

***CITY OF MONTICELLO, ILLINOIS***

***ANNUAL FINANCIAL REPORT***

***For the year ended December 31, 2020***



**CITY OF MONTICELLO, ILLINOIS**

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**December 31, 2020**

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**CITY OF MONTICELLO, ILLINOIS**

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## INDEPENDENT AUDITORS' REPORT

**The Honorable Mayor and  
Members of the City Council  
City of Monticello, Illinois**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monticello, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Basis for Qualified Opinion

The City's financial statements do not disclose Governmental Accounting Standards Board Statement 45 Accounting and Financial Reporting for Post-Employment Benefit Other than Pensions. The amount by which this disclosure would affect the financial statements is not reasonably determined.

### Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monticello, Illinois, as of December 31, 2020, and the respective changes in financial position - modified cash basis and where applicable cash flows - modified cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

### Basis of Accounting

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

### Other Information

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

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2021, on our consideration of the City of Monticello, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Monticello, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Monticello, Illinois' internal control over financial reporting and compliance.

*MCK CPAs & Advisors*

Decatur, Illinois  
June 8, 2021



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**The Honorable Mayor and  
Members of the City Council  
City of Monticello, Illinois**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 Monticello, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 8, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Monticello, Illinois' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Monticello, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Monticello, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Material weaknesses may exist that have not been identified. We did identify one deficiency in internal control, described in the following paragraph, that we consider to be a material weakness.

## Financial Reporting

During our review of the financial reporting process, we noted that, while the City prepares internal financial reports, the expertise to prepare a complete set of financial statements including disclosures in conformity with the modified cash basis of accounting is deficient. Management provides the information needed to prepare the financial statements, and reviews and approves a draft copy of the financial statements prior to issuance. We recommend that management assess the financial reporting process and consider implementing additional internal control procedures to ensure the accuracy and completeness of the financial statements.

## Management's Response

There is no disagreement with the audit finding. The City's management is aware of the need for the expertise necessary to prepare a complete set of financial statements, including related disclosures. Management will continue to monitor the cost/benefit relationship in connection with this issue.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Monticello, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## City of Monticello, Illinois' Response to Findings

City of Monticello, Illinois' response to the findings identified in our audit is previously described. City of Monticello, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*MCK CPAs & Advisors*

Decatur, Illinois  
June 8, 2021

**CITY OF MONTICELLO, ILLINOIS**

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

**December 31, 2020**

	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current Assets:			
Cash	\$ 4,666,849	640,115	5,306,964
Investments	6,070,662	483,643	6,554,305
Internal balances	335,838	(335,838)	
Other current assets	26,457		26,457
Total current assets	11,099,806	787,920	11,887,726
Capital Assets, net:			
Nondepreciable	2,248,032	194,981	2,443,013
Depreciable	7,765,098	15,914,754	23,679,852
TOTAL ASSETS	21,112,936	16,897,655	38,010,591
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts payable		25	25
Customer deposits		22,767	22,767
Current portion of unamortized bond premium	1,849		1,849
Due within one year:			
Long-term debt	554,362	409,940	964,302
Total current liabilities	556,211	432,732	988,943
Long-term Liabilities:			
Unamortized bond premium	5,392		5,392
Due in more than one year:			
Long-term debt	1,922,291	13,648,180	15,570,471
TOTAL LIABILITIES	2,483,894	14,080,912	16,564,806
<b><u>NET POSITION</u></b>			
Net investment in capital assets	7,536,477	2,051,615	9,588,092
Restricted for:			
Debt service	54,814	106,000	160,814
Road construction and improvements	5,178,519		5,178,519
Business district tax fund	186,749		186,749
Unrestricted	5,672,483	659,128	6,331,611
TOTAL NET POSITION	\$ 18,629,042	2,816,743	21,445,785

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended December 31, 2020

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charge for Services	Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Functions/Programs</b>						
<b>Governmental Activities:</b>						
City administration	\$ 1,210,019	104,289		(1,105,730)		(1,105,730)
Public safety	1,161,112	26,747		(1,134,365)		(1,134,365)
Public works	2,405,561	89,802	239,872	(2,075,887)		(2,075,887)
Parks and recreation	348,204	16,454		(331,750)		(331,750)
Interest on long-term	140,307			(140,307)		(140,307)
<b>Total governmental activities</b>	<b>5,265,203</b>	<b>237,292</b>	<b>239,872</b>	<b>(4,788,039)</b>	<b>-</b>	<b>(4,788,039)</b>
<b>Business-type activities:</b>						
Water	769,162	798,259			29,097	29,097
Sewer	1,245,812	1,279,977			34,165	34,165
<b>Total business-type activities</b>	<b>2,014,974</b>	<b>2,078,236</b>	<b>-</b>	<b>-</b>	<b>63,262</b>	<b>63,262</b>
<b>Total government</b>	<b>\$ 7,280,177</b>	<b>2,315,528</b>	<b>239,872</b>	<b>(4,788,039)</b>	<b>63,262</b>	<b>(4,724,777)</b>
<b>General revenues:</b>						
<b>Taxes:</b>						
Property taxes				1,455,637		1,455,637
Sales taxes				1,179,779		1,179,779
Other local taxes				180,621		180,621
Illinois income tax				602,895		602,895
Business district tax				199,430		199,430
Motor fuel tax				340,401		340,401
Replacement tax				1,263,969		1,263,969
Investment income				68,014	1,786	69,800
Refundable tax credit				34,669		34,669
<b>Total general revenues</b>				<b>5,325,415</b>	<b>1,786</b>	<b>5,327,201</b>
Change in net position				537,376	65,048	602,424
Net position, beginning				18,091,666	2,751,695	20,843,361
Net position, ending				<b>\$ 18,629,042</b>	<b>2,816,743</b>	<b>21,445,785</b>

See Notes to Financial Statements.

**CITY OF MONTICELLO, ILLINOIS**

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

**December 31, 2020**

	Special Revenue Funds					Total
	General Fund	Tax Increment Financing Fund	Motor Fuel Tax Fund	Working Cash Fund	Business District Tax Fund	
<b><u>ASSETS</u></b>						
Cash	\$ 2,990,434	708,350	210,844	570,472	186,749	4,666,849
Investments	574,334	159,194	4,967,675	369,459		6,070,662
Due from other funds	200,666			148,347		349,013
Other current assets	26,457					26,457
<b>TOTAL ASSETS</b>	<b>3,791,891</b>	<b>867,544</b>	<b>5,178,519</b>	<b>1,088,278</b>	<b>186,749</b>	<b>11,112,981</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Liabilities:						
Due to other funds	13,175					13,175
Fund Balances:						
Restricted	39,892	21,348	5,178,519		186,749	5,426,508
Committed	1,276,631			339,703		1,616,334
Assigned		846,196		748,575		1,594,771
Unassigned	2,462,193					2,462,193
<b>Total fund balances</b>	<b>3,778,716</b>	<b>867,544</b>	<b>5,178,519</b>	<b>1,088,278</b>	<b>186,749</b>	<b>11,099,806</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,791,891</b>	<b>867,544</b>	<b>5,178,519</b>	<b>1,088,278</b>	<b>186,749</b>	<b>11,112,981</b>

See Notes to Financial Statements.

**CITY OF MONTICELLO, 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 -  
GOVERNMENTAL ACTIVITIES  
December 31, 2020**

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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per statement of assets, liabilities and fund balances - modified cash basis	\$ 11,099,806
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	10,013,130
Unamortized premiums on bond issuance are not reported on fund financial statements	(7,241)
Long-term debt not reported on modified cash basis fund financial statements	<u>(2,476,653)</u>
Net position of governmental activities	<u><u>\$ 18,629,042</u></u>

See Notes to Financial Statements.

**CITY OF MONTICELLO, ILLINOIS**

**STATEMENT OF REVENUES RECEIVED, EXPENDITURES  
DISBURSED AND CHANGES IN FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
For the year ended December 31, 2020**

	Special Revenue Funds					Total
	General Fund	Tax Increment Financing Fund	Motor Fuel Tax Fund	Working Cash Fund	Business District Tax Fund	
Revenues received:						
Property taxes	\$ 939,798	515,839				1,455,637
Sales taxes	1,179,779					1,179,779
Other local taxes	180,621					180,621
Illinois income tax	602,895					602,895
Business district tax					199,430	199,430
Motor fuel tax			340,401			340,401
Personal property replacement taxes	1,263,969					1,263,969
Franchise revenue	104,289					104,289
Police revenue	26,747					26,747
Grant revenue	239,872					239,872
Miscellaneous revenue	89,802					89,802
Interest	3,588	1,171	62,124	1,023	108	68,014
Recreation revenue	16,454					16,454
Refundable tax credit	15,794	18,875				34,669
Total revenues received	4,663,608	535,885	402,525	1,023	199,538	5,802,579
Expenditures disbursed:						
Current:						
City administration	922,065	27,115			12,789	961,969
Public safety	1,079,821					1,079,821
Public works	1,133,618		1,065,691			2,199,309
Parks and recreation	195,295					195,295
Debt service:						
Principal	431,547	75,000				506,547
Interest	82,846	56,161				139,007
Bond issuance costs	700	600				1,300
Capital outlay	201,017	184,265				385,282
Total expenditures disbursed	4,046,909	343,141	1,065,691	-	12,789	5,468,530
Excess (deficiency) of revenues received over (under) expenditures disbursed	616,699	192,744	(663,166)	1,023	186,749	334,049
Other financing sources (uses):						
Proceeds on debt certificate refinance		18,300				18,300
Transfers in (out)	105,330	(105,330)				
Total other financing sources (uses)	105,330	(87,030)	-	-		18,300
Net change in fund balances	722,029	105,714	(663,166)	1,023	186,749	352,349
Fund balances, beginning, as	3,056,687	761,830	5,841,685	1,087,255		10,747,457
Fund balances, ending	\$ 3,778,716	867,544	5,178,519	1,088,278	186,749	11,099,806

See Notes to Financial Statements.

**CITY OF MONTICELLO, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED,  
EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS WITH THE STATEMENT  
OF ACTIVITIES - MODIFIED CASH BASIS - GOVERNMENTAL ACTIVITIES  
For the year ended December 31, 2020**

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Net change in fund balances - governmental funds	\$ 352,349
<p>Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:</p>	
Cost of assets capitalized	116,144
Depreciation expense	(421,213)
<p>Proceeds from (repayments of) financing are a revenue (expenditure) in the governmental funds, but the proceeds increase (repayments reduce) long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:</p>	
Proceeds from long-term debt	(18,300)
Principal payments on long-term debt	506,547
Amortization of bond premium	1,849
	<hr/>
Change in net position of governmental activities	<u>\$ 537,376</u>

See Notes to Financial Statements.

**CITY OF MONTICELLO, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS -  
 PROPRIETARY FUNDS  
 December 31, 2020**

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
<b><u>ASSETS</u></b>				
Current Assets:				
Cash	\$ 190,025	12,282	437,808	640,115
Investments	28,004	16,189	439,450	483,643
Due from other funds	3,536		3,639	7,175
Capital Assets, net:				
Nondepreciable	26,369		168,612	194,981
Depreciable	1,085,975		14,828,779	15,914,754
TOTAL ASSETS	1,333,909	28,471	15,878,288	17,240,668
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Accounts payable		25		25
Customer deposits		22,767		22,767
Due within one year:				
Long-term debt	113,434		296,506	409,940
Due to other funds	4		343,009	343,013
Total current liabilities	113,438	22,792	639,515	775,745
Due in more than one year:				
Long-term debt	120,559		13,527,621	13,648,180
TOTAL LIABILITIES	233,997	22,792	14,167,136	14,423,925
<b><u>NET POSITION</u></b>				
Net investment in capital assets	878,351		1,173,264	2,051,615
Restricted			106,000	106,000
Unrestricted	221,561	5,679	431,888	659,128
TOTAL NET POSITION	\$ 1,099,912	5,679	1,711,152	2,816,743

See Notes to Financial Statements.

**CITY OF MONTICELLO, ILLINOIS**

**STATEMENT OF REVENUES RECEIVED, EXPENSES  
DISBURSED AND CHANGES IN NET POSITION -  
- MODIFIED CASH BASIS - PROPRIETARY FUNDS  
For the year ended December 31, 2020**

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
Operating revenues received	\$ 798,259		1,279,977	2,078,236
Operating expenses disbursed:				
Operations, other than employee benefits	282,853		272,088	554,941
Employee benefits	332,267		262,407	594,674
Depreciation	44,150		352,867	397,017
Capital improvements	98,320		110,652	208,972
Total operating expenses disbursed	757,590	-	998,014	1,755,604
Excess of operating revenues received over expenses disbursed	40,669	-	281,963	322,632
Non-operating revenues received (expenses disbursed):				
Investment earnings	266	189	1,331	1,786
Interest expense	(11,572)		(247,798)	(259,370)
Change in net position	29,363	189	35,496	65,048
Total net position, beginning	1,070,549	5,490	1,675,656	2,751,695
Total net position, ending	\$ 1,099,912	5,679	1,711,152	2,816,743

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS -  
 PROPRIETARY FUNDS

For the year ended December 31, 2020

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 798,259	925	1,279,977	2,079,161
Payments to suppliers	(381,173)		(382,740)	(763,913)
Payments to employees	(332,267)		(262,407)	(594,674)
<b>Net cash flows from operating activities</b>	<b>84,819</b>	<b>925</b>	<b>634,830</b>	<b>720,574</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers from (to) other funds			(573,084)	(573,084)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets			(203,364)	(203,364)
Principal proceeds of long-term debt			760,000	760,000
Principal paid on long-term debt	(109,941)		(285,868)	(395,809)
Interest paid	(11,569)		(247,798)	(259,367)
<b>Net cash flows from capital and related financing activities</b>	<b>(121,510)</b>	<b>-</b>	<b>22,970</b>	<b>(98,540)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	266		1,331	1,597
Net increase (decrease) in cash and cash equivalents	(36,425)	925	86,047	50,547
Cash and cash equivalents, beginning of year	254,454	11,357	791,211	1,057,022
Cash and cash equivalents, end of year	\$ 218,029	12,282	877,258	1,107,569

(Continued)

**CITY OF MONTICELLO, ILLINOIS**

**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS -  
 PROPRIETARY FUNDS (Continued)  
 For the year ended December 31, 2020**

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
<b>RECONCILIATION OF EXCESS (DEFICIENCY)            OF OPERATING REVENUES RECEIVED OVER            OVER (UNDER) EXPENSES DISBURSED</b>				
Excess of operating revenues received over expenses disbursed	\$ 40,669		281,963	322,632
Adjustments to reconcile excess (deficiency) of operating revenues received over (under) expenses disbursed to net cash from operating activities:				
Depreciation	44,150		352,867	397,017
Increase in customer deposits		925		925
<b>Net cash flows from operating activities</b>	<b>\$ 84,819</b>	<b>925</b>	<b>634,830</b>	<b>720,574</b>

See Notes to Financial Statements.

**CITY OF MONTICELLO, ILLINOIS**

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

**December 31, 2020**

	Police Pension Fund
<hr/>	
<b><u>ASSETS</u></b>	
Cash and cash equivalents	<u>\$ 1,378,658</u>
<b><u>NET POSITION</u></b>	
Held in trust for police pension benefits	<u>\$ 1,378,658</u>

See Notes to Financial Statements.

**CITY OF MONTICELLO, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**- MODIFIED CASH BASIS - FIDUCIARY FUNDS**

**For the year ended December 31, 2020**

	Police Pension Fund
<hr/>	
Additions:	
Contributions:	
Employee	\$ 26,103
Employer	<u>210,288</u>
Total contributions	236,391
Investment income	<u>800</u>
Total additions	<u>237,191</u>
Deductions:	
Fees	-
Disability payments	26,385
Retirement payments	109,419
Death benefit	<u>28,535</u>
Total deductions	<u>164,339</u>
Change in net position	72,852
Net position, beginning	<u>1,305,806</u>
Net position, ending	<u><u>\$ 1,378,658</u></u>

See Notes to Financial Statements.

## CITY OF MONTICELLO, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

**Reporting Entity:** The City of Monticello (City) is the basic level of government which has financial accountability and control over all municipal activities related to the operations of the City of Monticello, Piatt County, Illinois. The City receives funding from local and state sources and must comply with the requirements of these funding sources. The City is not included in any other governmental “reporting entity” as defined by GASB, as the Mayor and Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

**Principals Used to Determine the Scope of the Reporting Entity:** The City of Monticello has developed criteria used in determining whether a governmental unit should be a part of its reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financial relationships.

Based on the above criteria, all governmental components associated with the City of Monticello are included herein.

**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 presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements: During the year, the City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information at this more detailed level. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column.

## CITY OF MONTICELLO, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) December 31, 2020

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

**Fund Accounting:** The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, cash receipts and disbursements. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped, in the financial statements in this report, into fund categories as follows:

**Governmental Funds:** Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

**General Fund** - The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in other funds.

**Tax Increment Financing Fund** - The Tax Increment Financing Fund is used to account for receipt of property taxes allocated to tax increment financing districts that are restricted for specific purposes by law.

**Motor Fuel Tax Fund** - The Motor Fuel Tax Fund is used to account for the proceeds of specific revenue sources (other than special assessments, fiduciary, or major capital projects) that are legally restricted to expenses for the purpose of street maintenance and improvement.

**Working Cash Fund** - The Working Cash Fund is used to account for financial resources held by the City to be used for ordinary and necessary expenditures for all general and specific corporate purposes, including to provide financing for the acquisition, construction and installation of public improvements and infrastructure, and related facilities and costs.

**Business District Tax Fund** - The Business District Tax Fund is used to account for receipt of 1% business district taxes that are restricted to expenses for the purpose of paying or reimbursing business district project costs.

**Proprietary Funds:** The Waterworks, Water Escrow and Sewerage Operation and Maintenance Plant Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

## CITY OF MONTICELLO, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) December 31, 2020

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

##### Fund Accounting, continued:

Fiduciary Funds: Fiduciary funds are used to account for assets held by the City as a trustee for individuals, private organizations and/or other governmental units. The City reports the following fiduciary fund:

Police Pension Fund - The Pension Fund accumulates resources to provide pension benefit to qualified City employees.

##### Measurement Focus:

Government-wide Financial Statements: The government-wide financial statements are prepared using a flow of economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus, as applied to the modified cash basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The proprietary funds utilize an “economic resources” measurement focus, as applied to 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.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Basis of Accounting: In the government-wide Statement of Net Position and the Statement of Activities and the fund financial statements, governmental and business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and 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 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.

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

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

**Budgets and Budgetary Accounting:** The City follows these procedures in establishing its budgetary data:

1. City budget officer submits a tentative City budget to the City Council. Open Committee Meeting discussions are held on the annual budget.
2. The Council typically approves the City budget before the beginning of the fiscal year.
3. The Appropriation Ordinance is based on the annual budget. A notice of public hearing for the Appropriation Ordinance is published not less than 10 days prior to such hearing, and a copy of the tentative appropriation ordinance is made available for public inspection. Public hearing is conducted to obtain taxpayer comments.
4. The City certificates of levy are filed with the County Clerk on or before the second Tuesday in December.
5. Budgets for the General Fund, Waterworks Fund, Sanitation Fund, Tax Increment Fund and Motor Fuel Tax Fund are adopted consistently on the cash basis which is not in accordance with U.S. generally accepted accounting principles (GAAP). No budgets were prepared for the Working Cash Fund and Water Escrow Fund this year.
6. The City approved its budget for the year ended December 31, 2020 on January 13, 2020.

**Cash and Cash Equivalents:** For purposes of the statement of cash flows - modified cash basis for proprietary funds, the City considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund
Statement of Net Position - Modified Cash Basis amounts:			
Cash	\$ 190,025	12,282	437,808
Investments (money market accounts)	28,004		439,450
Cash and cash equivalents	\$ 218,029	12,282	877,258

**Investments:** Investments consist of money market accounts and certificates of deposit with maturities of three months or more and are stated at cost, without provision for accrued interest.

# CITY OF MONTICELLO, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS (Continued) December 31, 2020

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

**Capital Assets:** General capital assets are capital assets which are associated with and generally arise from governmental activities and result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets purchased or acquired with an original cost of \$ 25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The City, which qualifies as a phase 3 government under GASB Statement No. 34, elected not to retroactively report infrastructure assets. However, any infrastructure assets acquired or constructed after July 1, 2003 with an original cost of \$ 100,000 or more will be capitalized.

All capital assets are depreciated, except for land and construction in process. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings	30 - 50 years
Machinery and equipment	5 - 15 years
Infrastructure	50 years

**Accumulated Unpaid Vacation, Sick-pay, and Other Employee Benefit Amounts:** Accumulated unpaid vacation, sick-pay, and other employee benefit amounts are recognized when the checks are written, in accordance with the cash basis of accounting. The total unpaid vacation pay, sick-pay, personal leave, and comp time accumulated at December 31, 2020, is \$ 21,322, \$ 155,147, \$ 4,758, and \$ 10,116, respectively.

**Deferred Outflows/Inflows of Resources:** In addition to assets, statements of financial position include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any of this type of item.

In addition to liabilities, statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City does not have any of this type of item.

## CITY OF MONTICELLO, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) December 31, 2020

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

**Risk Management:** The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City joined other governmental units and became a member of the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for member governmental units. The City pays an annual premium to IMLRMA for its general insurance coverage.

IMLRMA is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$ 8,000,000 for each insured event. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Use of Estimates:** Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Position:** Net position is classified into three components - (1) net investment in capital assets, (2) restricted, and (3) unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.
- Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This category represents net position of the entity, not restricted for any project or other purpose.
  - In 2007, the City council approved a motion setting aside funds within the Sewerage Operation and Maintenance Plant Fund for future capital expenditures. It also committed all interest earned on these amounts. As of December 31, 2020, the balance of these designated funds was \$ 483,534.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

## CITY OF MONTICELLO, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) December 31, 2020

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

**Fund Equity:** Beginning with fiscal year 2012, the City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The following classifications describe the relative nature, extent and strength of the spending constraints placed on the City's fund balances:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory) or are required to be maintained intact (such as perpetual trusts).
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

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**Note 2 - Property Tax Rates**

The City's property tax is levied each year on all taxable real property located in the City on or before the last Tuesday in December. The 2019 tax levy was passed by the Board on December 10, 2018. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The City receives significant distributions of tax receipts approximately one month after these due dates. These financial statements include property tax revenues collected from the 2019 tax levies.

The following are the tax rates applicable to the various levies per \$ 100.00 of assessed valuation (2019 - \$ 128,968,154; 2018 - \$ 125,128,319):

	<b>Maximum</b>	<b>Actual</b>	
	<b>2019</b>	<b>2019</b>	2018
	<b>Levy</b>	<b>Levy</b>	Levy
General Corporate	<b>0.25000</b>	<b>0.22542</b>	0.22050
IMRF		<b>0.05430</b>	0.05314
Police Protection	<b>0.15000</b>	<b>0.11878</b>	0.11625
Insurance		<b>0.08053</b>	0.07881
Bond and Interest		<b>0.17523</b>	0.17877
Social Security		<b>0.04490</b>	0.04394
Police Pension		<b>0.07521</b>	0.07371
		<b>0.77437</b>	0.76512
Total		<b>0.77437</b>	0.76512

**Note 3 - Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2020, \$ 13,638,117 of the City's bank balance of \$ 13,638,117, was covered by FDIC insurance or collateralized by securities held by the pledging financial institution, and \$ -0- was exposed to custodial credit risk by being uninsured and uncollateralized.

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

**Note 4 - Capital Assets**

Capital asset activities for the year ended December 31, 2020, were as follows:

	Governmental Activities			Ending Balance
	Beginning Balance	Additions	Deletions	
<b>Nondepreciable assets:</b>				
Land	\$ 2,129,528			2,129,528
Construction in process	118,504			118,504
<b>Total</b>	<b>2,248,032</b>	<b>-</b>	<b>-</b>	<b>2,248,032</b>
<b>Depreciable assets:</b>				
Buildings	6,489,254			6,489,254
Vehicles	1,710,403			1,710,403
Land improvements	722,093			722,093
Equipment	1,932,707	57,865		1,990,572
Infrastructure	2,396,319	58,279		2,454,598
<b>Total</b>	<b>13,250,776</b>	<b>116,144</b>	<b>-</b>	<b>13,366,920</b>
<b>Total capital assets</b>	<b>15,498,808</b>	<b>116,144</b>	<b>-</b>	<b>15,614,952</b>
<b>Less accumulated depreciation:</b>				
Buildings	1,860,505	179,825		2,040,330
Vehicles	1,214,755	58,447		1,273,202
Land improvements	286,156	27,266		313,422
Equipment	1,320,044	89,804		1,409,848
Infrastructure	499,149	65,871		565,020
<b>Total accumulated depreciation</b>	<b>5,180,609</b>	<b>421,213</b>	<b>-</b>	<b>5,601,822</b>
<b>Total governmental activities capital assets, net</b>	<b>\$ 10,318,199</b>	<b>(305,069)</b>	<b>-</b>	<b>10,013,130</b>

Business-type Activities			
Beginning Balance	Additions	Deletions	Ending Balance
194,981			194,981
194,981	-	-	194,981
2,166,563			2,166,563
46,109			46,109
770,831			770,831
15,237,330	203,364		15,440,694
18,220,833	203,364	-	18,424,197
18,415,814	203,364	-	18,619,178
1,163,788	40,667		1,204,455
34,301	6,441		40,742
558,502	42,002		600,504
355,835	307,907		663,742
2,112,426	397,017	-	2,509,443
16,303,388	(193,653)	-	16,109,735

## CITY OF MONTICELLO, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) December 31, 2020

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#### Note 4 - Capital Assets, continued

Depreciation expense for the year ended December 31, 2020 was charged to the following:

Governmental activities:	
City administration	\$ 47,300
Public safety	54,847
Public works	170,848
Parks and recreation	148,218
Business-type activities:	
Water fund	44,150
Sewer fund	352,867
	<hr/>
Total depreciation expense	<u>\$ 818,230</u>

#### Note 5 - Pension Plan

**IMRF Plan Description:** The City of Monticello, Illinois' 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 of Monticello, Illinois' plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements 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).

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.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2020

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**Note 5 - Pension Plan, continued**

**Benefits Provided, continued:** 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 amounts.

**Contributions:** As set by statute, the City’s Regular and SLEP plan members are required to contribute 4.50% and 7.50%, respectively, of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2020 for Regular and SLEP was 8.68% and 27.44%, respectively, of annual covered payroll. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Pension Contributions Made:** For the year ended December 31, 2020, the City made pension contributions of \$ 124,584 and \$ 22,790, respectively, for the Regular and SLEP plans.

**Number of Employees Covered:** For the year ended December 31, 2020, the plans covered the following employees:

	Regular	SLEP
Retirees and beneficiaries	32	1
Inactive, non-retired members	8	
Active members	24	1
Total members	64	2

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

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**Note 5 - Pension Plan, continued**

**Net Pension Liability:** The City's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liabilities for Regular and SLEP at December 31, 2020 are as follows:

	<u>Regular</u>	<u>SLEP</u>
Total pension liability	\$ 9,888,536	427,419
Plan fiduciary net position	<u>10,481,596</u>	<u>320,887</u>
Net pension liability (asset)	<u>\$ (593,060)</u>	<u>106,532</u>
Percent funded	<u>106.00 %</u>	<u>75.08 %</u>

**Note 6 - Police Pension Fund**

The City of Monticello created and established a police pension fund by ordinance on April 12, 1999, in accordance with Article 3 of the Illinois Pension Code for the purpose of providing pension benefits to all full-time police officers entitled to participate in the benefits of the pension fund, as provided by Article 3 of the Illinois Pension Code and the Board of Trustees of the Pension Fund.

Subsequent to year end, the State of Illinois Department of Insurance performs actuarial calculations on the fund and computes the amount the City is to provide to fund this pension fund for the next year. The amount provided to fund this pension fund includes the employer's portion of the normal cost, and the amount necessary to amortize the unfunded accrued liabilities over a specified number of years. The results, actuarial assumptions and other pertinent disclosure information have been provided to the City of Monticello as of the report date for the year ended December 31, 2019. (The 2020 report is not yet available.) The employee contributions to the fund were 9.91% of the police officer's salary.

Funds for the City of Monticello Police Pension Fund have been invested in a certificate of deposit, various money market accounts, and a NOW checking account at Central Illinois Bank and First Mid-Illinois Bank & Trust summarized as follows as of December 31, 2020:

Certificate of deposit	\$ 1,158,772
Money market accounts	216,164
NOW account	<u>3,722</u>
Total	<u>\$ 1,378,658</u>

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

**Note 6 - Police Pension Fund, continued**

The results, actuarial assumptions and other pertinent disclosure information provided by the State of Illinois Department of Insurance for the year ended December 31, 2019 has been received and is as follows:

Actuarial value of assets	\$ 1,371,038
Deferred asset (unfunded accrued liability)	2,804,402
Present value of service retirement annuities (9)	<u>(3,188,287)</u>
Accrued liabilities for active participants (6)	<u>\$ 987,153</u>
Percent funded	<u>32.84 %</u>

Based on the 2019 actuarial figures, the actuarially-determined employer contribution the City should have made for 2020 to arrive at the annual requirements of the fund as prescribed by Section 3-125 of the Illinois Pension Code was \$ 229,992. For 2020, total City contributions were \$ 210,288. In addition, the City contributed an additional \$ 220,000 in March 2021 to help improve the fund.

**Note 7 - Contingencies**

The City has pending litigation arising in the ordinary course of its operations. The City and its attorney believe that the ultimate liability, if any, in connection with these matters will not have a material effect on the City's financial condition or results of operations. In addition, certain matters may fall under the City's risk management coverage (see Note 1).

**Note 8 - Long-Term Liabilities**

A summary of long-term liability activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt certificates	\$ 1,170,000	18,300	175,000	1,013,300	206,800
General obligation bonds	780,000		175,000	605,000	190,000
Notes payable	1,014,900		156,547	858,353	157,562
	<u>2,964,900</u>	<u>18,300</u>	<u>506,547</u>	<u>2,476,653</u>	<u>554,362</u>
Business-type activities:					
Notes payable	423,929		135,809	288,120	139,940
Wastewater system revenue bonds	13,270,000	760,000	260,000	13,770,000	270,000
	<u>\$ 13,693,929</u>	<u>760,000</u>	<u>395,809</u>	<u>14,058,120</u>	<u>409,940</u>

## CITY OF MONTICELLO, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS (Continued) December 31, 2020

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#### Note 8 - Long-Term Liabilities, continued

Additional detailed information on long-term liabilities follows:

#### Governmental Activities:

##### GENERAL OBLIGATION DEBT

During the 2011 fiscal year, the City issued \$ 1,550,000 of general obligation (limited tax) debt certificates, Series 2010, the proceeds of which were used to help finance the construction of an approximate 550,000 gallon elevated water tower.

Interest payments on the Series 2010 debt certificate began May 1, 2011, and principal payments began November 1, 2011. The debt certificate matures on November 1, 2030. Interest rates payable on the debt certificate ranges from 2.25% to 6.50%.

During the 2010 fiscal year, the City issued \$ 1,075,000 of general obligation (limited tax) debt certificates, Series 2009, and \$ 2,000,000 of general obligation bonds, Series 2009, the proceeds of which were used to help finance the construction of a new pool and bath house.

Interest payments on the Series 2009 debt certificates began on June 1, 2010, and principal payments began on December 1, 2010. The debt certificates mature on December 1, 2021. Interest rates payable on the debt certificates range from 2.35% to 5.20%.

During the 2020 fiscal year, the City refinanced its Series 2010 and Series 2009 debt certificates in order to lower interest rates. The refinance took place on November 2, 2020 by issuing \$ 1,013,300 of Series 2020 General Obligation (Limited Tax) Refunding Debt Certificates.

Interest payments on the Series 2020 debt certificates will begin on May 1, 2021, and the principal payments will begin November 1, 2021. The debt certificates mature on November 1, 2029. Interest rates payable on the debt certificates range from 0.60% to 1.40%.

Principal and interest payments on the Series 2009 bonds began on December 1, 2010. The bonds mature on December 1, 2023. Interest rates payable on the bonds range from 2.35% to 5.50%.

The debt certificates and the bonds have been issued as Build America Bonds (BAB) as provided for under the American Recovery and Reinvestment Act of 2009 (ARRA). As such, the City is eligible to receive a refundable tax credit equal to 35% of the total coupon interest payments made.

##### NOTES PAYABLE

On April 23, 2015, the City entered into a note payable with First Mid-Illinois Bank & Trust for the purchase of a fire truck. The note is payable in annual installments of \$ 75,605, including interest at 3.375%, due April 23, 2025. The note is unsecured.

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

**Note 8 - Long-Term Liabilities, continued**

**Governmental Activities, continued:**

NOTES PAYABLE, continued

On November 1, 2017, the City entered into a note payable with First Mid-Illinois Bank & Trust for the purchase of equipment. The note is payable in annual installments of \$ 48,623, including interest at 2.75%, due November 1, 2022. The note is unsecured.

On January 29, 2018, the City entered into a note payable with First Mid-Illinois Bank & Trust for a building addition. The note is payable in annual installments ranging from \$ 60,158 to \$ 60,443, including interest at 2.99%, due January 15, 2028. The note is unsecured.

PRINCIPAL AND INTEREST PAYMENTS IN SUBSEQUENT YEARS

Year	Debt Certificates		Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 206,800	9,636	190,000	32,990	157,562	26,824
2022	100,800	8,422	200,000	22,826	163,560	21,911
2023	101,500	7,716	215,000	11,824	118,819	16,881
2024	102,300	6,904			122,621	13,044
2025	103,200	5,983			128,060	9,075
2026-2030	398,700	12,447			167,731	9,772
	<u>\$ 1,013,300</u>	<u>51,108</u>	<u>605,000</u>	<u>67,640</u>	<u>858,353</u>	<u>97,507</u>

**Business-Type Activities:**

REVENUE BONDS

In December 2016, the City issued \$ 9,000,000 of Series 2016A and \$ 5,285,000 of Series 2016B wastewater system revenue bonds (WWTP Bonds) through the U.S. Department of Agriculture - Rural Development. Advances will be drawn when necessary to finance the construction of a new wastewater treatment plant.

Interest accrues on advances drawn through May 1, 2019, the date that principal and interest payments begin. Both bond series mature on May 1, 2056. The interest rate on both bond series is 1.875%. Total interest paid in 2020, which was capitalized, was \$ 245,566.

As of December 31, 2020, the City had drawn \$ 13,770,000 of advances on the bonds.

Debt service on these revenue bonds are payable solely through the net revenue of the activities of the Sewer Fund.

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

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**Note 8 - Long-Term Liabilities, continued**

**Business-Type Activities, continued:**

NOTES PAYABLE

On June 10, 2013, the City entered into a note payable with First Mid-Illinois Bank & Trust for the purchase of a new jet vactor machine. The note is payable in annual installments of \$ 28,027, including interest at 2.83%, due June 10, 2022. The note is unsecured.

On June 2, 2017, the City entered into a note payable with First Mid-Illinois Bank & Trust to finance its above ground tank rehabilitation project. The note is payable in annual installments of \$ 121,513, including interest at 3.50%, due June 1, 2022. The note is unsecured.

PRINCIPAL AND INTEREST PAYMENTS IN SUBSEQUENT YEARS

Year	Notes Payable		WWTP Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 139,940	9,600	270,000	255,656
2022	148,180	4,880	275,000	250,547
2023			280,000	245,344
2024			285,000	240,047
2025			295,000	234,609
2026-2030			1,540,000	1,088,250
2031-2035			1,695,000	936,516
2036-2040			1,860,000	770,344
2041-2045			2,045,000	586,828
2046-2050			2,240,000	386,531
2051-2055			2,460,000	166,125
2056			525,000	4,922
	<u>\$ 288,120</u>	<u>14,480</u>	<u>13,770,000</u>	<u>5,165,719</u>

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

**Note 9 - Required Individual Fund Disclosures**

At December 31, 2020, interfund receivables and payables consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>General Fund:</b>		
Due to Working Cash Fund	\$	6,000
Due from Sewerage Fund	200,662	
Due to Sewerage Fund		3,639
Due to Waterworks Fund		3,536
Due from Waterworks Fund	4	
<b>Waterworks Fund:</b>		
Due from General Fund	3,536	
Due to General Fund		4
<b>Sewerage Fund:</b>		
Due from General Fund	3,639	
Due to General Fund		200,662
Due to Working Cash Fund		142,347
<b>Working Cash Fund:</b>		
Due from General Fund	6,000	
Due from Sewerage Fund	142,347	
	<u>\$ 356,188</u>	<u>356,188</u>

The \$ 6,000 interfund amounts represent the initial \$ 1,000 deposit made to open the City's accounts payable checking account during the 2007 fiscal year, plus a \$ 5,000 deposit made for the HRA during fiscal year 2012. The \$ 142,347 amounts represent expenses paid by the Working Cash Fund on behalf of the Sewerage Fund for engineering and planning costs for a new Waste Water Treatment Plant. The City intends to repay this interfund loan with EPA loan proceeds once the project approval process is complete. The \$ 200,662 is costs related to payroll costs paid out of the General Fund of \$ 662 plus a 2017 advance of \$ 200,000 from the General Fund to the Sewerage Fund.

Balances due among the governmental activities are eliminated on the government-wide Statement of Net Position. Balances due to the enterprise funds from the governmental activities are reported on the Statement of Net Position as internal balances.

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and as transfers in (out) in the proprietary funds. The following is a summary of interfund transfers for the year ended December 31, 2020. All transfers relate to the payment of City debt.

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

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**Note 9 - Required Individual Fund Disclosures, continued**

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 105,330	
Tax Increment Financing Fund		(105,330)
	<u>\$ 105,330</u>	<u>(105,330)</u>

These transfers all relate to City debt payments.

**Note 10 - Fund Balances**

Committed Fund Balance: In 2007, the City Council approved a motion committing funds for future capital expenditures. It also committed all interest earned on these amounts. During the 2013-14 reporting period, the City Council approved committing video gaming revenue to support Habitat for Humanity and parks and playground repair, maintenance and replacement. They also approved committing \$ 100,000 of general funds per year from 2014 to 2017 for future recreation grants. Any farming revenues generated from the recreation park land will also be committed for this purpose.

Below is a summary of committed amounts, current and prior year committed earnings, current and prior year expenditures, and ending committed balances.

	<u>General Fund</u>	<u>Working Cash Fund</u>	<u>Total</u>
Board committed amounts	\$ 1,231,937	300,000	1,531,937
Prior earnings	43,406	38,719	82,125
Current period earnings	1,288	984	2,272
Current period expenditures			-
Committed balances, December 31, 2020	<u>\$ 1,276,631</u>	<u>339,703</u>	<u>1,616,334</u>

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

**Note 10 - Fund Balances, continued**

Restricted Fund Balances:

	General Fund	Tax Increment Financing Fund	Motor Fuel Tax Fund	Business District Revenue	Total
Restricted for:					
Levied funds to be used for bond principal and interest repayment	\$ 24,261				24,261
Debt sinking fund compliance	9,205	21,348			30,553
Allotted funds to be used for road and and bridge construction and improvements			5,178,519		5,178,519
Tax revenue received to pay grants to business owners and for improvements made to the business district				186,749	186,749
DCEO Grants to be paid to Fieldhouse 2019, LLC and the Fitness Center	6,426				6,426
<b>Restricted fund balance</b>	<b>\$ 39,892</b>	<b>21,348</b>	<b>5,178,519</b>	<b>186,749</b>	<b>5,426,508</b>

**Note 11 - Other Post-Employment Benefits Plan**

The City has an ordinance under which it covers post-employment insurance continuation benefits for those who qualify. If a full-time employee retires with at least 15 years of IMRF qualified service with the City, and such retired employee immediately receives his or her IMRF pension, then the City will pay on behalf of such retired employee the full expense of employee-only continued health insurance for the lesser of the period of five years, or until such retired employee reaches the age of Medicare eligibility. Total premiums paid for qualifying retirees (3) for the year ended December 31, 2020 were \$ 27,288, all of which were paid by the City.

The City is also paying health insurance benefits for a former police officer injured in the line of duty as required by Illinois Statute 820 ILCS 320/10. Under this statute, the City is required to pay health insurance premiums for the former officer and his spouse for the remainder of their lives (with benefits from any other source reducing the benefit). Total premiums paid for the year ended December 31, 2020 were \$ 19,380.

**CITY OF MONTICELLO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2020**

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**Note 12 - Subsequent Events**

The City has evaluated events occurring after the statement of net position date through June 8, 2021, 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 SUPPLEMENTARY INFORMATION**

CITY OF MONTICELLO, ILLINOIS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the year ended December 31, 2020

	Budget - Original and Final	Actual	Variance
<b>Revenues received:</b>			
Property taxes	\$ 938,354	939,798	1,444
Sales taxes	1,192,660	1,179,779	(12,881)
Other local taxes	157,500	180,621	23,121
Illinois income tax	570,000	602,895	32,895
Personal property replacement taxes	1,300,000	1,263,969	(36,031)
Franchise revenue	113,675	104,289	(9,386)
Police revenue	30,000	26,747	(3,253)
Stimulus funding		239,872	239,872
Miscellaneous revenue	87,100	89,802	2,702
Interest	1,120	3,588	2,468
Recreation revenue	201,200	16,454	(184,746)
Refundable tax credit	17,032	15,794	(1,238)
<b>Total revenues received</b>	<b>4,608,641</b>	<b>4,663,608</b>	<b>54,967</b>
<b>Expenditures disbursed:</b>			
Current:			
City administration	1,141,501	922,065	219,436
Public safety	1,418,232	1,079,821	338,411
Public works	1,319,712	1,133,618	186,094
Parks and recreation	498,952	195,295	303,657
Debt service:			
Principal	275,000	431,547	(156,547)
Interest	85,814	82,846	2,968
Bond issuance costs		700	(700)
Capital improvements	411,050	201,017	210,033
<b>Total expenditures disbursed</b>	<b>5,150,261</b>	<b>4,046,909</b>	<b>1,103,352</b>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(541,620)	616,699	1,158,319
Other financing sources (uses):			
Transfer in (out)	107,235	105,330	(1,905)
<b>Net change in fund balance</b>	<b>\$ (434,385)</b>	<b>722,029</b>	<b>1,156,414</b>
Fund balance, beginning		<u>3,056,687</u>	
Fund balance, ending		<u>\$ 3,778,716</u>	

**CITY OF MONTICELLO, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
MOTOR FUEL TAX FUND**

**For the year ended December 31, 2020**

	Budget - Original and Final	Actual	Variance
Revenues received:			
Motor fuel tax	\$ 200,000	340,401	140,401
Interest income	75,000	62,124	(12,876)
Total revenues received	<u>275,000</u>	<u>402,525</u>	<u>127,525</u>
Expenditures disbursed:			
Motor fuel tax projects	4,182,750	1,065,691	3,117,059
Total expenditures disbursed	<u>4,182,750</u>	<u>1,065,691</u>	<u>3,117,059</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(3,907,750)</u>	<u>(663,166)</u>	<u>3,244,584</u>
Net change in fund balance	<u>\$ (3,907,750)</u>	<u>(663,166)</u>	<u>3,244,584</u>
Fund balance, beginning		<u>5,841,685</u>	
Fund balance, ending		<u>\$ 5,178,519</u>	

**CITY OF MONTICELLO, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
TAX INCREMENT FINANCING FUND  
For the year ended December 31, 2020**

	Budget - Original and Final	Actual	Variance
<b>Revenues received:</b>			
TIF District revenue	\$ 400,000	515,839	115,839
Interest income	500	1,171	671
Refundable tax credit	19,905	18,875	(1,030)
Total revenues received	<u>420,405</u>	<u>535,885</u>	<u>115,480</u>
<b>Expenditures disbursed:</b>			
Current:			
City administration	51,150	27,115	24,035
Debt service:			
Interest	70,060	56,161	13,899
Principal	75,000	75,000	
Bond issuance costs		600	(600)
Capital improvement	972,254	184,265	787,989
Total expenditures disbursed	<u>1,168,464</u>	<u>343,141</u>	<u>825,323</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(748,059)</u>	<u>192,744</u>	<u>940,803</u>
<b>Other financing sources (uses):</b>			
Proceeds on debt certificate refinance		18,300	18,300
Transfers in	111,968		(111,968)
Transfers out	(117,959)	(105,330)	12,629
Total other financing sources (uses)	<u>(5,991)</u>	<u>(87,030)</u>	<u>(81,039)</u>
Net change in fund balance	<u>\$ (754,050)</u>	<u>105,714</u>	<u>859,764</u>
Fund balance, beginning		<u>761,830</u>	
Fund balance, ending		<u>\$ 867,544</u>	

**CITY OF MONTICELLO, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
BUSINESS DISTRICT TAX FUND  
For the year ended December 31, 2020**

	Budget - Original and Final	Actual	Variance
Revenues received:			
Business district 1% tax	\$ 200,000	199,430	(570)
Interest income	300	108	(192)
Total revenues received	<u>200,300</u>	<u>199,538</u>	<u>(762)</u>
Expenditures disbursed:			
Business district tax projects	<u>77,000</u>	<u>12,789</u>	<u>64,211</u>
Total expenditures disbursed	<u>77,000</u>	<u>12,789</u>	<u>64,211</u>
Excess of revenues received over expenditures disbursed	<u>123,300</u>	<u>186,749</u>	<u>63,449</u>
Net change in fund balance	<u>\$ 123,300</u>	<u>186,749</u>	<u>63,449</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ 186,749</u>	

**CITY OF MONTICELLO, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
WATERWORKS FUND**

**For the year ended December 31, 2020**

	Budget - Original and Final	Actual	Variance
Operating revenues received	\$ 779,033	798,259	19,226
Operating expenditures disbursed:			
Operations, other than payroll and employee benefits	376,969	282,853	94,116
Payroll and employee benefits	396,877	332,267	64,610
Depreciation		44,150	(44,150)
Capital improvements *	89,838	98,320	(8,482)
Total operating expenditures disbursed	863,684	757,590	106,094
Excess (deficiency) of operating revenues received over (under) expenditures disbursed	(84,651)	40,669	125,320
Non-operating revenues received (expenditures disbursed):			
Investment earnings	300	266	(34)
Interest expense	(11,572)	(11,572)	
Change in net position	\$ (95,923)	29,363	125,286
Net position, beginning		1,070,549	
Net position, ending		\$ 1,099,912	

\* Budget amount does not include \$ 121,500 budgeted for payment on the above-ground storage tank loan. The allocated principal portion of there removed extra space current-year payment of \$ 102,362 is not included above, but the interest portion of \$ 11,572 is included on the interest expense line.

**CITY OF MONTICELLO, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE -  
SEWERAGE, OPERATION AND MAINTENANCE PLANT FUND  
For the year ended December 31, 2020**

	Budget - Original and Final	Actual	Variance
Operating revenues received *	\$ 1,249,625	1,279,977	30,352
Operating expenditures disbursed:			
Operations, other than payroll and employee benefits **	410,960	272,088	138,872
Payroll and employee benefits	309,382	262,407	46,975
Depreciation		352,867	(352,867)
Capital improvements ***	336,650	110,652	225,998
Total operating expenditures disbursed	1,056,992	998,014	58,978
Excess (deficiency) of operating revenues received over (under) expenditures disbursed	192,633	281,963	89,330
Non-operating revenues received (expenses disbursed):			
Investment earnings	500	1,331	831
Interest expense	(262,857)	(247,798)	15,059
Change in net position	<u>\$ (69,724)</u>	35,496	<u>105,220</u>
Net position, beginning		<u>1,675,656</u>	
Net position, ending		<u>\$ 1,711,152</u>	

\* Budget amount does not include \$ 760,000 budgeted for WWTP loan proceeds.

\*\* Budget amount has been reduced by \$ 30,910 which is the budgeted payment on the jet vac loan. The allocated principal portion of the current-year payment of \$ 28,678 is not included above, and the interest portion of \$ 2,232 is included on the interest expense line.

\*\*\* Budget amount represents capital improvements for the year less the amount budgeted for interest expense on the WWTP construction loan. That amount is being shown instead on the interest expense line. Also, the amount shown does not include either budgeted costs of \$ 760,000 on the new WWTP or \$ 260,000 of principle payment on revenue bonds.

CITY OF MONTICELLO, ILLINOIS

**SCHEDULE OF ASSESSED VALUATIONS AND TAXES  
EXTENDED AND COLLECTED  
December 31, 2020**

	<b>Tax Year</b>				
	<b>2019</b>	2018	2017	2016	2015
Equalized assessed valuation	<b>\$ 128,968,154</b>	125,128,319	122,336,723	115,863,830	108,519,465
<b>Tax Rates:</b>					
General Corporate Fund	<b>0.22542</b>	0.22050	0.21661	0.21665	0.21186
IMRF	<b>0.05430</b>	0.05314	0.05147	0.05082	0.04737
Police Protection Fund	<b>0.11878</b>	0.11625	0.11563	0.11565	0.11267
Insurance	<b>0.08053</b>	0.07881	0.07634	0.07473	0.07154
Bond and Interest	<b>0.17523</b>	0.17877	0.17966	0.18567	0.18621
Social Security	<b>0.04490</b>	0.04394	0.04256	0.04257	0.03964
Police Pension	<b>0.07521</b>	0.07371	0.06533	0.06986	0.07250
Total	<b>0.77437</b>	0.76512	0.74760	0.75595	0.74179
<b>Tax Extensions:</b>					
General Corporate Fund	<b>\$ 273,594</b>	260,691	252,041	240,268	229,909
IMRF	<b>65,904</b>	62,826	59,889	56,360	51,406
Police Protection Fund	<b>144,164</b>	137,439	134,543	128,257	122,269
Insurance	<b>97,740</b>	93,175	88,827	82,877	77,635
Bond and Interest	<b>212,678</b>	211,355	209,047	205,911	202,074
Social Security	<b>54,496</b>	51,949	49,521	47,211	43,017
Police Pension	<b>91,283</b>	87,145	76,016	77,476	78,677
Total	<b>939,859</b>	904,580	869,884	838,360	804,987
<b>Collections:</b>					
General Corporate Fund	<b>273,576</b>	259,239	252,002	239,126	229,439
IMRF	<b>65,901</b>	62,476	59,879	56,092	51,419
Police Protection Fund	<b>144,155</b>	136,673	134,522	127,648	122,301
Insurance	<b>97,733</b>	92,655	88,813	82,483	77,655
Bond and Interest	<b>212,664</b>	210,178	209,014	204,931	202,128
Social Security	<b>54,492</b>	51,660	49,514	46,986	43,028
Police Pension	<b>91,277</b>	86,660	76,004	77,108	78,698
Total	<b>\$ 939,798</b>	899,541	869,748	834,374	804,668
Percent of extensions collected	<b>99.99%</b>	99.44%	99.98%	99.52%	99.96%

Note: The above collections do not include tax increment financing revenues received for the periods which amounted to \$ 515,839 for the 2019 tax year.

**CITY OF MONTICELLO, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

**December 31, 2020**

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Assessed valuation - 2019 tax year	<u>\$ 128,968,154</u>
Statutory debt limitation (8.625% of assessed valuation)	<u>11,123,503</u>
Total debt:	
Sewer note payable	54,127
Wastewater system revenue bonds (advances to date)	13,770,000
General obligation debt certificates	1,013,300
General obligation bonds	605,000
Note payable	<u>1,092,345</u>
Total outstanding debt	16,534,772
Less debt not applicable to debt margin	<u>(13,824,127)</u>
Total applicable debt	<u>2,710,645</u>
Legal debt margin	<u>\$ 8,412,858</u>

**CITY OF MONTICELLO, ILLINOIS**

**SCHEDULE OF CONSTRUCTION IN PROGRESS AND  
CAPITAL ASSET ADDITIONS  
Year ended December 31, 2020**

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Construction in progress from PY:	
WWTP Costs	<u>\$ 203,364</u>
Construction in progress additions in 2020	203,364
Capital asset additions:	
Bike Trail	58,279
Motorola/Spillman Records Management System	31,865
2019 Dodge Ram 1500 Classic Truck	<u>26,000</u>
Total capital asset additions in 2020	<u><u>\$ 319,508</u></u>