

CITY OF MONTICELLO, ILLINOIS

ANNUAL FINANCIAL REPORT

For the year ended December 31, 2021



CITY OF MONTICELLO, ILLINOIS

CONTENTS

December 31, 2021

INDEPENDENT AUDITORS' REPORT	1 - 3
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	4 - 6
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Government-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	7
Statement of Activities - Modified Cash Basis	8
Fund Financial Statements:	
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis - Governmental Funds	9
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	10
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances - Modified Cash Basis - - Governmental Funds	11
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	12
Statement of Net Position - Modified Cash Basis - Proprietary Funds	13
Statement of Revenues Received, Expenses Disbursed and Changes in Net Position - Modified Cash Basis - Proprietary Funds	14
Statement of Cash Flows - Modified Cash Basis - Proprietary Funds	15 and 16

CITY OF MONTICELLO, ILLINOIS

CONTENTS (Continued)
December 31, 2021

Statement of Net Position - Modified Cash Basis - Fiduciary Funds	17
Statement of Changes in Fiduciary Net Position - Modified Cash Basis - Fiduciary Funds	18
Notes to Financial Statements	19 - 38
Other Supplementary Information:	
Budgetary Comparison Schedule - General Fund	39
Budgetary Comparison Schedule - Motor Fuel Tax Fund	40
Budgetary Comparison Schedule - Tax Increment Financing Fund	41
Budgetary Comparison Schedule - Business District Tax Fund	42
Budgetary Comparison Schedule - Waterworks Fund	43
Budgetary Comparison Schedule - Sewerage, Operation and Maintenance Plant Fund	44
Schedule of Assessed Valuations and Taxes Extended and Collected	45
Schedule of Legal Debt Margin	46
Schedule of Construction in Progress and Capital Asset Additions	47



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Qualified 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 Monticello, Illinois (the City), as of and for the year ended December 31, 2021, 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, except for the effects of the matter described in the Basis for Qualified Opinions section of our report, 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 City of Monticello, Illinois, as of December 31, 2021, 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 as described in Note 1.

Basis for Qualified Opinions

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. 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, 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 qualified audit opinions.

Matter Giving Rise to Qualified Opinions

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 departure would affect the financial statements has not been determined.

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 the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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's 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's 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules presented in the other supplementary information section 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 other supplementary information is 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 May 5, 2022, on our consideration of 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
May 5, 2022



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**INDEPENDENT AUDITORS' 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 5, 2022. Our report was modified for the effects of not disclosing all required elements related to a post-employment benefit other than pensions.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness (2021-001).

Report on 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 financial statements. 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

The City of Monticello, Illinois' response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The 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
May 5, 2022

CITY OF MONTICELLO, ILLINOIS

SCHEDULE OF FINDINGS AND RESPONSES

December 31, 2021

Material Weakness

2021-001 Financial Reporting

Criteria: Management is responsible for establishing and maintaining adequate internal control over financial reporting, including controls over the ability of management to select and apply appropriate accounting principles to prepare financial statements and related footnote disclosures in conformity with the modified cash basis of accounting.

Condition: During the review of the financial reporting process, we noted that neither management nor the accounting personnel have the expertise to select and apply appropriate accounting principles or to prepare financial statements with appropriate footnotes in accordance with the modified cash basis of accounting.

Cause: The responsibility for financial reporting rests entirely with the City and not the auditor. In other words, if the City is not able to issue, without the auditors' involvement, complete financial statements with notes, in accordance with the modified cash basis of accounting, and free of material misstatement, that inability is a symptom of material deficiencies in internal control.

Effect: Without adequate financial reporting expertise, errors and omissions could occur in the financial statements and not be detected by management.

Recommendation: We recommend that management assess the financial reporting process and consider implementing additional reporting functions. Additionally, we recommend that the City consider including persons knowledgeable about financial statements and reporting requirements on its Council.

City's Response: There is no disagreement with the audit finding. The City is aware of the need for the expertise necessary to prepare a complete set of financial statement and the related disclosures. Management will continue to monitor the internal controls over financial reporting as well as the cost/benefit relationship with these issues.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 10,685,193	908,368	11,593,561
Investments	1,604,378	483,750	2,088,128
Internal balances	342,347	(342,347)	
Total current assets	12,631,918	1,049,771	13,681,689
Capital Assets, net:			
Nondepreciable	2,248,032	194,981	2,443,013
Depreciable	7,605,551	15,518,734	23,124,285
TOTAL ASSETS	22,485,501	16,763,486	39,248,987
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable		15	15
Customer deposits		24,794	24,794
Current portion of unamortized bond premium	1,849		1,849
Other current liabilities	24,727		24,727
Due within one year:			
Long-term debt	515,883	422,889	938,772
Total current liabilities	542,459	447,698	990,157
Long-term Liabilities:			
Unamortized bond premium	3,543		3,543
Due in more than one year:			
Long-term debt	1,673,977	13,225,000	14,898,977
TOTAL LIABILITIES	2,219,979	13,672,698	15,892,677
<u>NET POSITION</u>			
Net investment in capital assets	7,663,723	2,065,826	9,729,549
Restricted for:			
Debt service	40,331	159,000	199,331
Road construction and improvements	4,343,891		4,343,891
Business district tax fund	447,415		447,415
Unrestricted	7,770,162	865,962	8,636,124
TOTAL NET POSITION	\$ 20,265,522	3,090,788	23,356,310

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended December 31, 2021

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charge for Services	Grants and Contributions	Governmental Activities	Business-type Activities	
Functions/Programs						
Governmental Activities:						
City administration	\$ 1,332,712	100,060		(1,232,652)		(1,232,652)
Public safety	1,460,421	27,255		(1,433,166)		(1,433,166)
Public works	2,660,065	122,868	458,542	(2,078,655)		(2,078,655)
Parks and recreation	525,595	175,722		(349,873)		(349,873)
Interest on long-term debt	69,013			(69,013)		(69,013)
Total governmental activities	6,047,806	425,905	458,542	(5,163,359)	-	(5,163,359)
Business-type activities:						
Water	737,070	805,255			68,185	68,185
Sewer	1,211,485	1,416,986			205,501	205,501
Total business-type activities	1,948,555	2,222,241	-	-	273,686	273,686
Total government	\$ 7,996,361	2,648,146	458,542	(5,163,359)	273,686	(4,889,673)
General revenues:						
Taxes:						
Property taxes				1,603,757		1,603,757
Sales taxes				1,303,688		1,303,688
Other local taxes				257,664		257,664
Illinois income tax				735,845		735,845
Business district tax				300,036		300,036
Motor fuel tax				344,435		344,435
Replacement tax				2,218,915		2,218,915
Investment income				23,119	359	23,478
Refundable tax credit				12,380		12,380
Total general revenues				6,799,839	359	6,800,198
Change in net position				1,636,480	274,045	1,910,525
Net position, beginning				18,629,042	2,816,743	21,445,785
Net position, ending				\$ 20,265,522	3,090,788	23,356,310

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
 MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
 December 31, 2021

	Special Revenue Funds					Total
	General Fund	Tax Increment Financing Fund	Motor Fuel Tax Fund	Working Cash Fund	Business District Tax Fund	
<u>ASSETS</u>						
Cash and cash equivalents	\$ 4,948,425	875,568	3,842,760	571,025	447,415	10,685,193
Investments	574,460	159,228	501,131	369,559		1,604,378
Due from other funds	200,000			148,347		348,347
TOTAL ASSETS	5,722,885	1,034,796	4,343,891	1,088,931	447,415	12,637,918
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Due to other funds	6,000					6,000
Other current liabilities	24,727					24,727
Total liabilities	30,727	-	-	-	-	30,727
Fund Balances:						
Restricted	18,781	21,550	4,343,891		447,415	4,831,637
Committed	1,500,375			339,777		1,840,152
Assigned		1,013,246		749,154		1,762,400
Unassigned	4,173,002					4,173,002
Total fund balances	5,692,158	1,034,796	4,343,891	1,088,931	447,415	12,607,191
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,722,885	1,034,796	4,343,891	1,088,931	447,415	12,637,918

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, 2021**

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	\$ 12,607,191
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	9,853,583
Unamortized premiums on bond issuance are not reported on fund financial statements	(5,392)
Long-term debt not reported on modified cash basis fund financial statements	<u>(2,189,860)</u>
Net position of governmental activities	<u><u>\$ 20,265,522</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, 2021

	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	\$ 978,909	624,848				1,603,757
Sales taxes	1,303,688					1,303,688
Other local taxes	257,664					257,664
Illinois income tax	735,845					735,845
Business district tax					300,036	300,036
Motor fuel tax			344,435			344,435
Personal property replacement taxes	2,218,915					2,218,915
Franchise revenue	100,060					100,060
Police revenue	27,255					27,255
Grant revenue	458,542					458,542
Miscellaneous revenue	122,868					122,868
Interest	791	918	20,339	653	418	23,119
Recreation revenue	175,722					175,722
Refundable tax credit	12,380					12,380
Total revenues received	6,392,639	625,766	364,774	653	300,454	7,684,286
Expenditures disbursed:						
Current:						
City administration	993,402	2,482			39,788	1,035,672
Public safety	1,371,731					1,371,731
Public works	1,221,450		1,199,402			2,420,852
Parks and recreation	408,398					408,398
Debt service:						
Principal	455,622	101,171				556,793
Interest	64,209	4,804				69,013
Capital outlay	344,845	239,597				584,442
Total expenditures disbursed	4,859,657	348,054	1,199,402	-	39,788	6,446,901
Excess (deficiency) of revenues received over (under) expenditures disbursed	1,532,982	277,712	(834,628)	653	260,666	1,237,385
Other financing sources (uses):						
Proceeds on debt certificate refinance	270,000					270,000
Transfers in (out)	110,460	(110,460)				
Total other financing sources (uses)	380,460	(110,460)	-	-	-	270,000
Net change in fund balances	1,913,442	167,252	(834,628)	653	260,666	1,507,385
Fund balances, beginning,	3,778,716	867,544	5,178,519	1,088,278	186,749	11,099,806
Fund balances, ending	\$ 5,692,158	1,034,796	4,343,891	1,088,931	447,415	12,607,191

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, 2021**

Net change in fund balances - governmental funds \$ 1,507,385

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:

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:

Cost of assets capitalized	253,751
Depreciation expense	(413,298)

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:

Proceeds from long-term debt	(270,000)
Principal payments on long-term debt	556,793
Amortization of bond premium	1,849

Change in net position of governmental activities \$ 1,636,480

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
 PROPRIETARY FUNDS
 December 31, 2021**

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 189,798	14,299	704,271	908,368
Investments	28,011	16,193	439,546	483,750
Total current assets	217,809	30,492	1,143,817	1,392,118
Capital Assets, net:				
Nondepreciable	26,369		168,612	194,981
Depreciable	1,044,481		14,474,253	15,518,734
TOTAL ASSETS	1,288,659	30,492	15,786,682	17,105,833
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable		15		15
Customer deposits		24,794		24,794
Due within one year:				
Long-term debt	120,354		302,535	422,889
Due to other funds			342,347	342,347
Total current liabilities	120,354	24,809	644,882	790,045
Due in more than one year:				
Long-term debt			13,225,000	13,225,000
TOTAL LIABILITIES	120,354	24,809	13,869,882	14,015,045
<u>NET POSITION</u>				
Net investment in capital assets	950,496		1,115,330	2,065,826
Restricted			159,000	159,000
Unrestricted	217,809	5,683	642,470	865,962
TOTAL NET POSITION	\$ 1,168,305	5,683	1,916,800	3,090,788

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, 2021

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
Operating revenues received	\$ 805,255		1,416,986	2,222,241
Operating expenses disbursed:				
Operations, other than employee benefits	290,816		274,309	565,125
Employee benefits	347,309		277,875	625,184
Depreciation	41,494		354,526	396,020
Capital improvements	49,578		48,684	98,262
Total operating expenses disbursed	729,197	-	955,394	1,684,591
Excess of operating revenues received over expenses disbursed	76,058	-	461,592	537,650
Non-operating revenues received (expenses disbursed):				
Investment earnings	208	4	147	359
Interest expense	(7,873)		(256,091)	(263,964)
Change in net position	68,393	4	205,648	274,045
Total net position, beginning	1,099,912	5,679	1,711,152	2,816,743
Total net position, ending	\$ 1,168,305	5,683	1,916,800	3,090,788

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS -
 PROPRIETARY FUNDS

For the year ended December 31, 2021

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 805,255	2,027	1,416,986	2,224,268
Payments to suppliers	(340,394)	(10)	(322,993)	(663,397)
Payments to employees	(347,309)		(277,875)	(625,184)
Net cash flows from operating activities	117,552	2,017	816,118	935,687
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	3,532		2,977	6,509
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	(113,639)		(296,592)	(410,231)
Interest paid	(7,873)		(256,091)	(263,964)
Net cash flows from capital and related financing activities	(121,512)	-	(552,683)	(674,195)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	208	4	147	359
Net cash flows from investing activities	208	4	147	359
Net increase (decrease) in cash and cash equivalents	(220)	2,021	266,559	268,360
Cash and cash equivalents, beginning of year	218,029	28,471	877,258	1,123,758
Cash and cash equivalents, end of year	\$ 217,809	30,492	1,143,817	1,392,118

(Continued)

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS -
 PROPRIETARY FUNDS (Continued)
 For the year ended December 31, 2021

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
RECONCILIATION OF EXCESS (DEFICIENCY) OF OPERATING REVENUES RECEIVED OVER (UNDER) EXPENSES DISBURSED TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of operating revenues received over expenses disbursed	\$ 76,058		461,592	537,650
Adjustments to reconcile excess (deficiency) of operating revenues received over (under) expenses disbursed to net cash flows from operating activities:				
Depreciation	41,494		354,526	396,020
Decrease in accounts payable		(10)		(10)
Increase in customer deposits		2,027		2,027
Net cash flows from operating activities	\$ 117,552	2,017	816,118	935,687

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
FIDUCIARY FUNDS
December 31, 2021**

	Police Pension Fund
<hr/>	
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 1,674,299</u>
<u>NET POSITION</u>	
Held in trust for police pension benefits	<u>\$ 1,674,299</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, 2021

	Police Pension Fund
<hr/>	
Additions:	
Contributions:	
Employee	\$ 32,770
Employer	451,471
	<hr/>
Total contributions	484,241
Investment loss	(18,271)
	<hr/>
Total additions	465,970
	<hr/>
Deductions:	
Disability payments	26,385
Retirement payments	115,409
Death benefit	28,535
	<hr/>
Total deductions	170,329
	<hr/>
Change in net position	295,641
Net position, beginning	1,378,658
	<hr/>
Net position, ending	\$ 1,674,299
	<hr/> <hr/>

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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.

Principles 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, 2021

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 the 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, 2021

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 statement of assets, liabilities and fund balances. The statement of revenues received, expenditures disbursed, 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, 2021

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, 2021 on November 23, 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	\$ 189,798	14,299	704,271
Investments (money market accounts)	28,011	16,193	439,546
Cash and cash equivalents	\$ 217,809	30,492	1,143,817

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, 2021

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 position 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 modified cash basis of accounting. The total unpaid vacation pay, sick-pay, personal leave, and comp time accumulated at December 31, 2021, is \$ 23,148, \$ 128,263, \$ 6,479, and \$ 8,303, respectively.

Deferred Outflows/Inflows of Resources: In addition to assets, statements of net 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 net 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, 2021

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, 2021, the balance of these designated funds was \$ 483,626.

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

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

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, 2021

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 2020 tax levy was passed by the Board on December 14, 2020. 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 2020 tax levies.

The following are the tax rates applicable to the various levies per \$ 100.00 of assessed valuation (2020 - \$ 135,893,513; 2019 - \$ 128,968,154):

	<u>Maximum</u>	<u>Actual</u>	
	2020	2020	2019
	Levy	Levy	Levy
General Corporate	0.25000	0.22688	0.22542
IMRF		0.05454	0.05430
Police Protection	0.15000	0.11931	0.11878
Insurance		0.08089	0.08053
Bond and Interest		0.17192	0.17523
Social Security		0.04510	0.04490
Police Pension		0.07509	0.07521
Total		<u>0.77373</u>	<u>0.77437</u>

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, 2021, \$ 14,916,213 of the City's bank balance of \$ 15,490,174, was covered by FDIC insurance or collateralized by securities held by the pledging financial institution, and \$ 573,961 was exposed to custodial credit risk by being uninsured and uncollateralized.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

Note 4 - Capital Assets

Capital asset activities for the year ended December 31, 2021, were as follows:

	Governmental Activities			Ending Balance
	Beginning Balance	Additions	Deletions	
Nondepreciable assets:				
Land	\$ 2,129,528			2,129,528
Construction in process	118,504			118,504
Total	2,248,032	-	-	2,248,032
Depreciable assets:				
Buildings	6,489,254			6,489,254
Vehicles	1,710,403	93,364	78,605	1,725,162
Land improvements	722,093			722,093
Equipment	1,990,572	160,387		2,150,959
Infrastructure	2,454,598			2,454,598
Total	13,366,920	253,751	78,605	13,542,066
Total capital assets	15,614,952	253,751	78,605	15,790,098
Less accumulated depreciation:				
Buildings	2,040,330	179,825		2,220,155
Vehicles	1,273,202	68,504	78,605	1,263,101
Land improvements	313,422	27,266		340,688
Equipment	1,409,848	71,249		1,481,097
Infrastructure	565,020	66,454		631,474
Total accumulated depreciation	5,601,822	413,298	78,605	5,936,515
Total governmental activities capital assets, net	\$ 10,013,130	(159,547)	-	9,853,583

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
15,440,694			15,440,694
18,424,197	-	-	18,424,197
18,619,178	-	-	18,619,178
1,204,455	40,632		1,245,087
40,742	5,367		46,109
600,504	40,420		640,924
663,742	309,601		973,343
2,509,443	396,020	-	2,905,463
16,109,735	(396,020)	-	15,713,715

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

Note 4 - Capital Assets, continued

Depreciation expense for the year ended December 31, 2021 was charged to the following:

Governmental activities:	
City administration	\$ 47,301
Public safety	55,700
Public works	191,251
Parks and recreation	119,046
Business-type activities:	
Water fund	41,494
Sewer fund	354,526
	<hr/>
Total depreciation expense	\$ 809,318
	<hr/>

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 their beneficiaries. The City of Monticello, Illinois' 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.

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, 2021

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 City’s annual contribution rate for calendar year 2021 for Regular and SLEP was 9.21% and 26.10%, respectively. 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, 2021, the City made pension contributions of \$ 135,383 and \$ 21,813, respectively, for the Regular and SLEP plans.

Employees Covered by Benefit Terms: As of December 31, 2021, the following employees were covered by the benefit terms:

	Regular	SLEP
Retirees and beneficiaries	33	1
Inactive, non-retired members	10	-
Active members	25	1
Total members	68	2

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

Note 5 - Pension Plan, continued

Net Pension Liability: The City's net pension liability was measured as of December 31, 2021. 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, 2021 are as follows:

	Regular	SLEP
Total pension liability	\$ 10,112,155	451,877
Plan fiduciary net position	11,921,872	395,631
Net pension liability (asset)	<u>\$ (1,809,717)</u>	<u>56,246</u>
Percent funded	<u>117.90%</u>	<u>87.55%</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, 2020. (The 2021 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 certificates of deposit, money market accounts, and a NOW checking account at First State Bank and Central Illinois Bank summarized as follows as of December 31, 2021:

Certificate of deposit	\$ 1,159,583
Money market accounts	513,455
NOW account	<u>1,261</u>
Total	<u>\$ 1,674,299</u>

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

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, 2020 has been received and is as follows:

Actuarial value of assets	\$ 1,458,295
Deferred asset (unfunded accrued liability)	2,703,733
Present value of service retirement annuities (9)	<u>(3,098,258)</u>
Accrued liabilities for active participants (6)	<u>\$ 1,063,770</u>
Percent funded	<u>35.04%</u>

Based on the 2020 actuarial figures, the actuarially-determined employer contribution the City should have made for 2021 to arrive at the annual requirements of the fund as prescribed by Section 3-125 of the Illinois Pension Code was \$ 227,235. For 2021, total City contributions were \$ 451,472, which included an additional \$ 220,000 in March 2021 to help improve the fund. The City made another additional payment of \$ 250,000 in March 2022.

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, 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt certificates	\$ 1,013,300		206,800	806,500	100,800
General obligation bonds	605,000		190,000	415,000	200,000
Notes payable	858,353	270,000	159,993	968,360	215,083
	<u>\$ 2,476,653</u>	<u>270,000</u>	<u>556,793</u>	<u>2,189,860</u>	<u>515,883</u>

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

Note 8 - Long-Term Liabilities, continued

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Notes payable	\$ 288,120		140,231	147,889	147,889
Wastewater system revenue bonds	13,770,000		270,000	13,500,000	275,000
	<u>\$ 14,058,120</u>	<u>-</u>	<u>410,231</u>	<u>13,647,889</u>	<u>422,889</u>

Governmental Activities:

GENERAL OBLIGATION DEBT

During the 2010 fiscal year, the City issued \$ 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.

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%.

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 began on 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%.

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.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

Note 8 - Long-Term Liabilities, continued

Governmental Activities, continued:

NOTES PAYABLE

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.

On February 25, 2021, the City entered into a note payable with First State Bank for the purchase of equipment. The note is payable in annual installments of \$ 57,700, including interest at 2.25%, due February 25, 2026. The note is unsecured.

PRINCIPAL AND INTEREST PAYMENTS IN SUBSEQUENT YEARS

Year	Debt Certificates		Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 100,800	8,422	200,000	22,826	215,083	28,017
2023	101,500	7,716	215,000	11,824	171,606	21,858
2024	102,300	6,904			176,596	16,867
2025	103,200	5,983			182,999	11,719
2026	104,300	4,951			111,458	6,401
2027-2031	294,400	7,496			110,618	5,262
	<u>\$ 806,500</u>	<u>41,472</u>	<u>415,000</u>	<u>34,650</u>	<u>968,360</u>	<u>90,124</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, the proceeds of which were used to finance the construction of a new wastewater treatment plant.

Interest payments on these bonds began when the City began taking construction draws. Interest payments made in 2018 and prior were capitalized into project costs. In 2019, the City began making annual principal payments and semi-annual interest payments that were charged to expense. Both bond series mature on May 1, 2056. The interest rate on both bond series is 1.875%.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

Note 8 - Long-Term Liabilities, continued

Business-Type Activities, continued:

REVENUE BONDS, continued

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

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
2022	\$ 147,889	4,880	275,000	250,547
2023			280,000	245,344
2024			285,000	240,047
2025			295,000	234,609
2026			295,000	229,078
2027-2031			1,570,000	1,059,094
2032-2036			1,725,000	904,453
2037-2041			1,900,000	735,094
2042-2046			2,080,000	548,156
2047-2051			2,285,000	344,109
2052-2056			2,510,000	119,532
	\$ 147,889	4,880	13,500,000	4,910,063

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

Note 9 - Required Individual Fund Disclosures

At December 31, 2021, interfund receivables and payables consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Due to Working Cash Fund	\$	6,000
Due from Sewerage Fund	200,000	
Sewerage Fund:		
Due to General Fund		200,000
Due to Working Cash Fund		142,347
Working Cash Fund:		
Due from General Fund	6,000	
Due from Sewerage Fund	142,347	
	<u>\$ 348,347</u>	<u>348,347</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 \$ 200,000 is costs related to 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, 2021. All transfers relate to the payment of City debt.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 110,460	
Tax Increment Financing Fund		(110,460)
	<u>\$ 110,460</u>	<u>(110,460)</u>

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

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.

	General Fund	Working Cash Fund	Total
Board committed amounts	\$ 1,455,584	300,000	1,755,584
Prior earnings	44,694	39,703	84,397
Current period earnings	97	74	171
Current period expenditures			-
Committed balances, December 31, 2021	<u>\$ 1,500,375</u>	<u>339,777</u>	<u>1,840,152</u>

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	\$ 18,781				18,781
Debt sinking fund compliance		21,550			21,550
Allotted funds to be used for road and bridge construction and improvements			4,343,891		4,343,891
Tax revenue received to pay grants to business owners and for improvements made to the business district				447,415	447,415
Restricted fund balance	<u>\$ 18,781</u>	<u>21,550</u>	<u>4,343,891</u>	<u>447,415</u>	<u>4,831,637</u>

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

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, 2021 were \$ 29,190, 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, 2021 were \$ 21,312.

Note 12 - Subsequent Events

The City has evaluated events occurring after the statement of net position date through May 5, 2022, 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, 2021

	Budget Original	Budget Final	Actual	Variance
Revenues received:				
Property taxes	\$ 980,682	980,682	978,909	(1,773)
Sales taxes	1,220,000	1,220,000	1,303,688	83,688
Other local taxes	188,500	188,500	257,664	69,164
Illinois income tax	580,000	580,000	735,845	155,845
Personal property replacement taxes	1,000,000	1,000,000	2,218,915	1,218,915
Franchise revenue	113,675	113,675	100,060	(13,615)
Police revenue	40,000	40,000	27,255	(12,745)
Grant revenue			458,542	458,542
Miscellaneous revenue	85,000	85,000	122,868	37,868
Interest	1,100	1,100	791	(309)
Recreation revenue	222,180	222,180	175,722	(46,458)
Refundable tax credit	11,679	11,679	12,380	701
Total revenues received	<u>4,442,816</u>	<u>4,442,816</u>	<u>6,392,639</u>	<u>1,949,823</u>
Expenditures disbursed:				
Current:				
City administration	1,179,501	1,214,701	993,402	221,299
Public safety	1,576,003	1,796,003	1,371,731	424,272
Public works	1,393,905	1,459,905	1,221,450	238,455
Parks and recreation	515,545	515,545	408,398	107,147
Debt service:				
Principal	300,000	300,000	455,622	(155,622)
Interest	66,795	66,795	64,209	2,586
Capital improvements	117,865	117,865	344,845	(226,980)
Total expenditures disbursed	<u>5,149,614</u>	<u>5,470,814</u>	<u>4,859,657</u>	<u>611,157</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(706,798)</u>	<u>(1,027,998)</u>	<u>1,532,982</u>	<u>2,560,980</u>
Other financing sources (uses):				
Note payable proceeds	270,000	270,000	270,000	
Transfer in (out)	110,500	110,500	110,460	(40)
Total other financing sources (uses)	<u>380,500</u>	<u>380,500</u>	<u>380,460</u>	<u>(40)</u>
Net change in fund balance	<u>\$ (326,298)</u>	<u>(647,498)</u>	<u>1,913,442</u>	<u>2,560,940</u>
Fund balance, beginning			<u>3,778,716</u>	
Fund balance, ending			<u>\$ 5,692,158</u>	

CITY OF MONTICELLO, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
MOTOR FUEL TAX FUND
For the year ended December 31, 2021**

	Budget - Original and Final	Actual	Variance
Revenues received:			
Motor fuel tax	\$ 300,000	344,435	44,435
Interest income	75,000	20,339	(54,661)
Total revenues received	<u>375,000</u>	<u>364,774</u>	<u>(10,226)</u>
Expenditures disbursed:			
Motor fuel tax projects	<u>1,589,500</u>	<u>1,199,402</u>	<u>390,098</u>
Total expenditures disbursed	<u>1,589,500</u>	<u>1,199,402</u>	<u>390,098</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(1,214,500)</u>	<u>(834,628)</u>	<u>379,872</u>
Net change in fund balance	<u>\$ (1,214,500)</u>	<u>(834,628)</u>	<u>379,872</u>
Fund balance, beginning		<u>5,178,519</u>	
Fund balance, ending		<u>\$ 4,343,891</u>	

CITY OF MONTICELLO, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
TAX INCREMENT FINANCING FUND
For the year ended December 31, 2021**

	Budget - Original and Final	Actual	Variance
Revenues received:			
TIF District revenue	\$ 475,000	624,848	149,848
Interest income	500	918	418
Total revenues received	<u>475,500</u>	<u>625,766</u>	<u>150,266</u>
Expenditures disbursed:			
Current:			
City administration	51,150	2,482	48,668
Debt service:			
Interest	4,765	4,804	(39)
Principal	101,171	101,171	
Capital improvement	881,943	239,597	642,346
Total expenditures disbursed	<u>1,039,029</u>	<u>348,054</u>	<u>690,975</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(563,529)</u>	<u>277,712</u>	<u>841,241</u>
Other financing sources (uses):			
Transfers out	<u>(110,500)</u>	<u>(110,460)</u>	<u>40</u>
Total other financing sources (uses)	<u>(110,500)</u>	<u>(110,460)</u>	<u>40</u>
Net change in fund balance	<u>\$ (674,029)</u>	<u>167,252</u>	<u>841,281</u>
Fund balance, beginning		<u>867,544</u>	
Fund balance, ending		<u>\$ 1,034,796</u>	

CITY OF MONTICELLO, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
BUSINESS DISTRICT TAX FUND
For the year ended December 31, 2021**

	Budget - Original and Final	Actual	Variance
Revenues received:			
Business district 1% tax	\$ 225,000	300,036	75,036
Interest income	330	418	88
Total revenues received	<u>225,330</u>	<u>300,454</u>	<u>75,124</u>
Expenditures disbursed:			
Business district tax projects	<u>143,000</u>	<u>39,788</u>	<u>103,212</u>
Total expenditures disbursed	<u>143,000</u>	<u>39,788</u>	<u>103,212</u>
Excess of revenues received over expenditures disbursed	<u>82,330</u>	<u>260,666</u>	<u>178,336</u>
Net change in fund balance	<u>\$ 82,330</u>	<u>260,666</u>	<u>178,336</u>
Fund balance, beginning		<u>186,749</u>	
Fund balance, ending		<u>\$ 447,415</u>	

CITY OF MONTICELLO, ILLINOIS

BUDGETARY COMPARISON SCHEDULE -

WATERWORKS FUND

For the year ended December 31, 2021

	Budget - Original and Final	Actual	Variance
Operating revenues received	\$ 802,824	805,255	2,431
Operating expenditures disbursed:			
Operations, other than payroll and employee benefits	414,315	290,816	123,499
Payroll and employee benefits	400,187	347,309	52,878
Depreciation		41,494	(41,494)
Capital improvements *	12,138	49,578	(37,440)
Total operating expenditures disbursed	826,640	729,197	97,443
Excess (deficiency) of operating revenues received over (under) expenditures disbursed	(23,816)	76,058	99,874
Non-operating revenues received (expenditures disbursed):			
Investment earnings	300	208	(92)
Interest expense	(7,873)	(7,873)	
Change in net position	<u>\$ (31,389)</u>	68,393	<u>99,782</u>
Net position, beginning		<u>1,099,912</u>	
Net position, ending		<u>\$ 1,168,305</u>	

* Budget amount does not include \$ 121,512 budgeted for payment on the above-ground storage tank loan. The allocated principal portion of the current-year payment of \$ 113,639 is not included above, but the interest portion of \$ 7,873 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, 2021**

	Budget - Original and Final	Actual	Variance
Operating revenues received	\$ 1,387,250	1,416,986	29,736
Operating expenditures disbursed:			
Operations, other than payroll and employee benefits **	387,200	274,309	112,891
Payroll and employee benefits	311,016	277,875	33,141
Depreciation		354,526	(354,526)
Capital improvements ***	199,939	48,684	151,255
Total operating expenditures disbursed	898,155	955,394	(57,239)
Excess (deficiency) of operating revenues received over (under) expenditures disbursed	489,095	461,592	(27,503)
Non-operating revenues received (expenses disbursed):			
Investment earnings	500	147	(353)
Interest expense	(256,091)	(256,091)	
Change in net position	<u>\$ 233,504</u>	205,648	<u>(27,856)</u>
Net position, beginning		<u>1,711,152</u>	
Net position, ending		<u>\$ 1,916,800</u>	

** 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 \$ 29,402 is not included above, and the interest portion of \$ 1,508 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 the budgeted costs \$ 270,000 of principle payment on revenue bonds.

CITY OF MONTICELLO, ILLINOIS

**SCHEDULE OF ASSESSED VALUATIONS AND TAXES
EXTENDED AND COLLECTED**

December 31, 2021

	Tax Year				
	2020	2019	2018	2017	2016
Equalized assessed valuation	\$ 135,893,513	128,968,154	125,128,319	122,336,723	115,863,830
Tax Rates:					
General Corporate Fund	0.22688	0.22542	0.22050	0.21661	0.21665
IMRF	0.05454	0.05430	0.05314	0.05147	0.05082
Police Protection Fund	0.11931	0.11878	0.11625	0.11563	0.11565
Insurance	0.08089	0.08053	0.07881	0.07634	0.07473
Bond and Interest	0.17192	0.17523	0.17877	0.17966	0.18567
Social Security	0.04510	0.04490	0.04394	0.04256	0.04257
Police Pension	0.07509	0.07521	0.07371	0.06533	0.06986
Total	0.77373	0.77437	0.76512	0.74760	0.75595
Tax Extensions:					
General Corporate Fund	\$ 287,582	273,594	260,691	252,041	240,268
IMRF	69,132	65,904	62,826	59,889	56,360
Police Protection Fund	151,232	144,164	137,439	134,543	128,257
Insurance	102,532	97,740	93,175	88,827	82,877
Bond and Interest	217,917	212,678	211,355	209,047	205,911
Social Security	57,167	54,496	51,949	49,521	47,211
Police Pension	95,180	91,283	87,145	76,016	77,476
Total	980,742	939,859	904,580	869,884	838,360
Collections:					
General Corporate Fund	286,843	273,576	259,239	252,002	239,126
IMRF	69,033	65,901	62,476	59,879	56,092
Police Protection Fund	151,013	144,155	136,673	134,522	127,648
Insurance	102,384	97,733	92,655	88,813	82,483
Bond and Interest	217,510	212,664	210,178	209,014	204,931
Social Security	57,084	54,492	51,660	49,514	46,986
Police Pension	95,042	91,277	86,660	76,004	77,108
Total	\$ 978,909	939,798	899,541	869,748	834,374
Percent of extensions collected	99.81%	99.99%	99.44%	99.98%	99.52%

Note: The above collections do not include tax increment financing revenues received for the periods which amounted to \$ 624,848 for the 2020 tax year.

CITY OF MONTICELLO, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2021

Assessed valuation - 2020 tax year	<u>\$ 135,893,513</u>
Statutory debt limitation (8.625% of assessed valuation)	<u>11,720,815</u>
Total debt:	
Sewer note payable	27,535
Wastewater system revenue bonds (advances to date)	13,500,000
General obligation debt certificates	806,500
General obligation bonds	415,000
Note payable	<u>1,088,714</u>
Total outstanding debt	15,837,749
Less debt not applicable to debt margin	<u>(13,527,535)</u>
Total applicable debt	<u>2,310,214</u>
Legal debt margin	<u>\$ 9,410,601</u>

CITY OF MONTICELLO, ILLINOIS

**SCHEDULE OF CONSTRUCTION IN PROGRESS AND
CAPITAL ASSET ADDITIONS
Year ended December 31, 2021**

Capital asset additions:

Legacy 13 E2 Bauer Open Vertical Compressor	\$ 28,940
Air Burner Model S220 Ref Walled Air Curtain	131,447
2020 Ford F-150 SuperCab Pickup	33,365
2021 Chevy Silverado 3500HD	<u>59,999</u>
Total capital asset additions in 2021	<u>\$ 253,751</u>