 the date these financial statements were available to be issued.

Required Supplementary Information

City of Leroy, Illinois

**Illinois Municipal Retirement Fund
Schedule of Changes in the City's Net Pension
Liability and Related Ratios**

Last 10 Calendar Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:			
Service cost	\$ 100,062	\$ 100,697	\$ 98,569
Interest on the total pension liability	332,418	317,370	288,285
Changes in benefit terms	-	-	-
Differences between expected and actual experience on the total pension liability	92,312	(16,340)	185,816
Changes in assumptions	(151,740)	(5,821)	5,654
Benefit payments, including refunds of employee contributions	<u>(204,796)</u>	<u>(196,393)</u>	<u>(175,501)</u>
Net change in total pension liability	\$ 168,256	\$ 199,513	\$ 402,823
Total pension liability – beginning	<u>4,484,606</u>	<u>4,285,093</u>	<u>3,882,270</u>
Total pension liability – ending (a)	\$ <u>4,652,862</u>	\$ <u>4,484,606</u>	\$ <u>4,285,093</u>
Plan fiduciary net position:			
Employer contributions	\$ 104,919	\$ 93,017	\$ 97,622
Employee contributions	44,541	41,858	42,079
Net investment income	701,867	258,570	18,642
Benefit payments, including refunds of member contributions	(204,796)	(196,393)	(175,501)
Other (net transfer)	<u>40,360</u>	<u>43,558</u>	<u>339</u>
Net change in plan fiduciary net position	686,891	240,610	(16,819)
Plan fiduciary net position – beginning	<u>3,970,159</u>	<u>3,729,549</u>	<u>3,746,368</u>
Plan fiduciary net position – ending (b)	\$ <u>4,657,050</u>	\$ <u>3,970,159</u>	\$ <u>3,729,549</u>
Employer's net pension liability – ending – (a) - (b)	\$ <u><u>(4,188)</u></u>	\$ <u><u>514,447</u></u>	\$ <u><u>555,544</u></u>
Plan fiduciary net position as a percentage of the total pension liability	100.09%	88.53%	87.04%
Covered-employee payroll	989,796	930,174	935,079
Employer's net pension liability as a percentage of covered-employee payroll	(0.42)%	55.31%	59.41%

Note to schedule:

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

City of Leroy, Illinois

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

Last 10 Calendar Years

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

Note to schedule:

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

City of Leroy, Illinois

Illinois Municipal Retirement Fund Summary of Actuarial Methods and Assumptions

Valuation date

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years closed period until remaining period reaches 15 years (then 15 year rolling period). Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset valuation method	5-Year Smoothed Market, 20% Corridor
Wage growth	3.50%
Inflation	2.75%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Morality Table apply the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other information	There were no benefit changes during the year

City of LeRoy, Illinois

Budgetary Comparison Schedule – General Fund – Unaudited

For the Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Cash receipts:				
Property taxes	\$ 523,625	\$ 523,625	\$ 519,695	\$ (3,930)
Sales tax	373,430	373,430	365,902	(7,528)
Income tax	76,128	76,128	65,436	(10,692)
Use tax	86,128	86,128	94,930	8,802
Replacement tax	12,750	12,750	13,459	709
Excise tax	-	-	10,546	10,546
Utility taxes	154,340	154,340	158,098	3,758
Video gaming tax	47,000	47,000	69,569	22,569
Licenses and permits	20,761	20,761	18,411	(2,350)
Fines	26,500	26,500	29,101	2,601
Interest	3,800	3,800	3,577	(223)
Grants	30,000	30,000	3,973	(26,027)
Other	<u>72,100</u>	<u>72,100</u>	<u>53,475</u>	<u>(18,625)</u>
 Total cash receipts	 <u>1,426,562</u>	 <u>1,426,562</u>	 <u>1,406,172</u>	 <u>(20,390)</u>
Cash disbursements:				
Administration	251,749	251,749	229,624	(22,125)
Streets	448,914	448,914	480,606	31,692
Parks	64,160	64,160	61,493	(2,667)
Community property	268,700	268,700	22,375	(246,325)
Zoning and building	48,708	48,708	46,916	(1,792)
Police	704,755	704,755	669,825	(34,930)
ESDA	7,050	7,050	5,211	(1,839)
Animal control	250	250	50	(200)
Debt service:				
Principal	33,450	33,450	43,134	9,684
Interest	-	-	5,033	5,033
Capital outlay	<u>4,500</u>	<u>4,500</u>	<u>13,715</u>	<u>9,215</u>
 Total cash disbursements	 <u>1,832,236</u>	 <u>1,832,236</u>	 <u>1,577,982</u>	 <u>(254,254)</u>
 Excess (deficiency) of cash receipts over cash disbursements	 <u>(405,674)</u>	 <u>(405,674)</u>	 <u>(171,810)</u>	 <u>233,864</u>

-Continued-

City of LeRoy, Illinois

Budgetary Comparison Schedule – General Fund – Unaudited – Continued

For the Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	\$ -	\$ -	\$ -	\$ -
Bond proceeds	250,000	250,000	275,000	25,000
Transfers in	-	-	11,775	11,775
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>	<u>286,775</u>	<u>36,775</u>
Net change in fund balance	(155,674)	(155,674)	114,965	270,639
Fund balance, beginning of year	<u>377,725</u>	<u>377,725</u>	<u>377,725</u>	<u>-</u>
Fund balance, end of year	<u>\$ 222,051</u>	<u>\$ 222,051</u>	<u>\$ 492,690</u>	<u>\$ 270,639</u>

City of LeRoy, Illinois

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

April 30, 2018

Total cash receipts for general fund activities \$ 1,406,172

Difference – Budget to GAAP:

The accounts receivable is not recorded as revenue as a budgetary source but is a revenue for financial reporting purposes:

Intergovernmental tax receivable _____ (7,787)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances \$ 1,398,385

Total cash disbursements for general fund activities \$ 1,577,982

Difference – Budget to GAAP:

The accrued expenses are not recorded as expenses as a budgetary source but are expenses for financial reporting purposes:

Accounts payable \$ 42,073
Accrued expenses _____ (4,615) _____ 37,458

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances \$ 1,615,440

City of LeRoy, Illinois

**Budgetary Comparison Schedule – First Tax Increment
Financing Redevelopment District Fund – Unaudited**

For the Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Cash receipts:				
Total cash receipts	\$ -	\$ -	\$ -	\$ -
Cash disbursements:				
Economic development	<u>157,500</u>	<u>157,500</u>	<u>154,333</u>	<u>(3,167)</u>
Total cash disbursements	<u>157,500</u>	<u>157,500</u>	<u>154,333</u>	<u>(3,167)</u>
Net change in fund balance	(157,500)	(157,500)	(154,333)	3,167
Fund balance, beginning of year	<u>507,364</u>	<u>507,364</u>	<u>507,364</u>	<u>-</u>
Fund balance, end of year	<u>\$ 349,864</u>	<u>\$ 349,864</u>	<u>\$ 353,031</u>	<u>\$ 3,167</u>

Note to schedule:

There were no differences between the budgetary basis cash receipts and cash disbursements to the GAAP revenues and expenses

City of LeRoy, Illinois

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

April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Over (Under)
Cash receipts:				
Sales tax	\$ 130,830	\$ 130,830	\$ 138,074	\$ 7,244
Income tax	<u>304,512</u>	<u>304,512</u>	<u>261,744</u>	<u>(42,768)</u>
Total cash receipts	<u>435,342</u>	<u>435,342</u>	<u>399,818</u>	<u>(35,524)</u>
Cash disbursements:				
Administration	-	-	500	500
Debt service:				
Principal	265,000	265,000	25,000	(240,000)
Interest	<u>87,305</u>	<u>87,305</u>	<u>74,875</u>	<u>(12,430)</u>
Total cash disbursements	<u>352,305</u>	<u>352,305</u>	<u>100,375</u>	<u>(251,930)</u>
Excess (deficiency) of cash receipts over cash disbursements	<u>83,037</u>	<u>83,037</u>	<u>299,443</u>	<u>216,406</u>
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(174,390)</u>	<u>(174,390)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(174,390)</u>	<u>(174,390)</u>
Net change in fund balance	83,037	83,037	125,053	42,016
Fund balance, beginning of year	<u>164,414</u>	<u>164,414</u>	<u>164,414</u>	<u>-</u>
Fund balance, end of year	<u>\$ 247,451</u>	<u>\$ 247,451</u>	<u>\$ 289,467</u>	<u>\$ 42,016</u>

City of LeRoy, Illinois

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

April 30, 2018

Total cash receipts for general fund activities \$ 399,818

Difference – Budget to GAAP:

The accounts receivable is not recorded as revenue as a budgetary source but is a revenue for financial reporting purposes:

Intergovernmental taxes (4,243)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances \$ 395,575

Total cash disbursements for general fund activities \$ 100,375

Difference – Budget to GAAP:

The accrued expenses are not recorded as expenses as a budgetary source but are an expense for financial reporting purposes:

Accounts payable \$ -
Accrued expenses -

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances \$ 100,375

City of LeRoy, Illinois

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

April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Cash receipts:				
Interest	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 6,760</u>	\$ <u> 6,760</u>
Total cash receipts	<u> -</u>	<u> -</u>	<u> 6,760</u>	<u> 6,760</u>
Cash disbursements:				
Administrative	-	-	-	-
Capital outlay	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Total cash disbursements	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Excess (deficiency) of cash receipts over cash disbursements	<u> -</u>	<u> -</u>	<u> 6,760</u>	<u> 6,760</u>
Other financing sources (uses):				
Bond proceeds	1,111,300	1,111,300	-	(1,111,300)
Transfer in	-	-	-	-
Transfers out	<u>(1,111,300)</u>	<u>(1,111,300)</u>	<u>(542,772)</u>	<u> 568,528</u>
Total other financing sources (uses)	<u> -</u>	<u> -</u>	<u>(542,772)</u>	<u>(542,772)</u>
Net change in fund balance	-	-	(536,012)	(536,012)
Fund balance, beginning of year	<u> 1,627,086</u>	<u> 1,627,086</u>	<u> 1,627,086</u>	<u> -</u>
Fund balance, end of year	\$ <u> 1,627,086</u>	\$ <u> 1,627,086</u>	\$ <u> 1,091,074</u>	\$ <u> (536,012)</u>

Note to schedule:

There were no differences between the budgetary basis cash receipts and cash disbursements to the GAAP revenues and expenses

City of LeRoy, Illinois

Notes to Required Supplementary Information

April 30, 2018

Note 1 – Budget Policy and Practice:

The City Administrator serves the City as the Budget Officer.

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

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

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

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

Note 2 – Expenditures in Excess of Budget:

There were no funds that had expenditures in excess of budgeted amounts for the year ended April 30, 2018.

Other Schedules

City of LeRoy, Illinois

Schedule of Departmental Expenditures – General Fund

For the Year Ended April 30, 2018

	<u>Administration</u>	<u>Streets</u>	<u>Parks</u>	<u>Community Property</u>
Personal Services:				
Salaries	\$ 94,766	\$ 179,032	\$ 18,237	\$ -
Payroll taxes and retirement	16,493	31,896	3,470	-
Health insurance	<u>6,493</u>	<u>36,899</u>	<u>2,242</u>	<u>-</u>
Total personal services	<u>117,752</u>	<u>247,827</u>	<u>23,949</u>	<u>-</u>
Operations and				
Contractual services	23,432	12,999	28,831	45,451
Insurance and bonding	22,664	19,941	-	-
Utilities and telephone	9,528	4,942	1,182	2,734
Maintenance and repairs	5,344	146,116	3,814	945
Supplies and materials	2,208	38,665	-	-
Vehicle maintenance	-	23,314	-	-
Professional fees	32,365	-	-	-
Office expense	284	-	-	-
Meetings and training	516	330	-	-
Grants	-	-	-	-
Other	<u>8,169</u>	<u>8,856</u>	<u>1,600</u>	<u>-</u>
Total operations and contractual services	<u>104,510</u>	<u>255,163</u>	<u>35,427</u>	<u>49,130</u>
Total operating expenditures before capital items	222,262	502,990	59,376	49,130
Capital items	<u>2,551</u>	<u>6,670</u>	<u>153</u>	<u>-</u>
Total operating expenditures	<u>\$ 224,813</u>	<u>\$ 509,660</u>	<u>\$ 59,529</u>	<u>\$ 49,130</u>

City of LeRoy, Illinois

Schedule of Departmental Expenditures – General Fund – Continued

For the Year Ended April 30, 2018

	<u>Zoning & Building</u>	<u>Police</u>	<u>ESDA</u>	<u>Animal Control</u>	<u>Total</u>
Personal Services:					
Salaries	\$ 27,386	\$ 370,727	\$ -	\$ -	\$ 690,148
Payroll taxes and retirement					
Health insurance	6,421	77,003	-	-	135,283
	<u>5,513</u>	<u>112,025</u>	<u>-</u>	<u>-</u>	<u>163,172</u>
Total personal services	<u>39,320</u>	<u>559,755</u>	<u>-</u>	<u>-</u>	<u>988,603</u>
Operational and contractual services	6,169	13,240	35	50	130,207
Insurance and bonding	-	20,057	-	-	62,662
Utilities and telephone	377	12,574	5,046	-	36,383
Maintenance and repairs	95	7,342	40	-	163,696
Supplies and materials	181	3,458	-	-	44,512
Vehicle maintenance	-	18,931	-	-	42,245
Professional fees	383	9,257	-	-	42,005
Office expense	143	302	-	-	729
Meetings and training	-	2,196	-	-	3,042
Grants	-	3,169	-	-	3,169
Other	<u>792</u>	<u>16,738</u>	<u>150</u>	<u>-</u>	<u>36,305</u>
Total operations and contractual services	<u>8,140</u>	<u>107,264</u>	<u>5,271</u>	<u>50</u>	<u>564,955</u>
Total operating expenditures before capital items	47,460	667,019	5,271	50	1,553,558
Capital items	<u>-</u>	<u>4,341</u>	<u>-</u>	<u>-</u>	<u>13,715</u>
Total operating expenditures	<u>\$ 47,460</u>	<u>\$ 671,360</u>	<u>\$ 5,271</u>	<u>\$ 50</u>	<u>\$ 1,567,273</u>

City of LeRoy, Illinois

Combining Balance Sheet – Non-Major Governmental Funds

April 30, 2018

	Special Revenue		
	Motor Fuel Tax Fund	Community Projects Fund	Tourism Fund
Assets			
Cash:	\$ 34,305	\$ 62,408	\$ 151,268
Receivables, net:			
Other taxes	8,150	-	59,466
Due from other funds	-	-	-
 Total assets	\$ 42,455	\$ 62,408	\$ 210,734
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	-	-	-
Due to other funds	-	-	-
 Total liabilities	-	-	-
Fund balances:			
Restricted for:			
Economic development	-	62,408	-
Motor fuel tax	42,455	-	-
Tourism	-	-	210,734
Debt service	-	-	-
Committed:			
Capital expenditure	-	-	-
Unassigned	-	-	-
 Total fund balances	42,455	62,408	210,734
 Total liabilities and fund balances	\$ 42,455	\$ 62,408	\$ 210,734

-Continued-

City of LeRoy, Illinois

Combining Balance Sheet – Non-Major Governmental Funds – Continued

April 30, 2018

	<u>Debt Service</u>		<u>Capital Projects</u>	
	2009 General Obligation Bond Fund	2007 General Obligation Bond Fund	Enterprise Capital Replacement Fund	Total Non-Major Governmental Funds
Assets				
Cash:	\$ -	\$ -	\$ 78,338	\$ 326,319
Receivables, net:				
Other	-	-	-	67,616
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,338</u>	<u>\$ 393,935</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted for:				
Economic development	-	-	-	62,408
Motor fuel tax	-	-	-	42,455
Tourism	-	-	-	210,734
Debt service	-	-	-	-
Committed:				
Capital expenditures	-	-	78,338	78,338
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>78,338</u>	<u>393,935</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,338</u>	<u>\$ 393,935</u>

City of LeRoy, Illinois

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

April 30, 2018

	Special Revenue		
	Motor Fuel Tax Fund	Community Projects Fund	Tourism Fund
Revenues:			
Motor fuel tax	\$ 90,897	\$ -	\$ -
Interest	196	723	589
Other taxes	-	-	113,246
Other	-	6,959	-
	<u>91,093</u>	<u>7,682</u>	<u>113,835</u>
Total revenue			
Expenditures:			
Administration	-	-	-
Parks	-	-	-
Streets	108,051	-	-
Economic development	-	-	-
Tourism	-	-	21,380
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
	<u>108,051</u>	<u>-</u>	<u>21,380</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(16,958)</u>	<u>7,682</u>	<u>92,455</u>
Other financing sources:			
Bond proceeds	-	-	-
Bond issuance cost	-	-	-
Transfer in	-	-	-
Transfer out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources			
Net change in fund balances	<u>(16,958)</u>	<u>7,682</u>	<u>92,455</u>
Fund balances (deficits), beginning of year	<u>59,413</u>	<u>54,726</u>	<u>118,279</u>
Fund balances (deficits), end of year	<u>\$ 42,455</u>	<u>\$ 62,408</u>	<u>\$ 210,734</u>

City of LeRoy, Illinois

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

April 30, 2018

	Debt Service		Capital Projects	
	2009 General Obligation Bond Fund	2007 General Obligation Bond Fund	Enterprise Capital Replacement Fund	Total Non-Major Governmental Funds
Revenues:				
Motor fuel tax	\$ -	\$ -	\$ -	\$ 90,897
Interest	-	-	315	1,823
Other taxes	-	-	-	113,246
Other	-	-	-	6,959
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	-	-	315	212,925
Expenditures:				
Administration	500	500	-	1,000
Parks	-	-	-	-
Streets	-	-	-	108,051
Economic development	-	-	-	-
Tourism	-	-	-	21,380
Debt service:				
Principal	55,000	185,000	-	240,000
Interest	2,255	10,175	-	12,430
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	57,755	195,675	-	382,861
Excess (deficiency) of revenues over expenditures	<hr/> <u>(57,755)</u>	<hr/> <u>(195,675)</u>	<hr/> <u>315</u>	<hr/> <u>(169,936)</u>
Other financing sources:				
Bond proceeds	-	-	-	-
Bond issuance cost	-	-	-	-
Transfers in	144,096	30,294	45,000	219,390
Transfers out	-	-	(48,000)	(48,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	144,096	30,294	(3,000)	171,390
Net change in fund balances	86,341	(165,381)	(2,685)	1,454
Fund balances (deficits), beginning of year	<hr/> <u>(86,341)</u>	<hr/> <u>165,381</u>	<hr/> <u>81,023</u>	<hr/> <u>392,481</u>
Fund balances (deficit), end of year	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 78,338</u>	<hr/> <u>\$ 393,935</u>

-Continued-

City of LeRoy, Illinois

Computation of Legal Debt Margin – Unaudited

For the Year Ended April 30, 2018

Total assessed valuation as of April 30, 2018	\$ <u>57,542,501</u>
Legal debt margin (based on 8.625% assessed valuation)	\$ 4,963,041
Deduct general obligation debt: Notes payable	<u>(273,076)</u>
Available legal debt margin – April 30, 2017	\$ <u>4,689,965</u>

City of LeRoy, Illinois

Schedule of Long-Term Debt and Interest – Unaudited

April 30, 2018

	Fiscal Year Ended <u>April 30,</u>	<u>Annual Payments</u>	
		<u>Principal</u>	<u>Interest</u>
General Obligation Bond (Alternate Revenue) Series 2016A Refinancing Bonds Issued June 30, 2016	2019	\$ 275,000	\$ 74,375
	2020	280,000	68,875
	2021	285,000	63,275
	2022	290,000	56,150
	2023	300,000	48,900
	2024	305,000	41,400
	2025	310,000	32,250
	2026	250,000	22,950
	2027	255,000	15,450
	2028	<u>260,000</u>	<u>7,800</u>
		<u>\$ 2,810,000</u>	<u>\$ 431,425</u>
General Obligation Bond (Alternate Revenue) Series 2016B Refinancing Bonds Issued June 30, 2016	2019	\$ 195,000	\$ 57,085
	2020	200,000	53,185
	2021	200,000	49,185
	2022	205,000	45,185
	2023	220,000	41,085
	2024	75,000	36,685
	2025	75,000	35,035
	2026	80,000	33,385
	2027	80,000	31,625
	2028	80,000	29,625
	2029	85,000	27,625
	2030	85,000	25,500
	2031	85,000	22,950
	2032	85,000	20,400
	2033	85,000	17,850
	2034	90,000	15,300
	2035	95,000	12,600
	2036	100,000	9,608
	2037	105,000	6,457
	2038	<u>100,000</u>	<u>3,150</u>
		<u>\$ 2,325,000</u>	<u>\$ 573,520</u>

- Continued -

City of LeRoy, Illinois

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

April 30, 2018

	Fiscal Year Ended <u>April 30,</u>	<u>Annual Payments</u>	
		<u>Principal</u>	<u>Interest</u>
Note Payable			
Illinois Environmental Protection			
Agency drinking water loan			
Issued January 17, 2014			
	2019	\$ 8,905	\$ 1,432
	2020	9,078	1,259
	2021	9,254	1,083
	2022	9,433	904
	2023	9,616	721
	2024	9,803	534
	2025	9,993	344
	2026	9,999	338
	2027	314	6
		<u>\$ 76,395</u>	<u>\$ 6,621</u>
Note Payable			
Fire Protection District			
General Fund			
Signed April 7, 2014			
	2019	<u>\$ 10,000</u>	<u>\$ -</u>
		<u>\$ 10,000</u>	<u>\$ -</u>
Note Payable			
Busey Bank			
Signed August 29, 2017			
	2019	\$ 24,398	\$ 7,529
	2020	25,118	6,809
	2021	25,842	6,085
	2022	26,622	5,305
	2023	27,408	4,519
	2024	28,217	3,710
	2025	29,041	2,886
	2026	29,907	2,020
	2027	30,790	1,137
	2028	15,733	229
		<u>\$ 263,076</u>	<u>\$ 40,229</u>

City of LeRoy, Illinois

Schedule of Investments – Unaudited

April 30, 2018

	<u>Interest Rate</u>	<u>Principal</u>
GENERAL FUND		
Bi-Centennial Committee Fund		
Certificate of Deposit – Busey Bank	0.75%	\$ <u>6,212</u>

City of LeRoy, Illinois

Statement of Assessed Valuation and Taxes Received – Unaudited

April 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Rate Setting Assessed Valuation	\$ <u>57,542,501</u>	\$ <u>55,926,796</u>	\$ <u>54,704,437</u>	\$ <u>54,116,253</u>
Tax Rates:				
General Fund*	0.27615	0.27580	0.27548	0.27404
Retirement	0.17314	0.17083	0.16869	0.18230
Police	0.07500	0.07500	0.07500	0.07500
Liability Insurance	0.11508	0.11354	0.11212	0.11817
Street and Bridge**	0.00000	0.00000	0.00000	0.00000
Social Security	0.13594	0.13413	0.13245	0.13014
Civil Defense	0.05000	0.05000	0.05000	0.03814
Refuse Disposal	0.00000	0.00000	0.00000	0.00000
Workers Compensation	0.08264	0.08154	0.08052	0.07206
Unemployment Insurance	0.00481	0.00474	0.00468	0.00000
General Obligation Bonds	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
Totals	<u>0.91276</u>	<u>0.90558</u>	<u>0.89894</u>	<u>0.88985</u>
Tax Extensions:				
General Fund	\$ 158,904	\$ 154,246	\$ 150,700	\$ 148,300
Retirement	99,629	95,540	92,281	98,654
Police	43,157	41,945	41,028	40,587
Liability Insurance	66,220	63,499	61,335	63,949
Street and Bridge	-	-	-	-
Social Security	78,223	75,015	72,456	70,427
Civil Defense	28,771	27,963	27,352	20,640
Refuse Disposal	-	-	-	-
Workers compensation	47,553	45,603	44,048	38,996
Unemployment Insurance	2,768	2,651	2,560	-
General Obligation Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	\$ <u>525,225</u>	\$ <u>506,462</u>	\$ <u>491,760</u>	\$ <u>481,553</u>

-Continued-

City of LeRoy, Illinois

Statement of Assessed Valuation and Taxes Received – Unaudited – Continued

April 30, 2018

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Rate Setting Assessed Valuation	\$ <u>53,162,179</u>	\$ <u>42,608,341</u>	\$ <u>42,857,466</u>	\$ <u>42,800,821</u>
Tax Rates:				
General Fund*	0.27329	0.27328	0.27246	0.08919
Retirement	0.16856	0.16849	0.16504	0.01648
Police	0.07500	0.07500	0.07350	0.05934
Liability Insurance	0.14406	0.23235	0.22759	0.01979
Street and Bridge **	0.00000	0.00000	0.00000	0.00000
Social Security	0.12995	0.13757	0.13475	0.01647
Civil Defense	0.01815	0.00212	0.00208	0.00824
Refuse Disposal	0.00000	0.00000	0.00000	0.08242
Workers Compensation	0.08003	0.00000	0.00000	0.00000
Unemployment Insurance	0.00000	0.00000	0.00000	0.00000
General Obligation Bonds	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
Totals	<u>0.88904</u>	<u>0.88881</u>	<u>0.87542</u>	<u>0.29193</u>
Tax Extensions:				
General Fund	\$ 145,287	\$ 116,440	\$ 116,769	\$ 38,174
Retirement	89,610	71,791	70,732	7,054
Police	39,872	31,956	31,500	25,398
Liability Insurance	76,585	99,000	97,539	8,470
Street and Bridge	-	-	-	-
Social Security	69,084	58,616	57,750	7,049
Civil Defense	9,649	903	891	3,527
Refuse Disposal	-	-	-	35,276
Workers Compensation	42,546	-	-	-
Unemployment Insurance	-	-	-	-
General Obligation Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 472,633</u>	<u>\$ 378,706</u>	<u>\$ 375,181</u>	<u>\$ 124,948</u>

- Continued -

City of LeRoy, Illinois

Statement of Assessed Valuation and Taxes Received – Unaudited – Continued

April 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Collections, Including Back Taxes:				
General Fund	\$ -	\$ 153,853	\$ 149,619	\$ 146,371
Retirement	-	95,297	91,619	97,370
Police	-	41,838	40,734	40,059
Liability Insurance	-	63,337	60,895	63,117
Street and Bridge	-	-	-	-
Social Security	-	74,823	71,936	69,510
Civil Defense	-	27,892	27,156	20,371
Refuse Disposal	-	-	-	-
Workers Compensation	-	45,487	43,732	38,489
Unemployment Insurance	-	2,651	2,542	-
General Obligation Bonds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	\$ <u> </u>	\$ <u>505,178</u>	\$ <u>488,233</u>	\$ <u>475,287</u>
Percentage of Extensions Collected	<u> 0.0000%</u>	<u> 99.7465%</u>	<u> 99.2828%</u>	<u> 98.6988%</u>

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

** The Street and Bridge tax levy for years 2005 through 2017, payable in 2006 through 2018, respectively, was included in the levy for Empire Township instead of the levy for the City of LeRoy.

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City of LeRoy, Illinois

Statement of Assessed Valuation and Taxes Received – Unaudited – Continued

April 30, 2018

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Collections, Including Back Taxes:				
General Fund	\$ 176,865	\$ 116,344	\$ 116,559	\$ 38,174
Retirement	109,085	71,732	70,604	7,054
Police	48,537	31,930	31,444	25,398
Liability Insurance	93,230	98,919	97,363	7,470
Street and Bridge	-	-	-	-
Social Security	84,098	58,568	57,646	7,049
Civil Defense	11,746	902	890	3,527
Refuse Disposal	-	-	-	35,276
Workers Compensation	51,792	-	-	-
Unemployment Insurance	-	-	-	-
General Obligation Bonds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	\$ <u>575,353</u>	\$ <u>378,395</u>	\$ <u>374,506</u>	\$ <u>123,948</u>
Percentage of Extensions Collected	<u>121.7336%</u>	<u>99.9179%</u>	<u>99.8201%</u>	<u>99.1997%</u>

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

** The Street and Bridge tax levy for years 2005 through 2017, payable in 2006 through 2018, respectively, was included in the levy for Empire Township instead of the levy for the City of LeRoy.

City of LeRoy, Illinois

General Information – Unaudited

April 30, 2018

General Statistics:

Total gallons received at the Waste Water Plant	310,770,000
Total gallons of finished water	97,840,000
Total gallons billed for water	77,755,130
Estimated water loss	20,084,870
Number of users connected to the system	1,489
Number of non-metered users	7
Number of miles of sewer mains	22.7
Number of miles of water mains	25
Number of miles of streets	30
Water rate:	
\$8.40 minimum for 0 to 1,000 gallons	
\$8.40 per 1,000 gallons beyond 1,000 gallons	
Sewer rate:	
\$8.40 minimum for 0 to 1,000 gallons	
\$8.40 per 1,000 gallons beyond 1,000 gallons	

Insurance Data:

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