

***CITY OF FAIRBURY, ILLINOIS***

***ANNUAL FINANCIAL REPORT***

***For the fiscal year ended April 30, 2024***



**CITY OF FAIRBURY, ILLINOIS**

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**April 30, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Fairbury, Illinois

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairbury, Illinois (the City), as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairbury, Illinois, as of April 30, 2024, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### Basis for Opinions

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

#### Emphasis of Matter - Basis of Accounting

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

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

## Other Matters

### *Other Information*

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

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

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

*MCK CPAs & Advisors*

Bloomington, Illinois  
October 16, 2024

## CITY OF FAIRBURY, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) Year ended April 30, 2024

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Our discussion and analysis of the City of Fairbury's financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2024 within the limitations of the City's modified cash basis of accounting. Please read it in conjunction with the City's financial statements that begin on page 14.

#### FINANCIAL HIGHLIGHTS

- The City's total revenues exceeded total expenses, on the modified cash basis of accounting, by \$ 1,003,500 for the year, resulting in an increase in total net position of 3.74% from the previous year. This is mostly due to the City continuing to control expenses now that repayment of the sewer project loan has begun.
- The City's General Fund ended the year with a fund balance of \$ 5,158,946, which represents a 13.84% increase from the previous year. Increase is primarily due to increased state and property taxes and controlling expenditures.
- \$ 84,000 was received as a result of an intergovernmental agreement with the Village of Forrest for Police coverage.
- Annual contributions of \$ 22,000 were received from the Rural Fire Protection District.

#### USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the City's modified cash basis of accounting.

#### Report Components

This annual report consists of five parts as follows:

**Government-Wide Financial Statements:** The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis (*on pages 14-15*) provide information about the activities of the City government-wide (or “as a whole”) and present a longer-term view of the City's finances.

**Fund Financial Statements:** Fund financial statements (*starting on page 16*) focus on the individual parts of the City government. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant “major” funds. For *governmental activities*, these statements tell how these services were financed in the short term as well as what remains for future spending. For *proprietary activities*, these statements offer short-term and long-term financial information about the activities the City operates like businesses, such as the water and sewer.

**Notes to the Financial Statements:** The notes to the financial statements (*starting on page 24*) are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

## CITY OF FAIRBURY, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued) Year ended April 30, 2024

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#### **Report Components, continued**

**Other Information - Audited:** This part of the annual report (*starting on page 47*) includes the non-major fund combining statements. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as “the basic financial statements”).

**Other Information - Unaudited:** This includes Management's Discussion and Analysis, the Budgetary Comparison Schedules, and additional statements for the water and sewer funds and property taxes. This other information is provided to address certain specific needs of various users of the City's annual report.

#### **Basis of Accounting**

The City has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the City's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets in the government-wide financial statements for all activities and in the fund financial statement for proprietary fund activities.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

#### **Reporting the City as a Whole**

##### ***The City's Reporting Entity Presentation***

This annual report includes the primary government activities for which the City of Fairbury's City Council is fiscally responsible. These activities, defined as the City's reporting entity, are operated within separate legal entities that make up the primary government.

The primary government includes the legal entity of the City of Fairbury.



## CITY OF FAIRBURY, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued) Year ended April 30, 2024

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#### **Reporting the City as a Whole, continued**

##### *The Government-Wide Financial Statements*

Our financial analysis of the City as a whole begins on page 7. The government-wide financial statements are presented on pages 14 and 15. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position – Modified Cash Basis and the Statement of Activities - Modified Cash Basis report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all of the City's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the City's net position and changes in it. Keeping in mind the limitations of the modified cash basis of accounting, one can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other nonfinancial factors, however, such as changes in the City's sales tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis, we divide the City into two kinds of activities:

*Governmental activities.* Most of the City's basic services are reported here, including the police, fire, general administration, streets, parks, pool, and library. Property taxes, sales and use taxes, income taxes, other miscellaneous taxes and fees, franchise fees, fines, and state and federal grants finance most of these activities.

*Business-type activities.* The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer are reported here.

#### **Reporting the City's Most Significant Funds**

##### *The Fund Financial Statements*

Our financial analysis of the City's funds begins on page 11. The fund financial statements begin on page 16 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two kinds of funds – *governmental and proprietary* - use different accounting approaches.

## CITY OF FAIRBURY, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued) Year ended April 30, 2024

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#### Reporting the City's Most Significant Funds, continued

##### *The Fund Financial Statements, continued*

*Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis) and governmental funds in a reconciliation after the fund financial statements. The City considers the General Fund to be its only significant major governmental fund.

*Proprietary funds* - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are reported as a reduction to the liability. In fact, the City's proprietary (enterprise) fund financial statements are essentially the same as the business-type activities we report in the government-wide statements but the fund statements provide more detail and additional information, such as cash flows. The City has two enterprise funds, the Water Fund and the Sewer Fund.

#### A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

##### Net Position - Modified Cash Basis

The City's combined net position, resulting from modified cash basis transactions, increased from approximately \$ 26.83 million to \$ 27.83 million from fiscal year 2023 to fiscal year 2024. Looking at the net position and net expenses of governmental and business-type activities separately, governmental activities had an approximately \$ 934,000 increase and business-type activities had an approximately \$ 69,000 increase.

**CITY OF FAIRBURY, ILLINOIS**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**Year ended April 30, 2024**

**Net Position - Modified Cash Basis, continued**

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 6,434,259	5,701,599	12,135,858	5,704,972	5,459,380	11,164,352
Capital assets	3,833,361	32,659,756	36,493,117	3,745,562	33,528,139	37,273,701
Total assets	10,267,620	38,361,355	48,628,975	9,450,534	38,987,519	48,438,053
Long-term debt outstanding	554,829	20,241,244	20,796,073	672,372	20,936,279	21,608,651
Other liabilities						
Total liabilities	554,829	20,241,244	20,796,073	672,372	20,936,279	21,608,651
Net Position:						
Net investment in capital assets	3,278,532	12,418,512	15,697,044	3,073,190	12,591,860	15,665,050
Restricted	1,439,328	53,653	1,492,981	1,347,923	52,000	1,399,923
Unrestricted	4,994,931	5,647,946	10,642,877	4,357,049	5,407,380	9,764,429
Total net position	\$ 9,712,791	18,120,111	27,832,902	8,778,162	18,051,240	26,829,402

Net position of the City’s governmental activities increased 10.65% to \$9.71 million. Net position of the City’s business-type activities increased 0.38% to \$ 18.12 million. \$ 17,190,025 of the total net position is either restricted as to the purposes for which it can be used or is invested in capital assets (buildings, roads, bridges, etc.).

Changes from 2023 to 2024 reflect an increase of 0.39% in total assets, with an increase of 8.65% for governmental assets and a decrease of 1.61% for business-type assets.

Changes from 2023 to 2024 also reflect a decrease of 3.76% in total liabilities, with a decrease of 17.48% for governmental liabilities and a decrease of 3.32% for business-type liabilities.

**CITY OF FAIRBURY, ILLINOIS**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**Year ended April 30, 2024**

**Changes in Net Position - Modified Cash Basis**

For the year ended April 30, 2024, net position of the primary government (resulting from modified cash basis transactions) changed as follows:

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 731,850	2,301,015	3,032,865	669,727	2,233,842	2,903,569
Operating grants and contributions	149,325		149,325	467,038	300,000	767,038
General revenues:						
Property tax	1,128,853		1,128,853	1,086,560		1,086,560
Replacement tax	64,362		64,362	88,097		88,097
Sales, use, cannabis & video gaming tax	1,181,876		1,181,876	1,073,008		1,073,008
State income tax	594,775		594,775	587,014		587,014
Motor fuel tax	159,402		159,402	149,673		149,673
Interest income	152,239	200,740	352,979	52,124	67,787	119,911
Gain/Loss on disposal of capital asset	(34,055)	53,050	18,995			
Insurance Proceeds	145,266		145,266			
Other	57,266	4,640	61,906	101,784	7,453	109,237
Total revenues	4,331,159	2,559,445	6,890,604	4,275,025	2,609,082	6,884,107
<u>Expenses</u>						
General government						
Public safety	837,871		837,871	568,758		568,758
Streets, parks, culture, and recycling	966,142		966,142	935,338		935,338
Interest	1,571,714		1,571,714	1,451,242		1,451,242
Water	20,803		20,803	23,544		23,544
Sewer		977,166	977,166		835,564	835,564
		1,513,408	1,513,408		1,522,741	1,522,741
Total expenses	3,396,530	2,490,574	5,887,104	2,978,882	2,358,305	5,337,187
Increase in net position	\$ 934,629	68,871	1,003,500	1,296,143	250,777	1,546,920

**CITY OF FAIRBURY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**Year ended April 30, 2024**

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**Governmental Activities**

To aid in the understanding of the Statement of Activities - Modified Cash Basis, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. Expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. This type of format highlights the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

For the year ended April 30, 2024, the City's governmental activities were funded as follows:

Sources of Funds for Governmental Activities

Property taxes	\$ 1,128,853	26.1%
Sales and local use taxes	1,181,876	27.3
State income tax	594,775	13.7
Other taxes	223,764	5.2
Interest income	152,239	3.5
Charges for services	731,850	16.9
Grants	76,065	1.7
Contributions	73,260	1.7
Insurance proceeds	145,266	3.4
Gain/(loss) on disposal of capital asset	(34,055)	(0.8)
Other	57,266	1.3
	<u>\$ 4,331,159</u>	<u>100.0%</u>

Uses of Funds in Governmental Activities

General government	\$ 837,871	24.7%
Public safety	966,142	28.4
Streets, parks and recycling	1,571,714	46.3
Interest	20,803	0.6
	<u>\$ 3,396,530</u>	<u>100.0%</u>

For the year ended April 30, 2024, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$ 3,396,530. Of these total expenses, taxpayers and other general revenues funded only \$ 2,515,355 while those directly benefiting from the program funded \$ 149,325 from grants and other contributions and \$ 731,850 from charges for services.

**CITY OF FAIRBURY, ILLINOIS**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**Year ended April 30, 2024**

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**Business-Type Activities**

In reviewing the business-type activities’ net (expense)/revenue resulting from modified cash basis transactions, there are certain activities that need to be examined more closely. The water and sewer service activities reported net expenses of \$ 977,166 and \$ 1,513,408, respectively.

	Water	Sewer
Revenue	\$ 1,235,258	1,324,187
Expense	<u>(977,166)</u>	<u>(1,513,408)</u>
Change in net position	<u>\$ 258,092</u>	<u>(189,221)</u>

**A FINANCIAL ANALYSIS OF THE CITY’S FUNDS**

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

On the modified cash basis of accounting, the General Fund reported revenues, transfers, and proceeds totaling \$ 3,941,698 and expenditures of \$ 3,314,458, resulting in an increase in fund balance of \$ 627,240. This fund showed an increase in revenues due to increasing state and property taxes and new grants.

**General Fund Budgetary Highlights**

Expenditures were consistent with the appropriation with one significant exception. This difference between expenditures and the appropriation was due to several projects appropriated for during the year but were not actually completed. As a result, General Fund Expenditures for capital outlay were approximately \$ 1,900,000 below appropriations for the year ended April 30, 2024.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets - Modified Cash Basis**

At April 30, 2024, the City had \$ 36.49 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, and water and sewer lines. This represents a net decrease of \$ 780,584 or 2.09%, from last year.

**CITY OF FAIRBURY, ILLINOIS**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**Year ended April 30, 2024**

**Capital Assets - Modified Cash Basis, continued**

Primary Government Capital Assets - Modified Cash Basis  
(Net of accumulated depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,071,332	52,245	1,123,577
Land improvements	42,001		42,001
Buildings and improvements	1,381,663		1,381,663
Utility plant		14,140,106	14,140,106
Water tower		484,640	484,640
Vehicles	824,712	110,137	934,849
Equipment	419,113	1,005,535	1,424,648
Wells and improvements		367,623	367,623
Infrastructure	94,540	16,459,970	16,554,510
Construction in progress		39,500	39,500
	<u>\$ 3,833,361</u>	<u>32,659,756</u>	<u>36,493,117</u>

This year’s more significant capital asset additions included:

John Deere front-end loader	\$ 161,000
Stafford Community Center remodel	89,636
High school sidewalk project	85,893

**Long-Term Debt – Modified Cash Basis**

At April 30, 2024, the City had \$ 20,796,073 in long-term debt and leases arising from modified cash basis transactions compared to \$ 21,608,651 at April 30, 2023. This represents a decrease of 3.76%. Decrease is due to payments made during the year. At April 30, 2024, \$ 554,829 of the debt is related to governmental activities and \$ 20,241,244 is related to business-type activities. (See table below.)

Primary Government Long-Term Debt – Modified Cash Basis

EPA loans	\$ 20,241,244
Brian J. Munz Public Safety Complex bonds	265,000
Fire truck loan	9,199
Fire equipment loan	45,429
Fire truck lease	<u>235,201</u>
Total	<u>\$ 20,796,073</u>

## **CITY OF FAIRBURY, ILLINOIS**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)** **Year ended April 30, 2024**

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#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Significant economic factors affecting the year ended April 30, 2024:

- The City continued seeking grant and stimulus money for water, sewer, and infrastructure projects.
- Employee benefit costs (Medicare and FICA taxes, health insurance, and IMRF) were \$ 460,212 which represents 26.03% of employee wages. Overtime paid was \$ 62,019 which represents an increase of 6.6% compared to the previous year. The Police Department accounted for \$ 41,534 of the total overtime paid.
- City-wide cash and investments increased approximately \$ 971,500 million due to increasing revenues and controlling expenditures
- Capital assets, net of accumulated depreciation experienced a decrease of approximately \$ 780,500 due to annual depreciation exceeding capital outlays.

Significant economic factors expected to affect the upcoming fiscal year ending April 30, 2025:

- The City's budget is fairly consistent with this year.
- In May 2024, the City increased most employee wages based on annual evaluations.
- The City's cash position is expected to remain stable.
- The City Council approved using MFT funds for Locust St. sidewalk improvements. The City Council also approved continuing to pursue a major water plant upgrade which will include expenditures for engineering design services during the current year.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If there are questions about this report or a need for additional financial information, contact the City Treasurer's office at:

201 W Locust St.  
PO Box 228  
Fairbury, IL 61739  
treasurer@cityoffairbury.com  
(815) 692-2743



**CITY OF FAIRBURY, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

**April 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Current assets			
Cash and cash equivalents	\$ 4,046,647	1,320,202	5,366,849
Certificates of deposit	2,387,612	4,327,744	6,715,356
Total current assets	6,434,259	5,647,946	12,082,205
Noncurrent assets			
Restricted certificates of deposit		53,653	53,653
Capital assets, net of accumulated depreciation	3,833,361	32,659,756	36,493,117
Total noncurrent assets	3,833,361	32,713,409	36,546,770
<b>TOTAL ASSETS</b>	<b>10,267,620</b>	<b>38,361,355</b>	<b>48,628,975</b>
<b><u>LIABILITIES</u></b>			
Current liabilities			
Current maturities of lease obligation	44,169		44,169
Current maturities of long term debt	75,459	689,953	765,412
Total current liabilities	119,628	689,953	809,581
Noncurrent liabilities			
Lease obligation, less current maturities	191,032		191,032
Long term debt, less current maturities	244,169	19,551,291	19,795,460
Total noncurrent liabilities	435,201	19,551,291	19,986,492
<b>TOTAL LIABILITIES</b>	<b>554,829</b>	<b>20,241,244</b>	<b>20,796,073</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	3,278,532	12,418,512	15,697,044
Restricted for:			
Debt service		53,653	53,653
Other purposes	1,439,328		1,439,328
Unrestricted	4,994,931	5,647,946	10,642,877
<b>TOTAL NET POSITION</b>	<b>\$ 9,712,791</b>	<b>18,120,111</b>	<b>27,832,902</b>

See Notes to Financial Statements.

CITY OF FAIRBURY, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
Year ended April 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense)/Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 837,871	59,705	86,030	(692,136)		(692,136)
Public safety	966,142	146,424		(819,718)		(819,718)
Streets and recycling	1,247,764	463,111		(784,653)		(784,653)
Culture and recreation	323,950	62,610	63,295	(198,045)		(198,045)
Interest on long term debt	20,803			(20,803)		(20,803)
Total governmental activities	3,396,530	731,850	149,325	(2,515,355)	-	(2,515,355)
Business-type activities:						
Water	977,166	1,121,085	-		143,919	143,919
Sewer	1,513,408	1,179,930	-		(333,478)	(333,478)
Total business-type activities	2,490,574	2,301,015	-	-	(189,559)	(189,559)
<b>TOTAL</b>	<b>\$ 5,887,104</b>	<b>3,032,865</b>	<b>149,325</b>	<b>(2,515,355)</b>	<b>(189,559)</b>	<b>(2,704,914)</b>
General Revenues:						
Taxes						
				1,128,853		1,128,853
				64,362		64,362
				1,181,876		1,181,876
				594,775		594,775
				159,402		159,402
				152,239	200,740	352,979
				145,266		145,266
				5,035		5,035
				57,266	4,640	61,906
				(39,090)	53,050	13,960
Total general revenues				3,449,984	258,430	3,708,414
Change in net position				934,629	68,871	1,003,500
Net position - beginning				8,778,162	18,051,240	26,829,402
Net position - ending				\$ 9,712,791	18,120,111	27,832,902

See Notes to Financial Statements.

**CITY OF FAIRBURY, ILLINOIS**

**STATEMENT OF ASSETS, LIABILITIES AND FUND**

**BALANCES - MODIFIED CASH BASIS**

**GOVERNMENTAL FUNDS**

**April 30, 2024**

	General Fund	Non-Major Funds	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 3,053,469	993,178	4,046,647
Certificates of deposit	2,100,477	287,135	2,387,612
Due from other fund	5,000		5,000
	<hr/>		
TOTAL ASSETS	5,158,946	1,280,313	6,439,259
	<hr/> <hr/>		
<b><u>LIABILITIES</u></b>			
Due to other fund		5,000	5,000
	<hr/>		
TOTAL LIABILITIES	-	5,000	5,000
	<hr/> <hr/>		
<b><u>FUND BALANCES</u></b>			
Restricted	159,619	1,279,709	1,439,328
Assigned	11,051		11,051
Unassigned	4,988,276	(4,396)	4,983,880
	<hr/>		
Total fund balances	5,158,946	1,275,313	6,434,259
	<hr/> <hr/>		
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,158,946	1,280,313	6,439,259
	<hr/> <hr/>		

See Notes to Financial Statements.

**CITY OF FAIRBURY, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF ASSETS,  
LIABILITIES AND FUND BALANCES - MODIFIED CASH  
BASIS - GOVERNMENTAL FUNDS TO THE STATEMENT  
OF NET POSITION - MODIFIED CASH BASIS**

**April 30, 2024**

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Total fund balances - governmental funds	\$ 6,434,259
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	3,833,361
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(554,829)
Net position of governmental activities	<u>\$ 9,712,791</u>

See Notes to Financial Statements.

**CITY OF FAIRBURY, ILLINOIS**

**STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
Year ended April 30, 2024**

	General Fund	Non-Major Funds	Total
<b>Revenues collected:</b>			
Property taxes	\$ 972,034	156,819	1,128,853
Replacement taxes	54,591	9,771	64,362
Sales and local use taxes	1,181,876		1,181,876
State income taxes	594,775		594,775
Motor fuel taxes		159,402	159,402
Other grants	70,706	5,359	76,065
Donations	15,324	57,936	73,260
Interest income	132,362	19,877	152,239
Licenses, fees, and fines	106,604	12,226	118,830
Garbage collection fees	463,111		463,111
Intergovernmental - public safety	106,000		106,000
Rental income	1,300	5,944	7,244
Pool revenues	36,665		36,665
Other income	56,049	1,217	57,266
	<hr/>		
Total revenues collected	3,791,397	428,551	4,219,948
<b>Expenditures paid:</b>			
Current:			
General government	591,879	19,800	611,679
Public safety	850,579		850,579
Streets and recycling	1,035,621	107,739	1,143,360
Culture and recreation	110,747	189,439	300,186
Debt service:			
Retirement of principal	117,543		117,543
Interest	20,803		20,803
Capital outlay	587,286	9,526	596,812
	<hr/>		
Total expenditures paid	3,314,458	326,504	3,640,962
<b>Excess of revenues collected over expenditures paid</b>			
	<hr/>		
	476,939	102,047	578,986

(continued)

**CITY OF FAIRBURY, ILLINOIS**

**STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS (Continued)  
GOVERNMENTAL FUNDS  
Year ended April 30, 2024**

	General Fund	Non-Major Funds	Total
Other financing sources (uses):			
Proceeds from sale of capital assets	5,035		5,035
Insurance proceeds	145,266		145,266
Net other sources and uses of financial resources	150,301	-	150,301
Net change in fund balances	627,240	102,047	729,287
Fund balances - beginning	4,531,706	1,173,266	5,704,972
Fund balances - ending	\$ 5,158,946	1,275,313	6,434,259

See Notes to Financial Statements.

**CITY OF FAIRBURY, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,  
EXPENDITURES PAID AND CHANGES IN FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
Year ended April 30, 2024**

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Net change in fund balances - governmental funds \$ 729,287

Amounts reported for governmental activities in the Statement of  
Activities - Modified Cash Basis are different because:

Governmental funds report capital outlays as expenditures;  
however, in the Statement of Activities - Modified Cash  
Basis the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense.

Capital asset purchases capitalized	\$ 448,570	
Depreciation expense	(321,681)	
Loss on disposal of assets	<u>(39,090)</u>	87,799

Repayment of debt principal is an expenditure in the  
governmental funds, but the repayment reduces long-term  
liabilities in the Statement of Net Position - Modified Cash Basis. 117,543

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Change in net position of governmental activities \$ 934,629

See Notes to Financial Statements.

**CITY OF FAIRBURY, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS**

**April 30, 2024**

	Business-Type Activities Proprietary Funds		
	Water Fund	Sewer Fund	Total
<b><u>ASSETS</u></b>			
Current assets			
Cash and cash equivalents	\$ 363,530	956,672	1,320,202
Certificates of deposit	2,227,267	2,100,477	4,327,744
Total current assets	2,590,797	3,057,149	5,647,946
Noncurrent assets			
Restricted certificates of deposit	25,795	27,858	53,653
Capital assets, net of accumulated depreciation	2,323,258	30,336,498	32,659,756
Total noncurrent assets	2,349,053	30,364,356	32,713,409
TOTAL ASSETS	4,939,850	33,421,505	38,361,355
<b><u>LIABILITIES</u></b>			
Current liabilities			
Current maturities of debt	30,433	659,520	689,953
Total current liabilities	30,433	659,520	689,953
Noncurrent liabilities			
EPA waste water treatment loans		19,290,499	19,290,499
EPA drinking water loans	260,792		260,792
Total noncurrent liabilities	260,792	19,290,499	19,551,291
TOTAL LIABILITIES	291,225	19,950,019	20,241,244
<b><u>NET POSITION</u></b>			
Net investment in capital assets	2,032,033	10,386,479	12,418,512
Restricted for:			
Debt service	25,795	27,858	53,653
Unrestricted	2,590,797	3,057,149	5,647,946
TOTAL NET POSITION	\$ 4,648,625	13,471,486	18,120,111

See Notes to Financial Statements.



**CITY OF FAIRBURY, ILLINOIS**

**STATEMENT OF REVENUES RECEIVED, EXPENSES PAID  
AND CHANGES IN NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
Year ended April 30, 2024**

	Business-Type Activities Proprietary Funds		
	Water Fund	Sewer Fund	Total
Operating revenues:			
Charges for services	\$ 1,121,085	1,179,930	2,301,015
Operating expenses:			
Salaries and related expenses	431,332	155,772	587,104
Contractual services	163,220	102,866	266,086
Utilities	26,828	106,426	133,254
Commodities	185,513	41,187	226,700
Permits and fees		11,000	11,000
Miscellaneous	3,757	1,729	5,486
Depreciation	161,351	887,978	1,049,329
Total operating expenses	972,001	1,306,958	2,278,959
Operating income (loss)	149,084	(127,028)	22,056
Non-operating revenues (expenses):			
Interest income	97,283	103,457	200,740
Interest expense	(5,165)	(206,450)	(211,615)
Miscellaneous	4,640		4,640
Gain on disposal of capital asset	12,250	40,800	53,050
Total non-operating revenues (expenses)	109,008	(62,193)	46,815
Change in net position	258,092	(189,221)	68,871
Net position - beginning	4,390,533	13,660,707	18,051,240
Net position - ending	\$ 4,648,625	13,471,486	18,120,111

See Notes to Financial Statements.

CITY OF FAIRBURY, ILLINOIS

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
 PROPRIETARY FUNDS  
 Year ended April 30, 2024

	Business-Type Activities Proprietary Funds		
	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,121,085	1,179,930	2,301,015
Cash paid to suppliers for goods and services	(379,318)	(263,208)	(642,526)
Cash paid to employees for services	(431,332)	(155,772)	(587,104)
<b>Net cash flows from operating activities</b>	<b>310,435</b>	<b>760,950</b>	<b>1,071,385</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Miscellaneous non operating receipts	4,640	-	4,640
<b>Net cash flows from noncapital financing activities</b>	<b>4,640</b>	<b>-</b>	<b>4,640</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Payments on construction in progress	(19,750)		(19,750)
Principal payments on debt	(42,238)	(652,797)	(695,035)
Interest paid	(5,165)	(206,450)	(211,615)
Proceeds from sale of capital assets	12,250	40,800	53,050
Acquisition of capital assets	(95,478)	(65,718)	(161,196)
<b>Net cash flows from capital and related financing activities</b>	<b>(150,381)</b>	<b>(884,165)</b>	<b>(1,034,546)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from certificates of deposit		50,000	50,000
Purchase of certificates of deposit	(92,079)	(138,383)	(230,462)
Interest received on certificates of deposit	97,283	103,457	200,740
<b>Net cash flows from investing activities</b>	<b>5,204</b>	<b>15,074</b>	<b>20,278</b>
Net increase (decrease) in cash and cash equivalents	169,898	(108,141)	61,757
Cash and cash equivalents, beginning of year	193,632	1,064,813	1,258,445
Cash and cash equivalents, end of year	363,530	956,672	1,320,202
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	149,084	(127,028)	22,056
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	161,351	887,978	1,049,329
Increase (decrease) in liabilities:			
None			-
<b>Net cash flows from operating activities</b>	<b>\$ 310,435</b>	<b>760,950</b>	<b>1,071,385</b>

See Notes to Financial Statements.

## CITY OF FAIRBURY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS

April 30, 2024

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#### Note 1 - Summary of Significant Accounting Policies

Except for the use of the modified cash basis of accounting as described later, accounting policies of the City of Fairbury, Illinois (the City) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant policies. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**Reporting Entity:** For financial reporting purposes, in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100, the City of Fairbury, Illinois is a primary government in that it is a city with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

**Principles Used to Determine the Scope of the Reporting Entity:** The City has developed criteria to determine whether other entities are component units of the City. Component units are legally separate organizations for which the elected officials of the City are financially accountable. The City would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City (i.e., entitled to or can access the organization's resources; is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to, the organization; or is obligated in some manner for the debt of the organization).

If an organization is fiscally dependent on the City, the City is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The City has determined that no other outside agency meets any of the above criteria and, therefore, no other agency has been included as a component unit in the financial statements. In addition, the City is not aware of any entity which would exercise such oversight as to result in the City being considered a component of the entity.

**Basis of Presentation:** The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide Financial Statements:** The Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are supported by taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are supported in whole or in part by fees charged to external parties for goods or services. For the most part, the effect of interfund activity has been removed from these statements.

## CITY OF FAIRBURY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2024

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#### Note 1 - Summary of Significant Accounting Policies, continued

##### Government-wide Financial Statements, continued:

The Statement of Net Position - Modified Cash Basis presents the City's nonfiduciary assets and liabilities, with the difference reported as net position.

The Statement of Activities - Modified Cash Basis 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) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements:** The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of its assets, liabilities, fund balances, revenues, and expenditures. The City's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

Governmental Fund Types: Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities are accounted for through Governmental Funds. The City's major Governmental Funds include the following:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources and expenditures not required by law or contractual agreement to be accounted for in another fund.

Non-Major Governmental Funds: These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City's non-major governmental funds include the following:

Special Revenue Funds: Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes other than debt service or capital projects. The City includes the following special revenue funds:

Library Fund: To account for the property taxes levied for library purposes and other resources used to provide library services to the citizens of the City.

## CITY OF FAIRBURY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2024

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#### Note 1 - Summary of Significant Accounting Policies, continued

##### Fund Financial Statements, continued:

Motor Fuel Tax Fund: To account for the operations of the City's Street Department in connection with highway construction and maintenance projects authorized by the Illinois Department of Transportation. Financing is provided by the City's share of the state motor fuel tax.

Audit Fund: To account for the revenue and expenditures resulting from the City's compliance with the "Municipal Auditing Law" as stipulated in Chapter 65 of the Illinois Compiled Statutes. Financing is provided by a specific annual real estate tax levy and payments are made only for the costs of the annual audit of all City funds.

Proprietary Fund Types: Proprietary funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains the following proprietary funds:

Enterprise Funds: To account for resources from fees charged directly to those entities or individuals that use its services. The City reports the following enterprise funds as major proprietary funds.

Water Fund: To account for the water operations. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund's capital assets) and provide for a net income to finance the continued operations of the system.

Sewer Fund: To account for the wastewater operations. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund's capital assets) and provide for a net income to finance the continued operations of the system.

**Measurement Focus and Basis of Accounting:** Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting.

- The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

## CITY OF FAIRBURY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2024

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#### Note 1 - Summary of Significant Accounting Policies, continued

##### Measurement Focus and Basis of Accounting, continued:

- This basis of accounting recognizes assets, liabilities, net position/fund balance, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Proprietary fund financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Governmental Fund Balances:** Fund Balance is the difference between assets and liabilities in a Governmental Fund. The following types of fund balances may be presented in the Governmental Funds Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance: The portion of a Governmental Fund's net position that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no funds presenting a nonspendable fund balance.

Restricted Fund Balance: The portion of a Governmental Fund's net position that is subject to external enforceable legal restrictions. The following funds have restricted fund balances: General Fund, Library Fund, and Motor Fuel Tax Fund.

## CITY OF FAIRBURY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2024

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#### Note 1 - Summary of Significant Accounting Policies, continued

##### Governmental Fund Balances, continued:

Committed Fund Balance: The portion of a Governmental Fund's net position with self-imposed constraints or limitations that has been placed at the highest level of decision making authority (the City Council). The committed amounts cannot be used for any other purpose unless the City Council takes the same formal action to remove or change the imposed constraints. There are no funds presenting a committed fund balance.

Assigned Fund Balance: The portion of a Governmental Fund's net position to denote an intended use of resources. The City Council, through resolution establishing the City's fund balance policy, has delegated to the City Administrator the authority to assign amounts to specific purposes. Pursuant to the City's fund balance policy, any fund balance assigned by the City Administrator must be reported to the City Council at its next regular meeting. The City Council has the authority to remove or change the assigned fund balance with a simple majority vote. The fund presenting an assigned fund balance is the General Fund.

Unassigned Fund Balance: Available expendable financial resources in a governmental fund that are not designated for a specific purpose. In governmental funds other than the General Fund, the unassigned fund balance classification would only be used, as applicable, to report a deficit balance in that fund. The General Fund presents an unassigned fund balance, as well as the deficit fund balance in the Audit Fund.

**Net Position:** Equity in the government-wide statements is classified as net position. Net position represents the difference between assets and liabilities and is displayed in three components:

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

Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

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

**Use of Restricted Resources:** When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

The City does not have a formal minimum fund balance policy.

## CITY OF FAIRBURY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2024

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#### Note 1 - Summary of Significant Accounting Policies, continued

**Budgets:** The budget for all governmental fund types is prepared on the modified cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The original and final budget was passed through an appropriations ordinance on July 19, 2023.

For each fund, total fund expenditures may not legally exceed the budgeted expenditures. The budget lapses at the end of each fiscal year. The City adopts its annual budget in accordance with Chapter 65, Paragraph 5/8-2-9 of the Illinois Compiled Statutes, as follows:

- (1) The budget officer submits to the City Council a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) The Council approves the proposed operating budget as a basis for the appropriation.
- (3) A public hearing is conducted to obtain taxpayer comments on the appropriation.
- (4) Prior to August 1, the budget is legally adopted through passage of an appropriations ordinance.
- (5) Budgeted amounts may be transferred between object classes within a fund at any time. The annual budget may be revised by a vote of two-thirds of the City Council by deleting, adding to, or changing budgeted items. Except as provided for by the statute, no revision of the budget can be made increasing the budget in the event funds are not available.

The City also adopts an informal operating budget for proprietary funds containing estimated revenues and expenditures, which is used as a management control device.

**Use of Estimates in Preparing Financial Statements:** The preparation of financial statements in conformity with the modified cash basis of accounting used by the City requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund balance during the reporting period. Actual results could differ from those estimates.

**Compensated Absences:** As a result of using the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid. It is the City's policy to permit employees to accumulate a limited amount of sick time (maximum of 48 days per employee). Vacation time must be taken annually based upon the calendar year or it is forfeited. Upon termination, employees are paid for unused sick and vacation time, up to a maximum of 30 days.



## CITY OF FAIRBURY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2024

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#### Note 1 - Summary of Significant Accounting Policies, continued

**Interfund Balances and Activities:** Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). All other outstanding balances between funds is reported as “due to/from other funds.”

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements.

**Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows - Modified Cash Basis, the City’s proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Certificates of Deposit:** Certificates of deposit are classified together regardless of maturity. Certificates of deposit are carried at cost, which approximates fair value.

**Construction in Progress:** Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, if any, is expensed as incurred. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use.

**Capital Assets:** The City’s modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-Wide Statements:** In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position - Modified Cash Basis. All capital assets are valued at historical cost less a provision for depreciation. Prior to May 1, 2004, governmental funds’ infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004 are capitalized at cost.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 1 - Summary of Significant Accounting Policies, continued**

**Capital Assets, continued:**

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities - Modified Cash Basis, with accumulated depreciation reflected in the Statement of Net Position - Modified Cash Basis. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$ 20,000 for infrastructure and \$ 2,500 for all other capital assets is used. The range of estimated useful lives by type of asset is as follows:

Building and improvements	10-50 years
Improvements other than buildings	10-40 years
Machinery, furniture, and equipment	3-40 years
Infrastructure	20-40 years

Fund Financial Statements: In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

**Long-term Debt:** All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

**Program Revenues:** In the Statement of Activities - Modified Cash Basis, modified cash basis revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- General government - Licenses, permits and fees, grants, and contributions
- Public safety - Fine revenue, intergovernmental agreement with other entity
- Streets and recycling - Garbage collection
- Culture and recreation - Pool and Library revenues

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

**Operating Revenue and Expenses:** Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses related to capital and related financing, noncapital financing, or investing activities.

# CITY OF FAIRBURY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS (Continued) April 30, 2024

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### Note 1 - Summary of Significant Accounting Policies, continued

**New Accounting Pronouncements:** During the year ended April 30, 2024, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*. None of these statements had a significant impact on the City's financial statements.

### Note 2 - Cash and Investments

The *Illinois Compiled Statutes* authorize the City to make deposits and invest in U.S. Government, State of Illinois, and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds, or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; commercial paper rated within the three highest classifications by at least two standard rating services; credit union shares; and the Illinois Funds.

The City's cash and investments at April 30, 2024 consisted of deposits with financial institutions, including certificates of deposit and money market funds. Separate bank accounts are not maintained for all City funds. Instead, certain general and special revenue funds maintain their cash balances in common demand deposit, money market accounts and certificates of deposit. Accounting records are maintained to show the portion of the common cash and balances attributable to each participating fund. At April 30, 2024, the carrying amount of the City's various bank deposits totaled \$ 12,135,858 and the bank balances totaled \$ 12,229,142.

Custodial credit risk is the risk that in the event of a bank failure, the deposits of the City may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City does not have a policy to address custodial credit risk. Deposits of the City's reporting entity are insured or collateralized with securities held by the pledging financial institution's trust department or agent in the name of the City. At April 30, 2024, \$ 989,790 of the deposits made by the City were covered by the Federal Depository Insurance Corporation (FDIC), and \$ 11,099,446 were collateralized by the respective institution, and \$ 139,906 were uninsured and uncollateralized. Effective May 24, 2024, additional securities have been pledged by the respective financial institution which would have covered the excess at April 30, 2024. The City's certificates of deposit have original maturities from 5 months to 36 months.

The deposits are reflected on the financial statements at April 30, 2024 as follows:

Government-wide statement of net position - modified cash basis:	
Cash and cash equivalents	\$ 5,366,849
Certificates of deposit	6,715,356
Certificates of deposit (reported as Restricted)	<u>53,653</u>
	<u>\$ 12,135,858</u>

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 2 - Cash and Investments, continued**

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investments in certificates of deposit are as follows:

	Fair Value	Interest Rate	Terms in Months	Maturity Date
Bank of Pontiac	\$ 3,251,858	0.30 to 5.00%	5 to 12 mo	7/1/24 - 2/28/25
Morton Community Bank	67,658	4.52%	12 mo	3/28/25
First State Bank of Forrest	<u>3,449,493</u>	0.35 to 5.00%	11 to 36 mo	5/13/24 - 1/28/25
	<u>\$ 6,769,009</u>			

**Note 3 - Restricted Certificates of Deposit**

In connection with the \$ 627,937 EPA wastewater treatment loan agreement and the \$ 595,825 EPA drinking water loan agreement, the Illinois Environmental Protection Agency requires the City to establish wastewater and waterworks reserve accounts equal to one years' principal and interest payments to fund future required loan payments. As of April 30, 2024, the balances of the wastewater and waterworks restricted accounts were \$ 27,858 and \$ 25,795, respectively.

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**April 30, 2024**

**Note 4 - Capital Assets**

Capital asset activity for the fiscal year ended April 30, 2024 was as follows:

	Balance April 30, 2023	Additions	Deletions	Balance April 30, 2024
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,071,332			1,071,332
Total assets not being depreciated	1,071,332	-	-	1,071,332
Other capital assets:				
Land improvements	164,011			164,011
Buildings and improvements	2,448,478	175,529		2,624,007
Vehicles	2,650,073	258,564	99,803	2,808,834
Equipment	2,614,489	14,477		2,628,966
Infrastructure	288,932			288,932
Total other capital assets	8,165,983	448,570	99,803	8,514,750
Less accumulated depreciation for:				
Land improvements	117,465	4,545		122,010
Buildings and improvements	1,177,640	64,704		1,242,344
Vehicles	1,876,217	168,618	60,713	1,984,122
Equipment	2,140,486	69,367		2,209,853
Infrastructure	179,945	14,447		194,392
Total accumulated depreciation	5,491,753	321,681	60,713	5,752,721
Other capital assets, net	2,674,230	126,889	39,090	2,762,029
Governmental activities, net	\$ 3,745,562	126,889	39,090	3,833,361

Depreciation expense for the year ended April 30, 2024 was charged to functions of the City as follows:

General government	\$ 81,498
Public safety	115,563
Streets and recycling	104,405
Culture and recreation	20,215
Total depreciation expense - governmental activities	\$ 321,681

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**April 30, 2024**

**Note 4 - Capital Assets, continued**

	Balance April 30, 2023	Additions	Deletions	Balance April 30, 2024
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 52,245			52,245
Construction in progress	19,750	19,750		39,500
	<hr/>			
Total assets not being depreciated	71,995	19,750	-	91,745
<hr/>				
Other capital assets:				
Utility plant	23,511,568			23,511,568
Wells and improvements	1,093,859			1,093,859
Water tower	1,024,691			1,024,691
Vehicles	224,221	58,158	26,077	256,302
Equipment	2,140,305	31,642	31,199	2,140,748
Infrastructure	18,277,525	71,396		18,348,921
	<hr/>			
Total other capital assets	46,272,169	161,196	57,276	46,376,089
<hr/>				
Less accumulated depreciation for:				
Utility plant	8,974,910	396,552		9,371,462
Wells and improvements	693,634	32,602		726,236
Water tower	514,434	25,617		540,051
Vehicles	147,792	24,450	26,077	146,165
Equipment	1,053,493	112,919	31,199	1,135,213
Infrastructure	1,431,762	457,189		1,888,951
	<hr/>			
Total accumulated depreciation	12,816,025	1,049,329	57,276	13,808,078
	<hr/>			
Other capital assets, net	33,456,144	(888,133)	-	32,568,011
	<hr/>			
Business-type activities, net	\$ 33,528,139	(868,383)	-	32,659,756
	<hr/> <hr/>			

Depreciation expense for the year ended April 30, 2024 was charged to functions of the City as follows:

Water	\$ 161,351
Sewer	887,978
	<hr/>
Total depreciation expense - business-type activities	\$ 1,049,329
	<hr/> <hr/>

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 5 - Long-term Debt**

The City’s long-term debt arising from cash transactions is segregated between amounts to be paid from governmental activities and amounts to be paid from business-type activities.

The changes in the City’s long-term debt for the year ended April 30, 2024 are as follows:

	Balance April 30, 2023	Additions	Reductions	Balance April 30, 2024	Amount Due Within One Year
Governmental Activities:					
Bonds payable	\$ 295,000		30,000	265,000	30,000
Notes payable	99,351		44,723	54,628	45,459
	<u>394,351</u>	-	<u>74,723</u>	<u>319,628</u>	<u>75,459</u>
Business-type Activities:					
Notes payable	<u>\$ 20,936,279</u>		<u>695,035</u>	<u>20,241,244</u>	<u>689,953</u>

Governmental Activities:

As of April 30, 2024, the long-term debt, arising from cash transactions payable from governmental fund resources consisted of the following:

**Bonds Payable:**

On June 20, 2012, the City issued general obligation bonds in the principal amount of \$ 500,000 with interest rates ranging from 2.8% to 7.0% due at various maturity dates until December 2031. The bond proceeds were used to offset expenditures incurred in construction and equipping of the Brian J. Munz Public Safety Complex.

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 5 - Long-term Debt, continued**

The schedule of principal and interest requirements of the bonds payable are as follows:

<u>Year ending April 30,</u>	June 1	December 1		Total
	Interest	Interest	Principal	
2025	\$ 4,623	4,623	30,000	39,246
2026	4,143	4,143	30,000	38,286
2027	3,655	3,655	30,000	37,310
2028	3,160	3,160	30,000	36,320
2029	2,650	2,650	35,000	40,300
2030 - 2032	4,205	4,205	110,000	118,410
	<u>\$ 22,436</u>	<u>22,436</u>	<u>265,000</u>	<u>309,872</u>

Notes Payable:

\$ 183,967 note payable to Illinois Finance Authority for a fire truck, payable in annual installments of \$ 9,199, non-interest bearing, final payment due November 2024, secured by fire truck, net book value \$ 6,132. \$ 9,199

\$ 175,000 note payable to Morton Community Bank for fire department equipment, payable in quarterly installments of \$ 9,224, including principal and interest at 2%, final payment due May 2025. \$ 45,429

The schedule of principal and interest requirements on the notes payable is as follows:

<u>Year ended April 30,</u>	Interest	Principal	Total Due
2025	\$ 635	45,459	46,094
2026	45	9,169	9,214
	<u>\$ 680</u>	<u>54,628</u>	<u>55,308</u>



**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**April 30, 2024**

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**Note 5 - Long-term Debt, continued**

Business-Type Activities:

As of April 30, 2024, the long-term debt, arising from cash transactions payable from proprietary fund resources consisted of the following:

Notes Payable:

\$ 258,046 note payable to Illinois Environmental Protection Agency for sewer improvements, payable in semi-annual installments of \$ 7,874, including principal and interest at 1.93%, final payment due July 2034. \$ 148,358

\$ 627,937 note payable to Illinois Environmental Protection Agency for sewer improvements, payable in semi-annual installments of \$ 13,172, including principal and interest at 1.25%, final payment due January 2032. 197,527

\$ 595,825 note payable to Illinois Environmental Protection Agency for water main improvements, payable in semi-annual installments of \$ 12,321, including principal and interest at 1.25%, final payment due January 2032. 187,047

\$ 165,768 note payable to Illinois Environmental Protection Agency for water tower improvements, payable in semi-annual installments of \$ 5,160, including principal and interest at 2.21%, final payment due August 2035. 104,178

\$ 30,260,764 note payable to Illinois Environmental Protection Agency for the long-term control plan sewer project; payable in semi-annual installments of \$ 408,577, including principal and interest at 1.00%. Final payment is due June 9, 2051. The State of Illinois has forgiven \$ 9,129,310 of the loan amount pursuant to principal forgiveness provisions contained in the Water Pollution Control Loan Program Loan Rules. 19,604,134

\$ 20,241,244

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 5 - Long-term Debt, continued**

The schedule of principal and interest requirements on the business-type activities long-term debt is as follows:

<u>Year ended April 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2025	\$ 204,257	689,953	894,210
2026	197,004	697,206	894,210
2027	189,673	704,537	894,210
2028	182,262	711,948	894,210
2029	174,771	719,439	894,210
2030 - 2034	759,557	3,607,079	4,366,636
2035 - 2039	576,614	3,531,725	4,108,339
2040 - 2044	396,723	3,689,051	4,085,774
2045 - 2049	208,065	3,877,709	4,085,774
2050 - 2052	30,289	2,012,597	2,042,886
	<u>\$ 2,919,215</u>	<u>20,241,244</u>	<u>23,160,459</u>

The City is limited under state law to aggregate indebtedness of 8.625% of assessed valuation. This limitation does not apply to indebtedness used to finance fire protection equipment and facilities or water and wastewater treatment facilities or alternate revenue bonds. The available legal debt margin was \$ 5,832,433 at April 30, 2024.

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 6 - Lease**

During the fiscal year ended April 30, 2018, the City acquired a fire truck via a lease. The lease payments are \$ 51,577 annually for twelve years at 3.15%, beginning September 30, 2017 with a \$ 1 purchase option at the end of the lease term.

The following is a summary of property held under the lease as of April 30, 2024:

Governmental activities:	
Vehicles	\$ 508,835
Less accumulated depreciation	<u>(175,972)</u>
Total net property held under lease	<u>\$ 332,863</u>

Depreciation on the asset held under lease charged to expense during the fiscal year ended April 30, 2024 was \$ 25,442, and is included with depreciation expense.

The following is a schedule of the future minimum payments required under the lease:

<u>Year ended April 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2025	\$ 7,409	44,169	51,578
2026	6,018	45,560	51,578
2027	4,582	46,995	51,577
2028	3,102	48,475	51,577
2029	1,575	50,002	51,577
	<u>\$ 22,686</u>	<u>235,201</u>	<u>257,887</u>

Total interest cost incurred on the lease for the year ended April 30, 2024 was \$ 8,758.

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 7 - Governmental Fund Balances**

The following is a detailed summary of fund balance classifications as presented in the governmental funds Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis. The following is a summary of restricted fund balances:

Unemployment insurance	\$ 2,167
Law enforcement	48,497
Fire department	108,955
Street repair and improvements	901,292
Library	378,417
	<hr/>
	\$ 1,439,328
	<hr/>

The street repair and improvements and library fund balances presented above represent resources restricted for the Motor Fuel Fund and Library Fund, respectively. The remaining amounts above represent resources restricted for the indicated purposes within the General Fund.

The assigned amount for the General Fund of \$ 11,051 represents vehicle seizure funds (law enforcement) assigned for police equipment to be determined.

**Note 8 - Interfund Transactions**

Interfund Transfers:

There were no transfers between funds of the primary government for the year ended April 30, 2024.

Due To/From Other Funds:

As of April 30, 2024, interfund receivables and payables were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 5,000	
Audit Fund		5,000
	<hr/>	<hr/>
	\$ 5,000	5,000
	<hr/>	<hr/>

For the year ended April 30, 2024, the General Fund paid expenditures of the Audit Fund in the amount of \$ 5,000.

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 9 - Other Disclosures**

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances and funds which overextended appropriations during the year are required to be disclosed.

A. The following fund had a deficit fund balance at April 30, 2024.

<u>Fund</u>	<u>Amount</u>
Audit Fund	\$ 4,396

B. There were no funds with an excess of actual expenditures over budget for the year ended April 30, 2024.

**Note 10 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers' compensation; and natural disasters. The City self-insures the risk of damage to small equipment owned by the various departments within the City. Consequently, the City is responsible for the cost of repairing or replacing such small equipment if it is damaged, destroyed or stolen. The City carries commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. There has not been a significant reduction in insurance coverage from the previous year. The City has not incurred an event where the settlement was over the coverage amount in the past three fiscal years.

**Note 11 - Property Taxes**

Real estate taxes are a lien on individual properties from January 1 in the year in which the taxes are levied. The levy must be filed with the County Clerk by the last Tuesday in December each year. The tax levy for the taxes collected in the fiscal year ended April 30, 2024 was passed December 7, 2022.

Due dates by statute are June 1 and September 1 of the following year. Generally, collections of tax monies are made within 30 to 60 days of the due dates. The following are the tax rate limits permitted by state law and local referendum and the actual rates levied for 2022 per \$ 100 of assessed valuation:

**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 11 - Property Taxes, continued**

Type of Tax	Rate Limits	2022 Actual Levy
Corporate	0.4375	0.38252
Garbage	0.2000	0.17966
Fire protection	0.6000	0.07486
Public benefits	0.0500	0.04492
Police protection	0.6000	0.31889
Audit	No limit	0.02695
IMRF	No limit	0.17966
Tort	No limit	0.08983
Unemployment compensation	No limit	0.00075
Social security	No limit	0.11229
Street lighting	0.0500	0.03444
Loss in collection	No limit	0.00271
Total tax rates		1.44748
County Clerk Extension		\$ 966,839
Assessed Valuation		\$ 66,794,616

**Note 12 - Retirement Plan**

**IMRF Plan Description:** The City’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available annual comprehensive financial report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

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

CITY OF FAIRBURY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)  
April 30, 2024

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**Note 12 - Retirement Plan, continued**

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

**Employees Covered by Benefit Terms:** As of December 31, 2023, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	28
Inactive Plan Members entitled to but not yet receiving benefits	26
Active Plan Members	<u>26</u>
Total	<u><u>80</u></u>

**Contributions:** As set by statute, the City's Regular Plan Members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2023 was 10.32 percent. For the calendar year ended 2023, the City contributed \$ 150,691 to the plan. The contribution rate includes contributions for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

## CITY OF FAIRBURY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2024

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#### Note 12 - Retirement Plan, continued

**Net Pension Liability:** The City's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability (asset) for the Regular Plan at December 31, 2023 is as follows:

	<u>Regular</u>
Total pension liability	\$ 9,300,661
Plan fiduciary net position	<u>8,213,834</u>
Net pension liability/(asset)	<u>\$ 1,086,827</u>
Percent funded	<u>88.31%</u>

#### Note 13 - Postemployment Benefits

Prior to July 5, 2018, retirees of the City were able to elect to maintain health insurance, dental insurance, and vision insurance through the City subsequent to retirement. Such retirees are responsible for paying the full cost of all premiums. As of April 30, 2024, there were no retirees participating in the health insurance plan, but one retiree participating in the vision and dental insurance plans. As of July 5, 2018, the City policy changed to prohibit employees from maintaining City provided health insurance after retirement. The current retirees on the plan, however, are being allowed to continue their participation.

#### Note 14 - Fair Value Measurement

The City has adopted the fair value accounting guidance related to financial assets and liabilities. The guidance defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. It also establishes a fair value hierarchy that prioritizes the inputs used to measure fair value:

- Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are generally unobservable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.



**CITY OF FAIRBURY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**April 30, 2024**

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**Note 14 - Fair Value Measurement, continued**

Financial assets and liabilities measured at fair value on a recurring basis during the year ended April 30, 2024:

Assets	Fair Value 4/30/2024	Level 1	Level 2	Level 3
Certificates of deposit	\$ 6,769,009	6,769,009		
	\$ 6,769,009	6,769,009	-	-

For the above noted certificates of deposit, the City uses quoted prices in active markets for identical assets to determine their fair value. Thus they are considered to be Level 1 instruments. There was no change in this valuation technique during the year ended April 30, 2024.

There were no major categories of assets and liabilities measured at fair value on a nonrecurring basis during the year ended April 30, 2024.

**Note 15 - Commitments**

The City has entered into a Solid Waste Collection, Transportation, and Disposal Agreement with Area Disposal Services, Inc. for the period of August 2022 through July 2029, with an extension term of an additional three years. The required service fee began at \$ 16.97 per resident per month and increases by 4% annually. Amount paid on this agreement for the year ended April 30, 2024 totaled \$ 313,323. Thus, future annual commitments on this agreement are expected to be similar to this amount plus the annual 4% increase, barring any significant resident population changes.

**Note 16 – Contingencies**

The City is a defendant in a legal claim. Any projected losses from this claim are expected to be covered by insurance.

**Note 17 - Subsequent Events**

The City has evaluated events occurring after the statement of net position - modified cash basis date through October 16, 2024, in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

**OTHER INFORMATION - AUDITED**

**CITY OF FAIRBURY, ILLINOIS**

**COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES - NON-MAJOR GOVERNMENTAL  
FUNDS - MODIFIED CASH BASIS**

**April 30, 2024**

	Special Revenue Funds			Total
	Library Fund	Motor Fuel Tax Fund	Audit Fund	
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 200,081	792,493	604	993,178
Certificates of deposit	178,336	108,799		287,135
TOTAL ASSETS	378,417	901,292	604	1,280,313
<b><u>LIABILITIES</u></b>				
Due to General Fund			5,000	5,000
TOTAL LIABILITIES	-	-	5,000	5,000
<b><u>FUND BALANCES</u></b>				
Fund balances (deficits):				
Restricted	378,417	901,292		1,279,709
Unassigned			(4,396)	(4,396)
Total fund balances (deficits)	378,417	901,292	(4,396)	1,275,313
TOTAL LIABILITIES AND FUND BALANCES	\$ 378,417	901,292	604	1,280,313

**CITY OF FAIRBURY, ILLINOIS**

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES  
PAID AND CHANGES IN FUND BALANCES - NON-MAJOR  
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**

**Year ended April 30, 2024**

	Special Revenue Funds			Total
	Library Fund	Motor Fuel Tax Fund	Audit Fund	
Revenues collected:				
Property taxes	\$ 139,026		17,793	156,819
Replacement taxes	9,771			9,771
Motor fuel taxes		159,402		159,402
Other grants	5,359			5,359
Donations	57,936			57,936
Interest income	5,180	14,697		19,877
Licenses, fees, and fines	12,226			12,226
Rental income	5,944			5,944
Other income	1,217			1,217
<b>Total revenues collected</b>	<b>236,659</b>	<b>174,099</b>	<b>17,793</b>	<b>428,551</b>
Expenditures paid:				
Current:				
General government			19,800	19,800
Streets and recycling		107,739		107,739
Culture and recreation	189,439			189,439
Capital outlay	9,526			9,526
<b>Total expenditures paid</b>	<b>198,965</b>	<b>107,739</b>	<b>19,800</b>	<b>326,504</b>
Net change in fund balances	37,694	66,360	(2,007)	102,047
Fund balances (deficits), beginning	340,723	834,932	(2,389)	1,173,266
Fund balances (deficits), ending	\$ 378,417	901,292	(4,396)	1,275,313

**OTHER INFORMATION – UNAUDITED**

**CITY OF FAIRBURY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
MODIFIED CASH BASIS - GENERAL FUND  
Year ended April 30, 2024**

	Original & Final Budget	Actual	Over (Under) Budget
Revenues collected:			
Property taxes	\$ 962,000	972,034	10,034
Replacement taxes	50,000	54,591	4,591
Sales, local use, and video gaming taxes	990,500	1,181,876	191,376
State income taxes	525,000	594,775	69,775
Grants and donations - nonpublic	100,000	70,706	(29,294)
Donations - public		15,324	15,324
Investment income	60,000	132,362	72,362
Licenses, fees and fines	108,275	106,604	(1,671)
Garbage collection fees	440,000	463,111	23,111
Intergovernmental - public safety	106,000	106,000	-
Rental income	1,300	1,300	-
Pool revenues	30,500	36,665	6,165
Other income	48,500	56,049	7,549
	<u>3,422,075</u>	<u>3,791,397</u>	<u>369,322</u>
Total revenues collected			
Expenditures paid:			
Current:			
General government	470,600	591,879	121,279
Public safety	916,170	850,579	(65,591)
Streets and recycling	1,056,000	1,035,621	(20,379)
Culture and recreation	103,950	110,747	6,797
Capital outlay	2,476,700	587,286	(1,889,414)
Contingencies	265,000		(265,000)
Debt service:			
Principal	117,600	117,543	(57)
Interest and fees	20,875	20,803	(72)
	<u>5,426,895</u>	<u>3,314,458</u>	<u>(2,112,437)</u>
Total expenditures paid			
Net change in fund balance	<u>\$ (2,004,820)</u>	476,939	<u>2,481,759</u>

(continued)

**CITY OF FAIRBURY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
 MODIFIED CASH BASIS - GENERAL FUND (Continued)  
 Year ended April 30, 2024**

	Original & Final Budget	Actual	Over (Under) Budget
<hr/>			
Other financing sources (uses):			
Proceeds from sale of capital assets		5,035	5,035
Insurance proceeds		145,266	145,266
Net other sources and uses of financial resources	-	150,301	150,301
		<hr/>	
Net change in fund balance	<u>\$ (2,004,820)</u>	627,240	<u>2,632,060</u>
Fund balance, beginning		<u>4,531,706</u>	
Fund balance, ending		<u>\$ 5,158,946</u>	

**CITY OF FAIRBURY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
 MODIFIED CASH BASIS - LIBRARY FUND  
 Year ended April 30, 2024**

	Original & Final Budget	Actual	Over (Under) Budget
<b>Revenues collected:</b>			
Property taxes	\$ 136,000	139,026	3,026
Replacement taxes		9,771	9,771
Grants		5,359	5,359
Donations		57,936	57,936
Investment income		5,180	5,180
Licenses, fees and fines		12,226	12,226
Rental income		5,944	5,944
Other income	110,000	1,217	(108,783)
	<u>246,000</u>	<u>236,659</u>	<u>(9,341)</u>
<b>Total revenues collected</b>			
<b>Expenditures paid:</b>			
Current:			
Culture and recreation	224,950	189,439	(35,511)
Capital outlay	40,000	9,526	(30,474)
	<u>264,950</u>	<u>198,965</u>	<u>(65,985)</u>
<b>Total expenditures paid</b>			
Net change in fund balance	<u>\$ (18,950)</u>	37,694	<u>56,644</u>
Fund balance, beginning		<u>340,723</u>	
Fund balance, ending		<u>\$ 378,417</u>	



**CITY OF FAIRBURY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
 MODIFIED CASH BASIS - MOTOR FUEL TAX FUND  
 Year ended April 30, 2024**

	Original & Final Budget	Actual	Over (Under) Budget
Revenues collected:			
Motor fuel taxes	\$ 150,000	159,402	9,402
Investment income		14,697	14,697
		<hr/>	<hr/>
Total revenues collected	150,000	174,099	24,099
		<hr/>	
Expenditures paid:			
Current:			
Streets and recycling	110,000	107,739	(2,261)
		<hr/>	<hr/>
Total expenditures paid	110,000	107,739	(2,261)
		<hr/>	
Net change in fund balance	<u>\$ 40,000</u>	66,360	<u>26,360</u>
Fund balance, beginning		<hr/>	834,932
Fund balance, ending		<u>\$ 901,292</u>	

**CITY OF FAIRBURY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
 MODIFIED CASH BASIS - AUDIT FUND  
 Year ended April 30, 2024**

	Original & Final Budget	Actual	Over (Under) Budget
<hr/>			
Revenues collected:			
Property taxes	\$ 17,700	17,793	93
Total revenues collected	<u>17,700</u>	<u>17,793</u>	<u>93</u>
Expenditures paid:			
Current:			
General government	<u>30,000</u>	19,800	(10,200)
Total expenditures paid	<u>30,000</u>	<u>19,800</u>	<u>(10,200)</u>
Net change in fund balance	<u>\$ (12,300)</u>	(2,007)	<u>10,293</u>
Fund balance (deficit), beginning		<u>(2,389)</u>	
Fund balance (deficit), ending		<u>\$ (4,396)</u>	

**CITY OF FAIRBURY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
MODIFIED CASH BASIS - WATER FUND  
Year ended April 30, 2024**

	Original & Final Budget	Actual	Over (Under) Budget
<b>Operating revenues:</b>			
Charges for services	\$ 1,116,000	1,121,085	5,085
<b>Total operating revenues</b>	<b>1,116,000</b>	<b>1,121,085</b>	<b>5,085</b>
<b>Operating expenses:</b>			
Salaries and related expenses	428,000	431,332	3,332
Contractual services	137,300	163,220	25,920
Utilities	26,000	26,828	828
Commodities	173,000	185,513	12,513
Miscellaneous	4,000	3,757	(243)
Projects	6,814,000		(6,814,000)
Contingencies	75,000		(75,000)
Depreciation		161,351	161,351
<b>Total operating expenses</b>	<b>7,657,300</b>	<b>972,001</b>	<b>(6,685,299)</b>
<b>Operating income (loss)</b>	<b>(6,541,300)</b>	<b>149,084</b>	<b>6,690,384</b>
<b>Non-operating revenues (expenses):</b>			
Interest income	40,000	97,283	57,283
Gain on disposal of capital asset		12,250	12,250
Interest expense	(5,200)	(5,165)	35
Miscellaneous	5,000	4,640	(360)
Loan principal repayment	(42,000)		42,000
<b>Total non-operating revenues (expenses)</b>	<b>(2,200)</b>	<b>109,008</b>	<b>111,208</b>
<b>Change in net position</b>	<b>\$ (6,543,500)</b>	<b>258,092</b>	<b>6,801,592</b>
Net position, beginning		4,390,533	
Net position, ending		\$ 4,648,625	

**CITY OF FAIRBURY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
MODIFIED CASH BASIS - SEWER FUND  
Year ended April 30, 2024**

	Original & Final Budget	Actual	Over (Under) Budget
<b>Operating revenues:</b>			
Charges for services	\$ 1,182,000	1,179,930	(2,070)
<b>Total operating revenues</b>	<b>1,182,000</b>	<b>1,179,930</b>	<b>(2,070)</b>
<b>Operating expenses:</b>			
Salaries and related expenses	168,000	155,772	(12,228)
Contractual services	92,500	102,866	10,366
Utilities	100,000	106,426	6,426
Commodities	32,500	41,187	8,687
Permits and fees	11,000	11,000	-
Miscellaneous	3,400	1,729	(1,671)
Projects	548,000		(548,000)
Contingencies	60,000		(60,000)
Depreciation		887,978	887,978
<b>Total operating expenses</b>	<b>1,015,400</b>	<b>1,306,958</b>	<b>291,558</b>
<b>Operating income (loss)</b>	<b>166,600</b>	<b>(127,028)</b>	<b>(293,628)</b>
<b>Non-operating revenues (expenses):</b>			
Interest income	50,000	103,457	53,457
Interest expense	(206,500)	(206,450)	50
Miscellaneous	200		(200)
Gain on disposal of capital asset		40,800	40,800
Loan principal repayment	(653,000)		653,000
<b>Total non-operating revenues (expenses)</b>	<b>(809,300)</b>	<b>(62,193)</b>	<b>747,107</b>
<b>Change in net position</b>	<b>\$ (642,700)</b>	<b>(189,221)</b>	<b>453,479</b>
<b>Net position, beginning</b>		<b>13,660,707</b>	
<b>Net position, ending</b>		<b>\$ 13,471,486</b>	

CITY OF FAIRBURY, ILLINOIS

**EXPENDITURES PAID - BUDGET TO ACTUAL -  
MODIFIED CASH BASIS - GENERAL FUND**  
Year ended April 30, 2024

	Budget	Actual
Expenditures paid:		
General government		
Personnel services	\$ 318,500	311,637
Employee retirement	22,500	21,701
Insurance and supplies	12,000	10,763
Contingencies and maintenance	8,000	110,150
Utilities	20,000	22,947
Outside services	29,000	11,403
Other expenses	60,600	103,278
Total general government	470,600	591,879
Public safety		
Personnel services	654,500	581,131
Employee retirement	53,400	48,511
Insurance and supplies	48,500	42,759
Repairs and maintenance	68,000	57,875
Utilities	11,000	10,014
Outside services	67,500	76,141
Other expenses	13,270	34,148
Total public safety	916,170	850,579
Streets and recycling		
Personnel services	459,500	473,440
Employee retirement	37,000	37,741
Insurance and supplies	36,000	30,399
Repairs and maintenance	141,000	121,269
Utilities	2,500	2,193
Garbage disposal	365,000	347,603
Other expenses	15,000	22,976
Total streets and recycling	1,056,000	1,035,621
Culture and recreation		
Personnel services	59,850	63,412
Employee retirement		310
Insurance and supplies	19,600	23,163
Repairs and maintenance	7,500	8,987
Utilities	12,500	10,725
Other expenses	4,500	4,150
Total culture and recreation	103,950	110,747
Capital outlay	2,476,700	587,286
Contingencies	265,000	
Debt service		
Retirement of principal	117,600	117,543
Interest	20,875	20,803
Total debt service	138,475	138,346
Total general fund expenditures paid	\$ 5,426,895	3,314,458

CITY OF FAIRBURY, ILLINOIS

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND OTHER DATA -  
 MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
 Five Years ended April 30, 2024

	2024	2023	2022	2021	2020
<b>RECEIPTS</b>					
Property taxes	\$ 1,128,853	1,086,560	1,059,614	1,026,947	996,928
Replacement taxes	64,362	88,097	67,900	29,210	30,979
Sales and local use taxes	1,181,876	1,073,008	1,006,723	964,277	848,273
State income taxes	594,775	587,014	533,190	430,692	407,200
Motor fuel taxes	159,402	149,673	149,541	133,282	135,813
Rebuild Illinois grant		41,267	82,534	123,801	
Other grants	76,065	271,575	79,388	121,991	66,787
Donations	73,260	154,196	66,429	79,537	2,929
Investment income	152,239	52,124	21,964	29,225	20,624
Licenses, fees and fines	118,830	125,389	116,918	111,017	121,754
Garbage collection fees	463,111	399,326	315,169	308,663	305,561
Intergovernmental - public safety	106,000	105,000	104,000	123,000	22,000
Rental income	7,244	7,634	3,112	3,023	2,996
Pool revenues	36,665	32,378	29,670	18,759	34,098
Proceeds from sale of capital assets	5,035				
Insurance proceeds	145,266		84,496		
Other income	57,266	101,784	154,665	79,468	129,997
<b>Total receipts</b>	<b>4,370,249</b>	<b>4,275,025</b>	<b>3,875,313</b>	<b>3,582,892</b>	<b>3,125,939</b>
<b>DISBURSEMENTS</b>					
Police	712,282	696,392	642,657	641,363	572,152
Streets and recycling	997,879	883,793	708,736	639,495	608,056
Fire	89,788	79,501	88,370	216,173	66,250
Park and pool	110,437	107,332	78,356	53,890	73,635
Library	182,292	169,205	155,833	164,772	157,104
General government salaries	311,637	296,402	309,647	313,512	303,098
Repairs and maintenance	126,852	40,214	11,570	8,993	18,879
Utilities	22,947	19,194	18,726	21,421	22,645
Insurance	10,763	10,153	10,258	10,923	16,670
Outside services	31,203	27,250	78,972	47,032	34,960
Projects			4,413	7,566	6,688
Administrative	31,641	39,054	45,323	35,280	38,404
Pass-through grant funds				38,950	
Discharge of DCCA debt				44,684	
Other	54,935	13,035	13,440	6,207	8,289
Motor fuel	107,738	114,796	100,585	70,578	25,352
Employee retirement	115,410	129,897	152,904	151,383	121,390
Capital outlay	596,812	171,325	314,527	122,898	185,130
Debt service - bonds	138,346	134,096	134,796	126,947	100,775
<b>Total disbursements</b>	<b>3,640,962</b>	<b>2,931,639</b>	<b>2,869,113</b>	<b>2,722,067</b>	<b>2,359,477</b>
<b>Excess receipts over (under) disbursements</b>	<b>\$ 729,287</b>	<b>1,343,386</b>	<b>1,006,200</b>	<b>860,825</b>	<b>766,462</b>
<b>OTHER DATA</b>					
Assets and liabilities at April 30:					
Cash and investments	\$ 6,434,259	5,704,972	4,461,068	3,454,868	2,374,359
Outstanding debt	554,829	672,372	782,925	891,510	814,785
Proceeds of long-term debt				175,000	
Personnel costs					
Amount	1,656,845	1,562,115	1,590,187	1,426,803	1,419,638
Percent to total expenditures	45.5%	53.3%	55.4%	52.4%	60.2%
Budgeted expenditures	5,831,845	4,293,950	5,700,525	4,154,150	4,268,550

**CITY OF FAIRBURY, ILLINOIS**

**STATEMENTS OF OPERATIONS AND DATA -  
MODIFIED CASH BASIS - ENTERPRISE FUND - WATER FUND  
Five Years ended April 30, 2024**

	2024	2023	2022	2021	2020
<b>Operating revenues</b>					
Charges for services	\$ 1,121,085	1,086,453	1,053,143	1,060,085	1,014,824
<b>Total operating revenues</b>	<b>1,121,085</b>	<b>1,086,453</b>	<b>1,053,143</b>	<b>1,060,085</b>	<b>1,014,824</b>
<b>Operating expenses</b>					
Salaries and related expenses	431,332	371,591	335,476	324,897	353,001
Supplies	185,513	163,915	106,403	112,775	113,178
Truck expense	23,098	24,054	18,545	14,433	16,255
Repairs and maintenance	110,866	69,345	53,214	61,868	72,552
Utilities	26,828	25,776	21,219	22,915	30,263
Outside services	15,038	15,600	4,949	9,673	7,469
Insurance	14,218	12,877	13,826	12,803	24,526
Miscellaneous	3,757	2,549	2,149	2,514	2,373
Depreciation	161,351	144,007	143,743	137,035	133,101
<b>Total operating expenses</b>	<b>972,001</b>	<b>829,714</b>	<b>699,524</b>	<b>698,913</b>	<b>752,718</b>
<b>Operating income</b>	<b>149,084</b>	<b>256,739</b>	<b>353,619</b>	<b>361,172</b>	<b>262,106</b>
<b>Nonoperating revenues (expenses)</b>					
Interest income	97,283	30,222	18,918	31,308	21,226
Gain (loss) of disposal of asset	12,250				(3,373)
Interest expense	(5,165)	(5,850)	(6,523)	(7,185)	(8,042)
Grant income			123,097		
Miscellaneous	4,640	6,153	5,109	11,715	10,048
<b>Change in net position</b>	<b>\$ 258,092</b>	<b>287,264</b>	<b>494,220</b>	<b>397,010</b>	<b>281,965</b>

**CITY OF FAIRBURY, ILLINOIS**

**STATEMENTS OF OPERATIONS AND DATA -  
MODIFIED CASH BASIS - ENTERPRISE FUND - SEWER FUND  
Five Years ended April 30, 2024**

	2024	2023	2022	2021	2020
Operating revenues					
Charges for services	\$ 1,179,930	1,147,389	1,127,727	1,128,860	1,128,938
Total operating revenues	1,179,930	1,147,389	1,127,727	1,128,860	1,128,938
Operating expenses					
Salaries and related expenses	155,772	223,648	204,219	210,060	181,805
Supplies	41,187	34,457	28,506	23,958	14,244
Truck expense	47,340	14,592	19,952	11,724	13,182
Permits and fees	11,000	11,000	11,000	11,000	11,000
Repairs and maintenance	21,428	20,116	55,201	35,353	9,085
Utilities	106,426	95,872	84,964	66,674	71,228
Outside services	17,861	17,448	8,475	9,618	6,288
Insurance	16,237	17,503	19,405	17,737	14,595
Miscellaneous	1,729	2,210	2,815	348	6,048
Depreciation	887,978	872,778	784,837	98,533	128,673
Total operating expenses	1,306,958	1,309,624	1,219,374	485,005	456,148
Operating income (loss)	(127,028)	(162,235)	(91,647)	643,855	672,790
Nonoperating revenues (expenses)					
Interest income	103,457	37,565	37,063	65,538	47,645
Interest expense	(206,450)	(213,117)	(111,678)	(7,359)	(7,868)
Grant income		300,000	123,098		
Miscellaneous		1,300	200	654	600
Gain on transfer of capital asset					(3,606)
Gain (loss) on disposal of capital asset	40,800		(4,613)	(376,812)	
Forgiveness of debt				255,981	1,239,886
Change in net position	\$ (189,221)	(36,487)	(47,577)	581,857	1,949,447
OTHER DATA - WATER and SEWER					
Assets and liabilities at April 30:					
Cash and investments	\$ 5,701,599	5,459,380	5,314,441	5,202,747	4,020,642
EPA waste water treatment loans	19,950,019	20,602,816	21,248,960	20,766,825	14,561,617
EPA drinking water loans	291,225	333,463	374,966	415,797	455,967
Additions to property	161,196	620,249	31,245,377	62,772	25,195
Average number of users	1,715	1,708	1,706	1,731	1,700
Average revenue per user	\$ 1,342	1,308	1,278	1,265	1,261



**CITY OF FAIRBURY, ILLINOIS**

**SCHEDULES OF GENERAL PROPERTY TAXES  
2019 THROUGH 2023**

	2023 Levy		2022 Levy		2021 Levy	
Assessed Valuation	\$ 70,694,874		66,794,616		61,660,126	
	Rate	Extension	Rate	Extension	Rate	Extension
Tax Rates and Extensions:						
General Fund						
Corporate purpose	0.40456	\$ 286,003	0.38252	255,503	0.33734	208,004
Street lighting	0.03961	28,002	0.03444	23,004	0.02920	18,005
Garbage	0.18106	128,000	0.17966	120,003	0.18651	115,002
Fire protection	0.07427	52,506	0.07486	50,002	0.08109	50,000
Public benefits	0.04527	32,004	0.04492	30,004	0.04866	30,004
Police protection	0.31615	223,502	0.31889	213,001	0.34545	213,005
Audit	0.04244	30,003	0.02695	18,001	0.02514	15,501
IMRF/Social security	0.26170	185,008	0.29195	195,007	0.36491	225,004
Tort	0.09952	70,355	0.09254	61,812	0.09936	61,266
Unemployment compensation	0.00425	3,005	0.00075	501	0.00082	506
Total	1.46883	\$ 1,038,388	1.44748	966,839	1.51848	936,297
	2020 Levy		2019 Levy			
Assessed Valuation	58,557,364		54,211,035			
	Rate	Extension	Rate	Extension		
Tax Rates and Extensions:						
General Fund						
Corporate purpose	0.35888	210,151	0.38883	210,789		
Street lighting	0.03074	18,001	0.04612	25,002		
Garbage	0.17932	105,005	0.19969	108,254		
Fire protection	0.08539	50,002	0.09224	50,004		
Public benefits	0.05000	29,279	0.04993	27,068		
Police protection	0.36337	212,780	0.32282	175,004		
Audit	0.00854	5,001	0.03136	17,001		
IMRF/Social security	0.36717	215,005	0.39661	215,006		
Tort	0.11989	70,204	0.12950	70,203		
Unemployment compensation	0.00086	504	0.00738	4,001		
Total	1.56416	915,931	1.66448	902,333		

**INFORMATION REQUIRED BY THE ILLINOIS  
GRANT ACCOUNTABILITY AND TRANSPARENCY ACT**

**CITY OF FAIRBURY, ILLINOIS**

**CONSOLIDATED YEAR-END FINANCIAL REPORT**

**April 30, 2024**

<u>CSFA #</u>	<u>Program Name</u>	<u>State</u>	<u>Federal</u>	<u>Match</u>	<u>Total</u>
420-00-1769	Installation and/or Replacement of Utilities				-
420-00-1900	Installation and Repair of Sidewalks, Crosswalks, Pathways and Signage at a School Bus Drop Off	93,945			93,945
	All other federal expenditures				-
		<u>\$ 93,945</u>	<u>-</u>	<u>-</u>	<u>93,945</u>