



**PHILLIPS, SALMI + ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF WASHINGTON, ILLINOIS**

**FINANCIAL STATEMENTS**

**YEAR ENDED APRIL 30, 2021**

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## **INDEPENDENT AUDITORS' REPORT**

To the City Council  
City of Washington, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Washington, Illinois, as of and for the year ended April 30, 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. We have also audited each fiduciary fund type of the City of Washington, Illinois as of and for the year ended April 30, 2021.

### **Management's Responsibility for the Financial Statements**

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

### **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.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Washington, Illinois, as of April 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, schedule of changes in net pension liability and related ratios, schedule of employer contributions, schedule of money-weighted rate of return of pension plan investments and schedule of changes in the City's total OPEB liability and related ratios on pages 4-12 and 64-73, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

We have previously audited the City's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated September 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington, Illinois' financial statements as a whole. The other supplementary information, as listed in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information, on pages 74-90, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The information included on page 91 has been summarized from the City's records. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of the City of Washington, 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 Washington, 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 Washington, Illinois' internal control over financial reporting and compliance.

*Phillips, Salmi & Associates, LLC*

Washington, Illinois

December 3, 2021

## CITY OFFICIALS

Gary W. Manier, *Mayor*

Valeri L. Brod, *City Clerk*

Abbey M. Strubhar, *City Treasurer*



## ALDERMEN

Michael J. Brownfield, *Ward I*

Lilija V. Stevens, *Ward I*

Brett M. Adams, *Ward II*

Todd M. Yoder, *Ward II*

David Dingleline, *Ward III*

Brian H. Butler, *Ward III*

Aaron R. Boyles, *Ward IV*

John J. Blundy, *Ward IV*

## MANAGEMENT DISCUSSION AND ANALYSIS FISCAL YEAR ENDING APRIL 30, 2021

The following narrative overview and analysis is provided by the management of the City of Washington, IL to serve as an introduction to and to aid in the understanding of the more detailed financial statements which follow. Comparative information for the prior fiscal year ending April 30, 2020 is provided where available and applicable. This overview should be read in conjunction with the financial statements and footnotes that follow this section.

### BACKGROUND

The City of Washington, IL operates under the Aldermanic-City form of government. The legislative body consists of two aldermen from each ward elected for a four-year term. Their terms are staggered so that half are elected every two years. Other elected officials include a City Clerk and City Treasurer, elected to a four-year term. In 1972 (Ord. 1052), the City Council created the office of City Administrator. The City Administrator is appointed by the Mayor and confirmed by a majority vote of the City Council. The City Administrator is the chief administrative officer of the city, and responsible to the Mayor and City Council for the proper administration of the affairs of the City. Voters approved a Home Rule referendum in 1998 which affords the city greater latitude in meeting the needs of its residents and managing its governmental affairs.

The City directly provides or makes provision for the delivery of services to its residents including, but not limited to, the following: police; fire; ambulance and rescue; water; wastewater; streets; solid waste disposal and recycling; storm water management; and planning, zoning and code enforcement. It also performs a variety of functions related to these services and other general administrative responsibilities including: budgeting and financial management, human resources administration, accounts payable/receivable and engineering.

The format and content of the financial statements for the fiscal year ending April 30, 2021 are in accordance with the GASB 34 reporting model. Among other things, GASB 34 requires the city to account for the depreciation of fixed assets (city-owned streets, buildings, land, etc.) within governmental activities.

### FINANCIAL HIGHLIGHTS

- The total net position of the City of Washington assets exceeded liabilities at April 30, 2021 by \$86,984,554, a \$5,603,151 or 6.89% increase over the prior year. Of the almost \$87 million, \$24,753,476 is unrestricted and may be used to meet the city's ongoing obligations to citizens and creditors. Unrestricted net position for the year ending April 30, 2020 totaled \$22,447,974.
- At April 30, 2021, the governmental funds reported combined fund balances of \$18,271,175, of which \$11,869,020 were unassigned. In the prior year, the governmental funds combined fund balance was \$18,280,325 of which \$10,968,949 was unassigned.
- Unrestricted cash, cash equivalents and investments increased by \$432,446 in the General Fund, decreased by \$1,288,962 in the Sewer Funds and decreased by \$398,899 in the Water Funds.
- The City continues to maintain cash reserves equal to at least three months annual operating revenues for cash flow purposes. These additional funds are maintained for unanticipated needs that may occur at any time and in anticipation of major capital projects planned for future years.
- The City's long-term debt totaled \$10,974,399 at fiscal year-end. This total includes not only bonded indebtedness, but also vested employee compensated absences. The City continues to meet its debt obligations in a full and timely manner. Total long-term debt as of April 30, 2020 was \$11,917,598.

## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Washington's basic financial statements. The financial statements include three major component parts: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The report contains other supplementary information as well.

**Government-wide Financial Statements.** The *government-wide financial statements* are intended to provide readers with a broad overview of the City of Washington's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the City of Washington's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position can serve as a useful indicator of whether the financial position of the city is improving or deteriorating. Readers are cautioned that substantive conclusions should only be made following a more thorough evaluation of the full financial details and notes included herein.

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City of Washington's governmental activities include General Government, Public Safety, Highways and Streets, Health and Welfare, Cemetery and interest on long-term debt.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Washington, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. All of the funds of the City of Washington can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating the City of Washington's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information for governmental funds with information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The City of Washington maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is always considered a major fund. There were no other funds meeting the criteria of a major fund to be reported. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.

The City of Washington adopts an annual budget for all of the governmental funds pursuant to Illinois statutes.

*Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The City of Washington maintains two different types of proprietary funds, enterprise and internal service:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Washington utilizes enterprise funds to account for financial transactions related to its Waterworks and Sewerage systems.
- Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City of Washington uses internal service funds to account for the City's self-insured health plan (Employees' Benefit Fund), for fleet and equipment maintenance and replacement (Motor Equipment Replacement Fund) and to provide funding for non-motorized capital equipment in excess of \$5,000 (Capital Replacement Fund).



*Fiduciary funds* account for resources held for the benefit of parties outside of the government: pension trust funds and agency funds held by the City in a custodial capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Washington's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

**Notes to Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 30 of this report.

**Other Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning combining statements and schedules for various funds; funding progress for the City's Illinois Municipal Retirement Fund (IMRF) and Police Pension Trust Fund; a historical review of property tax levies, rates and collections; and comparisons of budget vs. actual revenue and expense data.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The largest part of the City of Washington's net position reflects its investment in capital assets (land, buildings and improvements, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Washington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Washington's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the fiscal year, the City of Washington reports balances in all categories of net position, both for the government as a whole (\$86,984,554 for FYE April 2021 compared to \$81,381,403 for FYE April 2020, a 6.88% increase), as well as for governmental activities (\$46,789,146 compared to \$42,207,764, a 10.85% increase) and business-type activities (\$40,195,408 compared to \$39,173,639, a 2.6% increase).

### **Financial Analysis: Government Funds**

As previously noted, the City of Washington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City of Washington's governmental funds reported combined ending fund balances of \$18,271,175, a decrease of \$9,150 or virtually unchanged. The sum of \$11,869,020 is unassigned.

The General Fund is the primary operating fund of the City. Unassigned fund balances at fiscal year-end totaled \$11,982,072. During the year, revenues exceeded expenditures in the General Fund by \$2,829,351. After planned transfers to various other funds, a net decrease in the fund balance totaled \$466,322.

### **Financial Analysis: Proprietary Funds**

The City's primary Proprietary Funds include the Waterworks and Sewerage Enterprise Funds. Monies in these funds are principally generated from user fees; they are primarily dedicated to the operation, maintenance, repair and replacement of the water treatment and distribution system and the sewer collection and treatment system.

Net position in the Waterworks Fund total \$13,052,363 with \$2,502,403 being unrestricted. Net position increased by \$422,221 during the year ending April 30, 2021. Sewerage Fund net position totals \$25,582,798; \$8,350,721 is unrestricted. Net position in this fund grew by \$419,814.

Internal Service Funds include the Employee Benefits Fund (Health Insurance) with net position of \$1,661,747, the Motor Equipment Replacement Fund with net position of \$4,203,288, the Capital Replacement Fund with net position of \$753,779, and the Building Maintenance Fund with net position of \$350,000.

## **Financial Analysis: Trust and Agency Funds**

Total fund balances in Trust and Agency Funds are \$9,898,857 which represents the fund balance of the Police Pension Fund (Pension Trust). The net position of the Pension Trust Fund increased by \$1,591,190 over the past year. These monies are restricted for the payment of pension benefits to sworn officers of the Washington Police Department.

## **Capital Asset Administration**

The City of Washington's investment in capital assets includes land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals, and other infrastructure. This investment in capital assets as of April 30, 2021 was \$68,851,957 (net of accumulated depreciation) compared to \$65,033,766 in the prior year. See Note 3.

## **Long-Term Debt**

The City's long-term debt totaled \$10,974,399 at April 30, 2021 compared to \$11,917,598 at April 30, 2020. Governmental activity debt totaled \$3,428,153. Business-type activity debt (associated with the City's enterprise funds) totaled \$7,546,246.

Debt reductions during the year totaled \$980,373. There were additions of long-term debt for capitalized leases and vested compensated absences totaling \$37,174.

As a home-rule unit, no legal limit exists on the amount of outstanding debt. Additional information on the City's long-term debt can be found in Note 4 of this report.

## **Economic Factors and Next Year's Budget**

The national economy is still rebounding from the effects of the COVID-19 pandemic. As more and more Americans are becoming vaccinated, retail sales have continued to show signs of improvement. In addition, the legislation allowing for sales tax on internet sales has also been a positive impact for home rule sales tax. Municipal sales tax and home rule sales tax recorded growth of 4.6% and 13%, respectively over the prior year and these trends are expected to continue into next budget year. Unemployment rates also showed improvement with the state unemployment rate at 5.3% in April 2021 compared to 15.1% in April 2020. Grants including the Local Coronavirus Urgent Remediation Emergency (CURE) and the American Rescue Plan Act (ARPA) have been instrumental in providing funding to offset costs both directly and indirectly related to the pandemic as well as support other economic development and capital initiatives.

Legislative action in an attempt to ease the state's budgetary problems has been enacted in recent years, including increases to the state Motor Fuel Tax. The annual MFT collection expanded because of the increase in the overall tax rate and additional revenue from the Build Illinois Bond Funds. Because both taxes are unstable and tied to the local economy, it is difficult to project long-term impact. In addition, an ordinance was approved to increase the Home Rule Sales Tax to 1.75% for a total tax rate of 8.5% effective July 1, 2018. This additional revenue continues to be targeted for street infrastructure improvements. In early 2019, the City Council adopted a Utility Rate Study which provided for a graduated increase in the Sewer and Water Rates, including additional fixed fees. These increased funds are also targeted to allow utility replacements along with the street improvements. The 2020 Census resulted in a population of 16,071 slightly less than the 16,566 from the 2017-18 Special Census. This reduction in revenue will have an impact on per capital intergovernmental revenues such as income tax for the next decade.

Capital spending is anticipated to increase in future years in conjunction with the implementation of a long-range capital investment strategy. The City Council conducted a work session in November 2019 which included goal setting and top priorities for future years which included designating future budgets to specific initiatives. This includes Washington 223, Business Rte. 24 and other key economic development initiatives.

Personnel costs account for about one-third of total budgeted expenditures. These expenses present steady upward pressure on the City's budget from year to year. In addition to continuing focus on wellness initiatives, the City joined a municipal pool for health insurance in 2017 in an effort to contain costs. The change to the pool has provided stability and has resulted in an overall premium decrease of 7.1% over the last five years. Pension costs continue to have an impact on the City's long-term obligations. Police pension costs continue to increase as changes to the actuarial and market returns are not keeping pace with the long-term obligations. State-mandated consolidation of pension fund investments has begun and is targeted to be complete by mid-2022. It is yet to be seen whether this will bring a positive or negative local impact; however, with the Fund still slightly under the \$10M mark, the increased ability to invest in equities on a state-wide basis is anticipated to result in improved investment performance.

The City's near-term financial well-being remains directly dependent on the sustained growth of the City's key sources of revenue: sales tax, income tax, and water and sewer user fees. Development of Washington 223 and continued commercial growth is essential to the City's long-term financial well-being. Income tax revenue is largely dependent on the overall health of the state and national economy and the preservation of the current state distribution formula to municipalities. Although property taxes account for a comparatively small portion of total City revenue, growth in the City's assessed valuation is still important to meet future fire protection/ambulance, pension and liability insurance expenses as well as potential funding for transportation and/or stormwater initiatives as these costs are largely funded through property taxes. Sustained building activity is essential to the growth of the local property tax base. The City has seen increased investment with new residential, industrial and commercial construction. However, the overall Equalized Assessed Value (EAV) has remained relatively flat. Several new projects have been completed this past fiscal year or will commence during next budget year, which should continue to improve or preserve the EAV. Included among these is a gas station and convenience store development on Business Route 24 and the first phase of a mixed-use development near the intersection of N. Cummings Lane and Freedom Parkway. Plans to extend the TIF district thereby continuing to provide funds for downtown development opportunities into the future are underway as well as potential development for the Washington 223 property.

### Request for Information

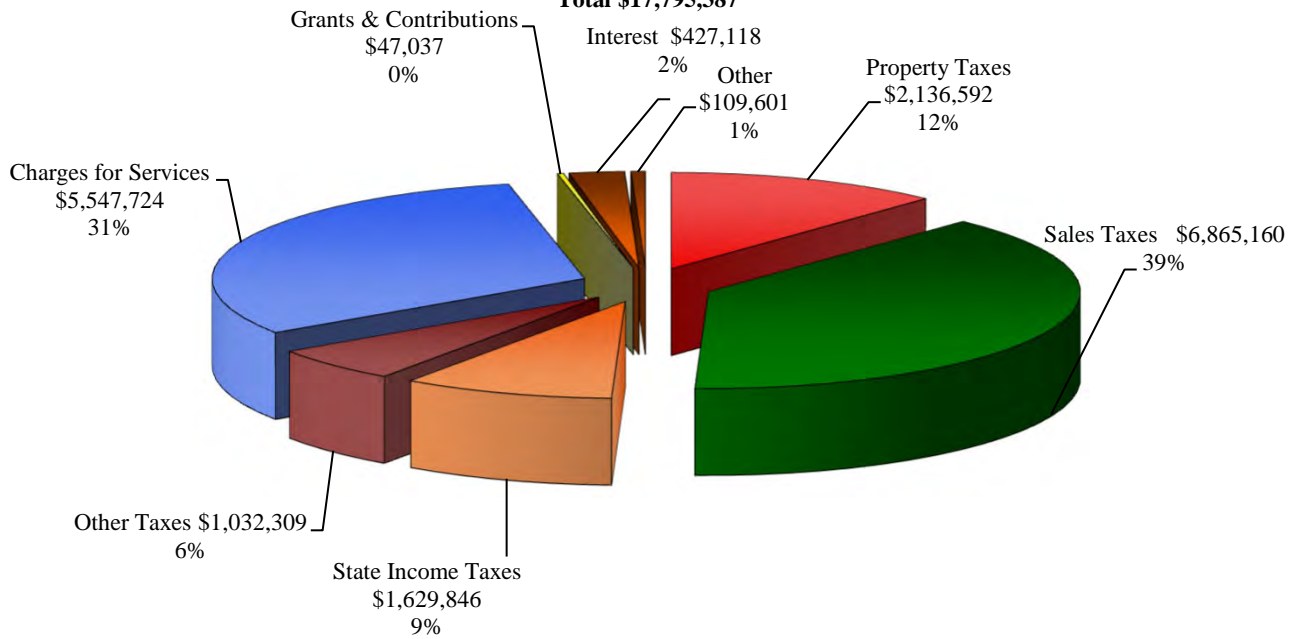
This financial report is designed to provide a general overview of the City of Washington's finances. Questions concerning the information provided in this report or requests for additional financial information should be directed to City Hall at 301 Walnut Street, Washington, IL 61571, (309) 444-3196 to the attention of Mrs. Joanie Baxter, Washington Finance Director ([jbaxter@ci.washington.il.us](mailto:jbaxter@ci.washington.il.us)).

### Government Wide Five Year Analysis – Other Data

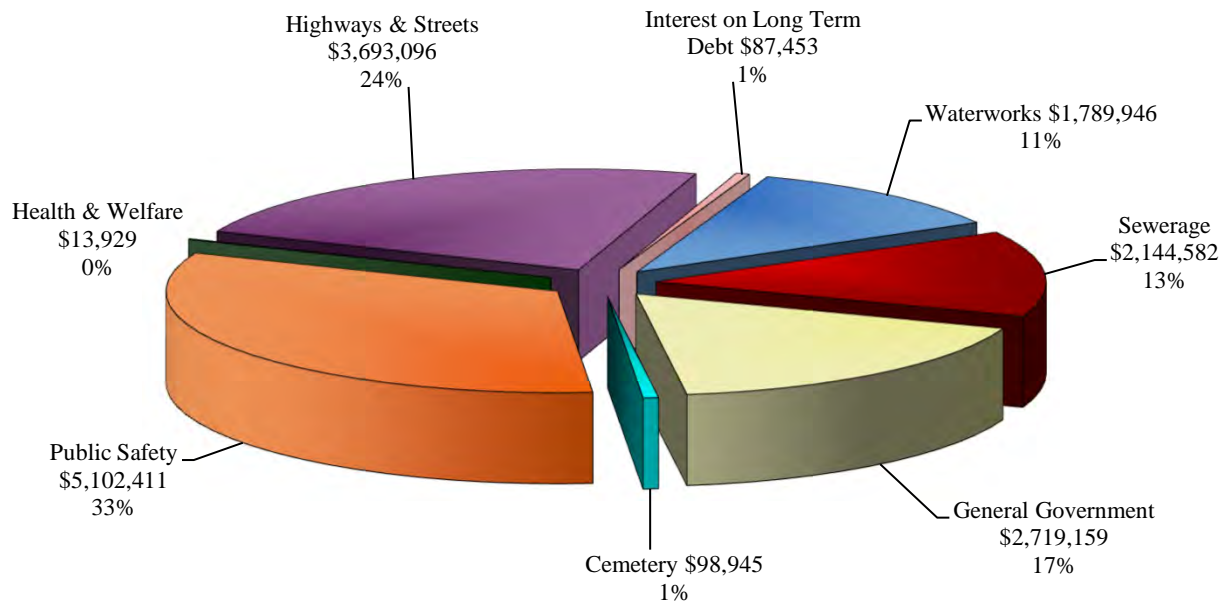
	2021	2020	2019	2018	2017
Unrestricted cash and investments	\$32,808,431	\$32,327,805	\$ 29,497,055	\$ 29,712,857	\$ 29,167,777
Capital assets	68,851,957	65,033,766	68,030,248	70,195,160	66,618,461
Long-term debt	10,974,399	11,917,598	13,821,953	18,764,768	16,139,991
Total payroll	5,072,621	4,309,167	4,448,058	4,647,959	4,371,933
Annual Pension Costs					
IMRF	390,780	307,825	357,653	385,941	395,121
Police Pension	686,961	632,190	553,041	551,778	514,605
Pension liabilities					
IMRF	923,828	1,833,766	3,067,197	1,563,945	3,173,101
Police Pension	6,460,439	5,866,689	5,078,148	5,373,589	5,286,674
Total OPEB liability	2,183,103	3,131,949	3,148,559	3,313,497	N/A
Assessed Valuation	349,930,355	348,552,322	348,418,651	348,171,597	343,361,222
Property tax rates	.4942	.4728	0.4730	0.4402	0.4211

# **CITY OF WASHINGTON, ILLINOIS**

**Revenues**  
**(Government Wide Basis)**  
**Year Ended April 30, 2020**  
**Total \$17,795,387**



**Expenses**  
**(Government Wide Basis)**  
**Year Ended April 30, 2020**  
**Total \$15,649,521**



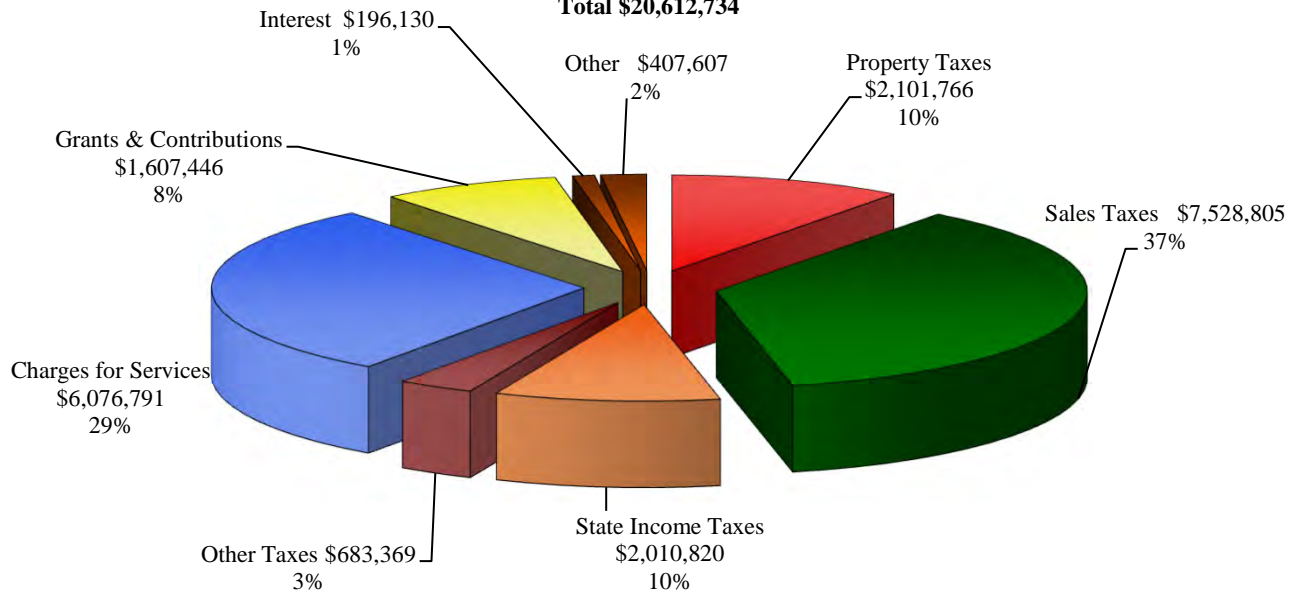
# **CITY OF WASHINGTON, ILLINOIS**

## **Revenues**

**(Government Wide Basis)**

**Year Ended April 30, 2021**

**Total \$20,612,734**

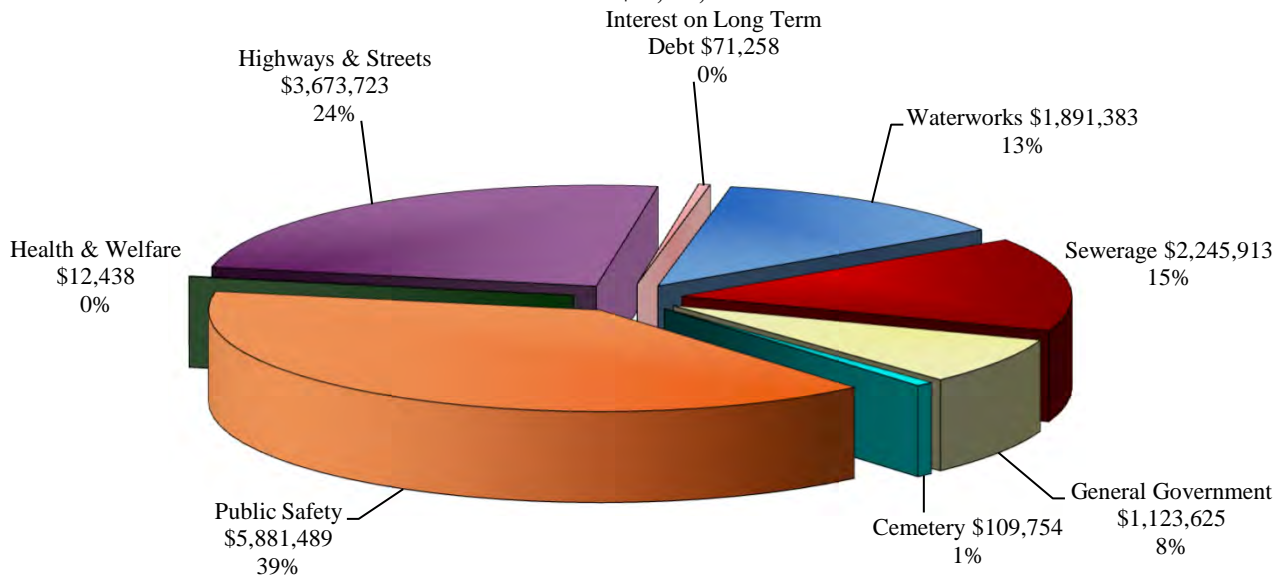


## **Expenses**

**(Government Wide Basis)**

**Year Ended April 30, 2021**

**Total \$15,009,583**



**CITY OF WASHINGTON, ILLINOIS**  
**COMPARISON OF REVENUES AND EXPENDITURES**  
**GOVERNMENTAL FUNDS**  
**YEARS ENDED APRIL 30, 2017 THROUGH 2021**

	2021	2020	2019	2018	2017
<b>REVENUES</b>					
Property taxes	\$ 2,118,266	\$ 2,130,431	\$ 2,008,850	\$ 1,915,478	\$ 1,855,766
Licenses and permits	513,990	536,644	490,734	503,354	560,096
Intergovernmental					
Sales tax	3,350,756	3,201,064	3,100,887	3,010,442	3,316,444
Home rule sales tax	3,421,345	3,068,507	2,850,491	2,115,169	2,131,365
Income tax	2,010,820	1,629,846	1,713,840	1,408,902	1,426,953
Motor fuel tax	655,879	617,769	446,488	413,819	405,325
Other	1,103,121	1,010,129	943,891	809,605	494,966
Grant proceeds	1,432,034	22,032	312,991	349,186	1,461,919
Charges for services	186,702	157,568	175,305	195,287	189,286
Fines and forfeitures	159,061	172,058	186,397	169,653	141,474
Interest	117,476	233,738	232,778	201,732	158,147
Other	273,056	276,273	249,796	338,596	157,341
	15,342,506	13,056,059	12,712,448	11,431,223	12,299,082
<b>EXPENDITURES</b>					
Current					
General government	2,587,970	2,224,773	1,967,246	2,524,430	2,196,861
Public safety	5,566,929	5,006,740	4,983,218	4,911,006	4,631,948
Highways and streets	1,940,495	1,884,773	1,698,887	1,735,326	1,711,363
Health and welfare	12,438	13,929	14,435	13,780	14,526
Cemetery	109,272	94,038	90,647	80,449	83,756
Debt service					
Principal	280,095	1,280,244	5,320,557	432,215	214,423
Interest	75,405	109,181	211,144	242,614	347,567
	10,572,604	10,613,678	14,286,134	9,939,820	9,200,444
Excess (deficiency) of revenues over expenditures before capital outlay and debt refinancing	4,769,902	2,442,381	(1,573,686)	1,491,403	3,098,638
Capital outlay	4,926,260	497,219	1,385,407	3,121,429	2,074,582
Debt refinancing	-	-	-	-	3,910,000
Excess (deficiency) of revenues over expenditures	\$ (156,358)	\$ 1,945,162	\$ (2,959,093)	\$ (1,630,026)	\$ (2,885,944)

**CITY OF WASHINGTON, ILLINOIS**  
**COMPARISION OF OPERATING REVENUES AND EXPENSES**  
**WATERWORKS AND SEWERAGE FUNDS**  
**YEARS ENDED APRIL 30, 2017 THROUGH 2021**

**WATERWORKS**

	2021	2020	2019	2018	2017
<b>OPERATING REVENUES</b>	\$ 2,364,519	\$ 2,009,346	\$ 1,689,125	\$ 1,717,901	\$ 1,641,456
<b>OPERATING EXPENSES</b>					
Personnel services	707,961	626,275	590,966	599,171	618,908
Heat, light, and power	120,252	111,667	119,084	120,318	112,931
Materials and supplies	196,703	177,212	169,555	170,108	166,206
Other services and charges	388,791	378,865	313,159	307,460	326,446
	<u>1,413,707</u>	<u>1,294,019</u>	<u>1,192,764</u>	<u>1,197,057</u>	<u>1,224,491</u>
Cash Generated from Operations	950,812	715,327	496,361	520,844	416,965
Depreciation	<u>(500,192)</u>	<u>(530,488)</u>	<u>(543,075)</u>	<u>(504,550)</u>	<u>(390,106)</u>
Operating income (loss)	<u>\$ 450,620</u>	<u>\$ 184,839</u>	<u>\$ (46,714)</u>	<u>\$ 16,294</u>	<u>\$ 26,859</u>

**SEWERAGE**

	2021	2020	2019	2018	2017
<b>OPERATING REVENUES</b>	\$ 2,826,696	\$ 2,641,434	\$ 2,453,699	\$ 2,503,888	\$ 2,609,140
<b>OPERATING EXPENSES</b>					
Personnel services	834,737	732,905	702,794	723,379	735,807
Heat, light, and power	137,571	178,589	176,021	171,699	163,910
Materials and supplies	75,368	63,466	56,233	65,268	45,576
Other services and charges	519,135	495,827	455,780	428,190	343,317
	<u>1,566,811</u>	<u>1,470,787</u>	<u>1,390,828</u>	<u>1,388,536</u>	<u>1,288,610</u>
Cash Generated from Operations	1,259,885	1,170,647	1,062,871	1,115,352	1,320,530
Depreciation	<u>(742,312)</u>	<u>(720,099)</u>	<u>(759,170)</u>	<u>(733,433)</u>	<u>(687,679)</u>
Operating income	<u>\$ 517,573</u>	<u>\$ 450,548</u>	<u>\$ 303,701</u>	<u>\$ 381,919</u>	<u>\$ 632,851</u>

## BASIC FINANCIAL STATEMENTS



**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2021**

	<b>GOVERNMENTAL</b>	<b>BUSINESS-TYPE</b>		<b>2020</b>
	<b>ACTIVITIES</b>	<b>ACTIVITIES</b>	<b>TOTAL</b>	<b>(Memorandum Only)</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,870,109	\$ 5,071,737	\$ 14,941,846	\$ 20,413,811
Investments	11,390,270	6,476,315	17,866,585	11,913,994
Receivables (net of allowance for uncollectibles)				
Property taxes	2,212,444	-	2,212,444	2,123,258
Other taxes	2,224,707	-	2,224,707	1,803,059
Special assessments	31,953	-	31,953	-
Accounts - customers	23,887	64,462	88,349	34,713
Estimated unbilled usage	-	491,145	491,145	465,095
Interest	-	1,466	1,466	1,396
Other	932,069	5,477	937,546	1,015,690
Internal balances	(1,556,553)	1,556,553	-	-
Due from fiduciary funds	60,288	-	60,288	-
Inventory	42,880	-	42,880	42,880
Prepaid items	54,158	8,931	63,089	42,223
Restricted assets				
Cash and cash equivalents	412,408	710,540	1,122,948	1,759,297
Capital assets not being depreciated	8,179,602	1,998,729	10,178,331	6,637,295
Capital assets, net of accumulated depreciation	26,106,612	32,567,014	58,673,626	58,396,471
<b>Total assets</b>	<b>59,984,834</b>	<b>48,952,369</b>	<b>108,937,203</b>	<b>104,649,182</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension items - Police Pension	1,723,489	-	1,723,489	1,493,017
<b>Total deferred outflows of resources</b>	<b>1,723,489</b>	<b>-</b>	<b>1,723,489</b>	<b>1,493,017</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 61,708,323</b>	<b>\$ 48,952,369</b>	<b>\$ 110,660,692</b>	<b>\$ 106,142,199</b>

See accompanying notes.

	GOVERNMENTAL	BUSINESS-TYPE		2020
	ACTIVITIES	ACTIVITIES	TOTAL	(Memorandum Only)
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable				
and accrued liabilities	\$ 722,936	\$ 764,785	\$ 1,487,721	\$ 1,003,954
Construction retainage payable	1,500	28,185	29,685	3,300
Escrow and customer deposits	-	404,500	404,500	381,370
Deferred revenue	339,368	13,245	352,613	54,926
Long-term liabilities:				
Due within one year	336,876	707,470	1,044,346	1,000,033
Due in more than one year	3,091,277	6,838,776	9,930,053	10,917,565
Net pension liability - IMRF	923,828	-	923,828	1,833,766
Net pension liability -				
Police Pension	6,460,439	-	6,460,439	5,866,689
Total OPEB liability -				
Retiree Health	2,183,103	-	2,183,103	3,131,949
Total liabilities	14,059,327	8,756,961	22,816,288	24,193,552
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items - IMRF	859,850	-	859,850	567,244
Total liabilities and deferred inflows of resources	14,919,177	8,756,961	23,676,138	24,760,796
<b>NET POSITION</b>				
Invested in capital assets,				
net of related debt	30,858,061	27,019,497	57,877,558	53,697,147
Restricted for:				
Debt service	-	710,540	710,540	739,502
Other purposes	3,642,980	-	3,642,980	4,496,780
Unrestricted	12,288,105	12,465,371	24,753,476	22,447,974
Total net position	46,789,146	40,195,408	86,984,554	81,381,403
	\$ 61,708,323	\$ 48,952,369	\$ 110,660,692	\$ 106,142,199

**CITY OF WASHINGTON, ILLINOIS  
STATEMENT OF ACTIVITIES  
YEAR ENDED APRIL 30, 2021**

FUNCTION/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>Governmental activities:</b>				
General government	\$ 1,123,625	\$ 709,893	\$ 1,088,437	\$ -
Public safety	5,881,489	152,065	65,069	4,000
Highways and streets	3,673,723	5,015	138,563	308,851
Health and welfare	12,438	-	-	-
Cemetery	109,754	83,150	-	-
Interest on long term debt	71,258	-	-	-
Total governmental activities	10,872,287	950,123	1,292,069	312,851
<b>Business-type activities:</b>				
Waterworks	1,891,383	2,362,994	1,263	-
Sewerage	2,245,913	2,763,674	1,263	-
Total business-type activities	4,137,296	5,126,668	2,526	-
<b>TOTAL</b>	<b>\$ 15,009,583</b>	<b>\$ 6,076,791</b>	<b>\$ 1,294,595</b>	<b>\$ 312,851</b>

See accompanying notes.

**NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS -TYPE ACTIVITIES</b>	<b>TOTAL</b>	<b>2020 (Memorandum Only)</b>
	\$ 674,705	\$ -	\$ 674,705	\$ (2,003,983)
	(5,660,355)	-	(5,660,355)	(4,918,015)
	(3,221,294)	-	(3,221,294)	(3,660,681)
	(12,438)	-	(12,438)	(13,929)
	(26,604)	-	(26,604)	(33,395)
	(71,258)	-	(71,258)	(87,453)
	(8,317,244)	-	(8,317,244)	(10,717,456)
	-	472,874	472,874	194,669
	-	519,024	519,024	468,027
	-	991,898	991,898	662,696
	(8,317,244)	991,898	(7,325,346)	(10,054,760)
<b>General Revenues</b>				
Taxes:				
Property	2,030,669	-	2,030,669	2,136,592
Replacement	71,097	-	71,097	56,328
Sales	7,528,805	-	7,528,805	6,865,160
State income	2,010,820	-	2,010,820	1,629,846
Other local	275,320	-	275,320	358,212
Motor fuel	408,049	-	408,049	617,769
Interest on investments	117,476	78,654	196,130	427,118
Other	309,182	99,622	408,804	137,501
Gain (loss) on sale of capital asset	-	(1,197)	(1,197)	(27,900)
<b>Transfers</b>	147,208	(147,208)	-	-
Total general revenues and transfers	12,898,626	29,871	12,928,497	12,200,626
Change in net position	4,581,382	1,021,769	5,603,151	2,145,866
<b>NET POSITION - BEGINNING</b>	42,207,764	39,173,639	81,381,403	79,235,537
<b>NET POSITION - ENDING</b>	\$ 46,789,146	\$ 40,195,408	\$ 86,984,554	\$ 81,381,403

**CITY OF WASHINGTON, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**APRIL 30, 2021**

				2020 (Memorandum Only)
ASSETS	General	Nonmajor	Total	
Cash and cash equivalents	\$ 2,729,838	\$ 4,143,990	\$ 6,873,828	\$ 11,452,618
Investments	8,830,582	500,000	9,330,582	4,325,541
Receivables ( net of allowance for uncollectibles)				
Property taxes	1,136,924	1,075,520	2,212,444	2,123,258
Other taxes	2,215,713	8,994	2,224,707	1,803,059
Accounts-customers	-	23,887	23,887	2,800
Other	223,262	667,125	890,387	925,612
Due from other funds	71,608	185,536	257,144	59,835
Due from other governments	-	54,573	54,573	49,133
Prepaid items	32,877	14,903	47,780	27,253
Inventory	42,880	-	42,880	42,880
Restricted assets				
Cash and cash equivalents	281,109	-	281,109	902,967
Total assets	\$ 15,564,793	\$ 6,674,528	\$ 22,239,321	\$ 21,714,956

See accompanying notes.

	2020 (Memorandum Only)			
	General	Nonmajor	Total	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 381,560	\$ 308,838	\$ 690,398	\$ 602,600
Construction retainage payable	1,500	-	1,500	3,300
Due to other funds	185,536	6,255	191,791	50,975
Unearned revenue	77,903	-	77,903	18,950
Total liabilities	646,499	315,093	961,592	675,825
<b>Deferred inflows of resources</b>				
Unavailable revenue				
Property taxes	1,136,924	1,075,520	2,212,444	2,116,575
Other receivables	-	794,110	794,110	642,231
Total deferred inflows of resources	1,136,924	1,869,630	3,006,554	2,758,806
<b>Fund balances</b>				
Nonspendable				
Prepays	32,877	14,903	47,780	27,253
Inventory	42,880	-	42,880	42,880
Restricted for:				
Special Police Funds	281,109	-	281,109	261,034
Audit	-	48,530	48,530	45,251
Motor Fuel Tax	-	1,726,442	1,726,442	1,964,503
Incremental Tax	-	1,147,170	1,147,170	1,117,826
Liability Insurance	-	245,749	245,749	228,289
Illinois Municipal Retirement	-	15,646	15,646	62,290
RBDG	-	178,334	178,334	175,654
Infrastructure	-	-	-	641,933
Assigned for:				
Capital Projects	1,442,432	-	1,442,432	1,517,583
Cemetery	-	175,354	175,354	232,089
Civil Defense	-	69,825	69,825	63,474
Storm Water Management	-	270,931	270,931	279,157
Illinois Municipal Retirement	-	368,442	368,442	305,967
Social Security	-	341,531	341,531	326,278
Debt Service	-	-	-	19,915
Unassigned	11,982,072	(113,052)	11,869,020	10,968,949
Total fund balances	13,781,370	4,489,805	18,271,175	18,280,325
	\$ 15,564,793	\$ 6,674,528	\$ 22,239,321	\$ 21,714,956

**CITY OF WASHINGTON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2021**

**RECONCILIATION TO STATEMENT OF NET POSITION**

Total fund balances - governmental funds	\$ 18,271,175
Capital assets used in governmental activities of \$57,974,192, net of accumulated depreciation of \$25,497,142 are not financial resources and, therefore, are not reported in the governmental funds.	32,477,050
Property taxes and long term receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,745,089
Internal service funds are used to account for the financing of goods or services by one department to other departments of the City. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	5,427,716
Long term liabilities, accrued interest and compensation are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(12,995,523)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for IMRF and the Police Pension Trust Fund are recognized as deferred outflows or deferred inflows of resources on the statement of net position	<u>863,639</u>
Net position of governmental activities.	<u><u>\$ 46,789,146</u></u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2021**

				2020 (Memorandum Only)
	General	Nonmajor	Total	
<b>REVENUES</b>				
Property taxes	\$ 1,089,520	\$ 1,028,746	\$ 2,118,266	\$ 2,130,431
Licenses and permits	513,990	-	513,990	536,644
Intergovernmental	9,853,925	687,996	10,541,921	9,527,315
Grant proceeds	1,115,664	316,370	1,432,034	22,032
Charges for services	103,552	83,150	186,702	157,568
Fines and forfeitures	159,061	-	159,061	172,058
Interest	75,175	42,301	117,476	233,738
Rental	-	77,623	77,623	70,701
Other	108,203	87,230	195,433	205,572
	13,019,090	2,323,416	15,342,506	13,056,059
<b>EXPENDITURES</b>				
Current				
General government	1,463,144	1,124,826	2,587,970	2,224,773
Public safety	5,539,126	27,803	5,566,929	5,006,740
Highways and streets	1,802,955	137,540	1,940,495	1,884,773
Health and welfare	12,438	-	12,438	13,929
Cemetery	-	109,272	109,272	94,038
Capital outlay	1,519,184	3,407,076	4,926,260	497,219
Debt service				
Principal	-	280,095	280,095	1,280,244
Interest	-	75,405	75,405	109,181
	10,336,847	5,162,017	15,498,864	11,110,897
Excess (deficiency) of revenues over expenditures	2,682,243	(2,838,601)	(156,358)	1,945,162
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	268,862	2,560,529	2,829,391	2,197,682
Transfers out	(2,641,268)	(40,915)	(2,682,183)	(2,063,380)
Proceeds from sale of capital asset	-	-	-	238,684
Total other financing sources (uses)	(2,372,406)	2,519,614	147,208	372,986
Net change in fund balances	309,837	(318,987)	(9,150)	2,318,148
<b>FUND BALANCES, BEGINNING OF YEAR</b>	13,471,533	4,808,792	18,280,325	15,962,177
<b>FUND BALANCES, END OF YEAR</b>	\$ 13,781,370	\$ 4,489,805	\$ 18,271,175	\$ 18,280,325

See accompanying notes.



**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2021**

**RECONCILIATION TO STATEMENT OF ACTIVITIES**

Net change in fund balances - governmental funds	\$ (9,150)
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the Statement of Activities	
Capital asset purchases	4,926,260
Capital asset lease	24,000
Depreciation expense	(2,224,173)
	<u>2,726,087</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
Principal payments on loans	280,095
Principal payments on capital lease	2,068
	<u>282,163</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	54,212
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(13,724)
Internal service funds are used to account for the financing of goods or services by one department to other departments of the City. The net revenue of certain activities of internal service funds is reported with governmental activities in the Statement of Activities.	338,894
The change in net pension liability for the Police Trust Fund and Illinois Municipal Retirement Fund is only reported in the Statement of Activities.	316,188
The change in deferred outflows of resources and deferred inflows of resources related to the Police Pension Trust Fund and Illinois Municipal Retirement Fund is only reported in the Statement of Activities.	(62,134)
The change in the net OPEB liability is only reported in the Statement of Activities.	<u>948,846</u>
	<u>4,590,532</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 4,581,382</u></u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**APRIL 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>	<b>2020 (Memorandum Only)</b>
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>		
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 2,034,192	\$ 3,037,545	\$ 5,071,737	\$ 2,996,281	\$ 8,961,193
Investments	1,127,018	5,349,297	6,476,315	2,059,688	7,588,453
Receivables (net of allowance for uncollectibles)					
Accounts - customers	32,405	32,057	64,462	-	31,913
Estimated unbilled usage	224,509	266,636	491,145	-	465,095
Interest	-	1,466	1,466	-	1,396
Other	-	5,477	5,477	19,062	40,945
Internal balances	66,560	(66,560)	-	-	28,956
Prepaid items	4,982	3,949	8,931	6,378	14,970
Restricted assets					
Cash and cash equivalents	-	710,540	710,540	131,299	856,330
Total current assets	3,489,666	9,340,407	12,830,073	5,212,708	17,989,251
Capital assets, net of accumulated depreciation	11,852,314	22,713,429	34,565,743	1,809,164	35,282,803
Total assets	<u>\$ 15,341,980</u>	<u>\$ 32,053,836</u>	<u>\$ 47,395,816</u>	<u>\$ 7,021,872</u>	<u>\$ 53,272,054</u>

See accompanying notes.

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	2020 (Memorandum Only)
	Waterworks	Sewerage	Total		
<b>LIABILITIES AND NET POSITION</b>					
<b>Current liabilities</b>					
Current maturities of long term debt	\$ 230,234	\$ 469,707	\$ 699,941	\$ -	\$ 690,057
Accounts payable and accrued liabilities	528,267	249,763	778,030	40,165	384,336
Accrued compensated absences	3,168	4,361	7,529	710	6,209
Retainage payable	28,185	-	28,185	-	-
Due to other funds	3,694	-	3,694	1,371	37,816
Customer deposits	404,500	-	404,500	-	381,370
Total current liabilities	1,198,048	723,831	1,921,879	42,246	1,499,788
<b>Noncurrent liabilities</b>					
Accrued compensated absences	19,449	25,022	44,471	10,812	65,497
Loans payable, net of current maturities	1,072,120	5,722,185	6,794,305	-	7,495,410
Total noncurrent liabilities	1,091,569	5,747,207	6,838,776	10,812	7,560,907
Total liabilities	2,289,617	6,471,038	8,760,655	53,058	9,060,695
<b>Net position</b>					
Invested in capital assets, net of related debt	10,549,960	16,521,537	27,071,497	1,809,164	27,097,336
Restricted for:					
IEPA loan debt service	-	710,540	710,540	-	739,502
Unrestricted	2,502,403	8,350,721	10,853,124	5,159,650	16,374,521
Total net position	13,052,363	25,582,798	38,635,161	6,968,814	44,211,359
	<u>\$ 15,341,980</u>	<u>\$ 32,053,836</u>		<u>\$ 7,021,872</u>	<u>\$ 53,272,054</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,560,247		
Net position of business-type activities			<u>\$ 40,195,408</u>		

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>	<b>2020 (Memorandum Only)</b>
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>		
<b>OPERATING REVENUES</b>					
Metered sales	\$ 1,390,734	\$ 2,375,029	\$ 3,765,763	\$ -	\$ 3,592,488
Charges for services	972,260	388,645	1,360,905	2,493,401	3,162,843
Employee contributions	-	-	-	253,374	355,167
Other	1,525	63,022	64,547	32,503	292,986
	<u>2,364,519</u>	<u>2,826,696</u>	<u>5,191,215</u>	<u>2,779,278</u>	<u>7,403,484</u>
<b>OPERATING EXPENSES</b>					
Personnel services	707,961	834,737	1,542,698	1,586,701	2,816,063
Heat, light, and power	120,252	137,571	257,823	-	290,256
Materials and supplies	196,703	75,368	272,071	136,152	387,278
Other services and charges	388,791	519,135	907,926	193,591	1,047,756
Depreciation	500,192	742,312	1,242,504	360,434	1,609,304
	<u>1,913,899</u>	<u>2,309,123</u>	<u>4,223,022</u>	<u>2,276,878</u>	<u>6,150,657</u>
Operating income	<u>450,620</u>	<u>517,573</u>	<u>968,193</u>	<u>502,400</u>	<u>1,252,827</u>
<b>NONOPERATING (REVENUES) EXPENSES</b>					
Interest income	(15,185)	(63,469)	(78,654)	(38,381)	(229,384)
Rental income	(35,074)	-	(35,074)	-	(34,052)
Grant proceeds	(1,263)	(1,263)	(2,526)	-	(766)
Interest and fiscal agent fee expense	34,490	59,517	94,007	-	101,986
Loss on sale of equipment	-	1,197	1,197	(9,800)	(21,256)
	<u>(17,032)</u>	<u>(4,018)</u>	<u>(21,050)</u>	<u>(48,181)</u>	<u>(183,472)</u>
Net income before capital contributions and transfers	<u>467,652</u>	<u>521,591</u>	<u>989,243</u>	<u>550,581</u>	<u>1,436,299</u>
<b>TRANSFERS IN (OUT), NET</b>	<u>(45,431)</u>	<u>(101,777)</u>	<u>(147,208)</u>	<u>-</u>	<u>(134,302)</u>
Change in net position	<u>422,221</u>	<u>419,814</u>	<u>842,035</u>	<u>550,581</u>	<u>1,301,997</u>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<u>12,630,142</u>	<u>25,162,984</u>		<u>6,418,233</u>	<u>43,077,519</u>
<b>TOTAL NET POSITION, END OF YEAR</b>	<u>\$ 13,052,363</u>	<u>\$ 25,582,798</u>		<u>\$ 6,968,814</u>	<u>\$ 44,379,516</u>

**RECONCILIATION TO STATEMENT OF ACTIVITIES:**

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>179,734</u>
Change in net position of business-type activities	<u>\$ 1,021,769</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>	<b>2020 (Memorandum Only)</b>
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 2,324,120	\$ 2,829,545	\$ 5,153,665	\$ 1,490,232	\$ 6,204,124
Receipts from interfund services provided	-	-	-	1,284,403	961,118
Payments to suppliers	(253,339)	(678,345)	(931,684)	(1,801,594)	(2,976,100)
Payments to employees	(727,084)	(864,318)	(1,591,402)	(119,142)	(1,455,337)
Receipt of utility customer deposits	23,130	-	23,130	-	15,140
Net cash provided by operating activities	1,366,827	1,286,882	2,653,709	853,899	2,748,945
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Advances from (repayments to) other funds	(33,910)	28,744	(5,166)	1,371	24,287
Transfers to other funds	(45,431)	(101,777)	(147,208)	-	-
Net cash provided by (used in) noncapital and related financing activities	(79,341)	(73,033)	(152,374)	1,371	24,287
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(1,462,938)	(986,581)	(2,449,519)	(96,466)	(1,483,236)
Proceeds from sale of equipment	-	-	-	9,800	332,967
Loan proceeds	-	-	-	-	70,716
Principal paid on bond and loan maturities	(224,627)	(466,594)	(691,221)	-	(681,061)
Interest paid on bonds, loans and capital leases	(36,688)	(69,651)	(106,339)	-	(104,515)
Net cash used in capital and related financing activities	(1,724,253)	(1,522,826)	(3,247,079)	(86,666)	(1,865,129)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	15,300	63,232	78,532	38,381	235,021
Rental income received	35,074	-	35,074	-	34,052
Proceeds from sale/maturity of investments	-	1,356,783	1,356,783	-	7,307,918
Purchase of investments	(12,506)	(2,400,000)	(2,412,506)	(26,790)	(7,379,656)
Net cash provided by (used in) investing activities	37,868	(979,985)	(942,117)	11,591	197,335
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(398,899)	(1,288,962)	(1,687,861)	780,195	1,105,438
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	2,433,091	5,037,047	7,470,138	2,347,385	8,846,387
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 2,034,192</u>	<u>\$ 3,748,085</u>	<u>\$ 5,782,277</u>	<u>\$ 3,127,580</u>	<u>\$ 9,951,825</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>	<b>2020 (Memorandum Only)</b>
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>		
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 450,620	\$ 517,573	\$ 968,193	\$ 502,400	\$ 1,085,436
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	500,192	742,312	1,242,504	360,434	1,609,304
Increase in usage receivable	(19,985)	(6,065)	(26,050)	-	(59,371)
(Increase) decrease in other receivables	10,724	17,188	27,912	(4,643)	(11,480)
(Increase) decrease in prepaid items	(722)	1,013	291	(630)	(2,225)
Increase (decrease) in accounts payable and accrued liabilities	433,407	17,598	451,005	(1,674)	110,899
Increase (decrease) in accrued compensated absences	(2,354)	(2,737)	(5,091)	(1,988)	1,242
Increase in retainage payable	(28,185)	-	(28,185)	-	-
Increase in customer deposits	23,130	-	23,130	-	15,140
Net cash provided by operating activities	\$ 1,366,827	\$ 1,286,882	\$ 2,653,709	\$ 853,899	\$ 2,748,945

**PRESENTATION OF CASH AND CASH EQUIVALENTS ON THE  
STATEMENT OF NET POSITION PROPRIETARY FUNDS**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>	
Cash and cash equivalents	\$ 2,034,192	\$ 3,037,545	\$ 5,071,737	\$ 2,996,281
Restricted cash and cash equivalents	-	710,540	710,540	131,299
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 2,034,192</b>	<b>\$ 3,748,085</b>	<b>\$ 5,782,277</b>	<b>\$ 3,127,580</b>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**TRUST AND AGENCY FUNDS**  
**APRIL 30, 2021**

	<u>Pension Trust</u>	
	<u>Police Pension</u>	<u>2020 (Memorandum Only)</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,260,565	\$ 742,394
Investments	7,938,508	6,871,705
Receivables (net of allowance for uncollectibles)		
Employer contribution	666,241	617,338
Interest	14,502	15,942
Other	<u>19,041</u>	<u>2,470</u>
Total assets	<u><u>\$ 9,898,857</u></u>	<u><u>\$ 8,249,849</u></u>
<b>LIABILITIES AND NET POSITION</b>		
Liabilities		
Due to other funds	\$ 60,288	\$ 2,470
Net Position		
Reserved for police pension benefits	<u>9,838,569</u>	<u>8,247,379</u>
Total net position	<u><u>9,838,569</u></u>	<u><u>8,247,379</u></u>
	<u><u>\$ 9,898,857</u></u>	<u><u>\$ 8,249,849</u></u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**TRUST FUND**  
**YEAR ENDED APRIL 30, 2021**

	<u>Pension Trust</u>		<u>2020</u> (Memorandum Only)
	<u>Police Pension</u>		
<b>Additions</b>			
Contributions			
Plan members' contributions	\$ 174,405	\$	153,915
Employer contributions	686,961		632,190
Other	30		258
Investment earnings			
Investment income	302,660		234,278
Net gain (loss) in fair value of investments	1,208,735		(194,150)
	<u>2,372,791</u>		<u>826,491</u>
<b>Deductions</b>			
Benefits paid	642,455		625,188
Refund of contributions	105,484		-
Administrative expenses	33,662		29,678
	<u>781,601</u>		<u>654,866</u>
Change in net position	1,591,190		171,625
<b>Net position</b>			
Beginning of year	<u>8,247,379</u>		<u>8,075,754</u>
End of year	<u>\$ 9,838,569</u>	\$	<u>8,247,379</u>

See accompanying notes.



**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	Balance				Balance
	April 30, 2020	Additions	Deductions		April 30, 2021
<b>SPECIAL ASSESSMENT</b>					
<b>COLLECTION FUND</b>					
<b>ASSETS</b>					
Due from property owners	\$ 2,470	\$ -	\$ 2,470	\$ -	
<b>LIABILITIES</b>					
Due to other funds	\$ 2,470	\$ -	\$ 2,470	\$ -	

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Washington, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant policies. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**A. Nature of Operations**

The City of Washington, located in Central Illinois, provides a broad range of services to citizens, including general government, public safety, streets, and the water and sewer utilities. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property, sales, income, and motor fuel taxes), charges for services performed, and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the City and nearby surrounding area and the appropriations of grant entitlements at the federal/state government level. Taxable industry within the area is primarily retail. The surrounding area has a substantial agricultural base.

**B. Financial Reporting Entity**

Generally accepted accounting principles require the financial reporting entity to include the primary government and other organizations for which the primary government is financially accountable (component units). Financial accountability includes the primary government's ability to appoint a voting majority of the organization's governing body, the ability to impose will on an organization, and if an organization is fiscally dependent on the primary government. Based on this guidance, management has determined there are no component units required to be included in the City's basic financial statements.

**C. Basis of Presentation**

*Management's Discussion and Analysis* – Provides introductory information on basic financial statements and an analytical overview of the City's financial activities.

*Government wide financial statements* – The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

*Fund financial statements* – Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the City or if it meets the following criteria:

- total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

*Required supplementary information* – A budgetary comparison schedule is presented. The original budget for revenues and expenditures is presented in comparison with the actual final budgetary revenues and expenditures.

The funds of the financial reporting entity are described below:

## **Governmental Funds**

**General Fund** – The General Fund is the general operating fund of the City and always classified as a major fund. It is used to account for all financial resources and expenditures not required by law or contractual agreement to be accounted for in another fund. The General Fund expenditures include corporate, city hall, street, police, tourism and economic development, zoning operations, and fire and rescue subsidies.

**Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources used to finance specified activities, as required by law or administrative regulation. The City maintains the following special revenue funds:

Cemetery Fund - Accounts for the operations of the municipal cemetery. Revenue is derived principally from sale of lots and interment fees.

Emergency Management Agency Fund (EMA) – Accounts for the operations of the City’s program in connection with the “Illinois Emergency Services and Disaster Agency Act of 1975.” Financing is provided through property taxes with the purpose to pay those costs which may be necessary or proper to prevent, minimize, repair and alleviate injury, loss of life, or property damage resulting from disasters caused by flood, earthquake, extended periods of severe and inclement weather, etc.

Audit Fund – Accounts for the cost of the annual audit of the City’s financial statements.

Motor Fuel Tax Fund – Accounts for the state motor fuel tax revenue collected by the City and used in connection with the highway construction and maintenance projects of the City as authorized by the Illinois Department of Transportation.

Incremental Tax Fund – Accounts for the revenue and expenditures related to tax increment designated areas within the City.

Liability Insurance Fund – Accounts for the cost of insurance premiums and tort judgments or settlements of the City.

Storm Water Management Fund - Accounts for the revenue and expenditures in connection with storm water management.

Illinois Municipal Retirement Fund – Accounts for the expenditures related to the City’s participation in the Illinois Municipal Retirement Fund system.

Social Security/Medicare Fund – Accounts for the expenditures related to the City’s portion of Social Security and Medicare for eligible employees.

Rural Business Development Grant (RBDG) Fund - Accounts for grant revenues legally restricted for making economic development loans to businesses and other organizations.

**Capital Projects Fund** – Capital projects funds are used to account for general construction or renovation projects being carried out by the City which are not financed by proprietary or trust funds. The City maintains the following capital projects fund:

Freedom Parkway Fund – Accounts for the improvement of Freedom Parkway for road and stormwater improvements.

Washington 223 Fund - Accounts for the improvements of the Washington 223 property.

North Lawndale Special Service Area – Accounts for the improvement of North Lawndale Road for road and stormwater.

West Holland Special Service Area – Accounts for the improvement of West Holland Road for road and stormwater.

Hilldale Ave. Fund – Accounts for the improvement of Hilldale Avenue.

**Debt Service Funds** – Debt service funds are used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs. The City maintains the following debt service funds:

Washington Area Community Center (WACC) Fund – Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for the Washington Area Community Center project.

Washington 223 Fund – Accounts for the financial transactions related to the repayment of debt associated with the Washington 223 property.

### **Proprietary Funds**

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

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

Sewerage Fund – To account for the sewer services to the residents of the City. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund's fixed assets) and provide for a net income to finance the continued operations of the system.

**Internal Service Funds** – Internal service funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City maintains the following internal service funds:

Employees' Benefit Fund – Accounts for the City's health plan. The purpose of the Fund is to pay the premiums for health insurance of the City's employees and retirees and their covered dependents.

Motor Equipment Replacement Fund – Provides for the maintenance and repair of motorized equipment and vehicles used in the operations of City services. Revenue is from rental charges to user departments. Expenses include cost of labor, material, supplies, and services.

Capital Replacement Fund – Provides funding for non-motorized capital equipment in excess of \$5,000. Revenue is from rental charges to user departments. Expenses include cost for depreciation.

Building Maintenance Fund – Provides funding for building maintenance in excess of \$5,000. Revenue is from transfers from other departments. Expenses include cost of labor, material, supplies, and services.

### **Fiduciary Funds**

Pension Trust Fund – The Police Pension Fund accounts for the accumulation of resources to be used for the payment of retirement benefits to the City police.

Agency Funds – Agency funds are used to account for assets held by the City in a custodial capacity (i.e., assets equal liabilities). Agency funds do not involve the measurement of results of operations. The City maintains the following agency funds:

Special Assessment Collection Fund – To account for the assets and liabilities related to certain special assessment projects.

### **D. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### *Measurement Focus*

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting, as defined in Basis of Accounting below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. Governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. Proprietary funds utilize an "economic resources" measurement focus. 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.

## Basis of Accounting

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

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 75 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

### **E. Budgets and Budgetary Accounting**

The budget for all governmental fund types is prepared on the modified accrual basis of accounting, which is the same basis that is used in the fund financial reporting. This allows for comparability between budget and actual amounts. The budget was passed on April 13, 2020. The budget was amended on April 19, 2021.

For each fund, total fund expenditures may not legally exceed the budgeted expenditures. Unexpended budgeted amounts lapse at the end of each fiscal year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at the line item level. Encumbrances accounting is not employed.

The City adopts its annual budget in accordance with Chapter 65, Paragraph 5/8-2-9.4 of the Illinois Compiled Statutes, as follows:

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

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

#### **F. Cash and Cash Equivalents**

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short term investments with an original maturity of three months or less.

#### **G. Investments**

Investments classified in the financial statements consist of certificates of deposit and Police Pension Trust Fund investments, including federal agency notes, mutual funds, certificates of deposit, treasury inflation protected securities and corporate bonds. Investments are stated at fair value.

The City's investment policy is to invest in allowable investments under the Illinois Compiled Statutes. These include (a) interest-bearing savings accounts and certificates of deposit and (b) bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America. In addition to the investments listed above, the City's police pension trust fund may also invest in various money market mutual funds, short-term corporate obligations, and diversified portfolios managed by life insurance companies or registered investment companies within the guidelines established under Section 1-113 of Article 5 of the Illinois Pension Code.

#### **H. Real Estate Taxes**

Real estate taxes are a lien on individual properties from January 1 in the year in which the taxes are levied. The levy must be filed with the County Clerk by the last Tuesday in December each year. The tax levy for amounts received in the fiscal year ended April 30, 2021 was passed December 16, 2019. Due dates, by statute, are June 1 and September 1 of the following year. Generally, collections of tax monies are made within 30 to 60 days of the due dates.

#### **I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.



## **J. Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

### **Government-Wide Statements**

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Contributed or donated assets are carried at their estimated market value as of the date received. Prior to May 1, 2004 governmental funds infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004 are recorded at cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives and capitalization threshold by type of asset is as follows:

### **Capitalization**

	<u><b>Useful Life</b></u>	<u><b>Threshold</b></u>
Buildings	20-50 years	\$10,000
Land improvements	20 years	\$10,000
Water and sewer systems	10-60 years	\$10,000
Equipment	3-50 years	\$1,000
Infrastructure	20-50 years	\$10,000

### **Fund Financial Statements**

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

## **K. Compensated Absences**

The City's sick leave policy allows for twelve sick days per year. Employees with unused sick leave accumulated prior to January 1, 1992, may carry forward up to 30 days and will be paid for unused hours remaining upon an employee's retirement or separation from City service at the employee's hourly rate of pay in effect on December 31, 1991. Sick leave accumulated since December 31, 1991 and not covered by the terms of the police officer's collective bargaining agreement does not vest. For employees covered by the police officer's collective bargaining agreement, sick leave accumulates at their current hourly rate.

The City's vacation policy allows each regular full-time employee assigned as a Sergeant or to a position classification of a range lower than 98 within the City's position classification system, and not otherwise covered by the terms of a collective bargaining agreement, to earn two weeks of vacation after one year of service and one additional day for each year of service in excess of six years, up to a maximum vacation time of five weeks. Each regular full-time employee with a position classification of a range 98 or above, or a Department Head position classification without a contract, earns two weeks of vacation after one year of service and up to five years of service, three weeks of vacation from five to ten years of service, four weeks of vacation from eleven to fifteen years of service, and five weeks of vacation for sixteen and more years of service.

For employees with up to 15 years of service, up to one week of vacation may be carried over to the following year. Employees with 15 or more years of service may carry two weeks of vacation over to the following year. Upon termination, an employee is entitled to be paid for any vested vacation from the prior year and a prorated share of the current year's vacation. The City Council passed an ordinance to amend the personnel manual to provide for non-union part-time employee leave. The employee must have worked 1,000 hours in the prior year to qualify. The employee will receive up to 80 hours of paid leave based on the ratio of total hours worked by the employee to 2,080 hours.

#### **M. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

#### **N. Long Term Obligations**

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

In the fund financial statements, the face amount of debt issued is reported as an other financing source. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

#### **O. Equity Classification**

##### **Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- (1) Invested in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- (2) Restricted net position - Net position with constraints placed on their use by external groups or by law through constitutional provisions or enabling legislation.
- (3) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

The governmental activities column of the government wide statement of net position reports \$3,642,980 of restricted net position for other purposes. Of this amount, the following are restricted by enabling legislation related to the Audit Fund of \$48,530, Motor Fuel Tax of \$1,726,442, Incremental Tax of \$1,147,170, Liability Insurance of \$245,749, Illinois Municipal Retirement of \$15,646 and RBDG of \$178,334. In addition, \$281,109 is restricted for drug and alcohol enforcement, police fundraising, education, vehicle seizures and miscellaneous other police purposes, and \$1,442,432 is assigned for use for capital projects.

##### **Fund Financial Statements**

Governmental fund equity is classified as fund balance. The components of fund balance are:

- Non-spendable – consists of resources that cannot be spent because of their form.
- Restricted – consists of resources which have limitations imposed by enabling legislation and limitations imposed by creditors, grantors, or contributors.
- Committed – consists of resources which have limitations imposed by the governing board through formal action.
- Assigned – consists of resources which have limitations resulting from management's intended use.
- Unassigned – consists of the residual net resources of a fund.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and, lastly unassigned funds.

Reserves for bond debt service in the Enterprise Funds have been established to provide for certain restricted accounts as required by bond ordinances. These restrictions are described at Note 4.

## **P. Program Revenues**

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General Government – Licenses, permits, fees, fines and grants.

Public Safety - Fine revenue, reimbursement for school resource officer services and specific donations.

Highways and Streets – Fees and grants.

Cemetery – Grave sites, interment fees and footings.

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

## **Q. Operating Revenue and Expenses**

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods/and or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

## **R. Interfund Balances and Activities**

Short-term amounts owed between funds are classified as "due to/from other funds", representing expenditures paid by one fund on behalf of the other. Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as transfers-internal activities.

## **S. Deferred Inflows and Outflows of Resources**

**Deferred outflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has defined benefit pension plan items and a defined benefit OPEB plan item that qualify for this treatment. These outflows are described at Note 5.

**Deferred inflows of resources:** In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from several sources: property taxes, special assessments, and other receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government wide statement of net position reports the City's defined benefit pension plan items that qualify for this treatment. These inflows are described at Note 5.

## **T. Subsequent Events**

The City has evaluated subsequent events through December 3, 2021, the date which the financial statements were available to be issued.

## **NOTE 2. CASH AND INVESTMENTS**

Investment risks include credit risk (custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. Deposit risks include custodial credit risk and foreign currency risk.

### **Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's deposit policy provides that all deposits be guaranteed by the U.S. government, insured by the Federal Deposit Insurance Corporation (FDIC), or fully collateralized with securities held by the City or its agent in the City's name or by its counterparty's trust department or agent in the City's name.

The City's cash and cash equivalents at April 30, 2021 consisted of deposits with financial institutions.

Monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

As of April 30, 2021, \$35,077,880 of the City's bank balances, including checking, savings and money market accounts and certificates of deposits, were over the FDIC insurance limit but was covered by collateral held by the pledging bank.

At April 30, 2021, all the City's deposits, excluding \$2,250 in cash on hand, were covered by federal depository insurance or by collateral held by the financial institution's trust department or agent in the City's name.

The following is a reconciliation of cash and cash equivalents at April 30, 2021:

	<b><u>Carrying Amount</u></b>
Money market funds	\$ 16,376,673
Checking and savings	946,436
Cash on hand	<u>2,250</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 17,325,359</u></b>

The deposits are reflected on the financial statements at April 30, 2021 as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 14,941,846
Restricted assets – cash and cash equivalents	1,122,948
Statement of fiduciary net position:	
Cash and cash equivalents	<u>1,260,565</u>
	<b><u>\$ 17,325,359</u></b>

#### Investments

As of April 30, 2021, the City had the following investments:

<b><u>Type of Investment</u></b>	<b><u>Fair Value/ Carrying Amount</u></b>	<b><u>Average Credit Quality/ Ratings (1)</u></b>	<b><u>Weighted Average Years to Maturity (2)</u></b>
Primary Government			
Certificates of deposit	\$ 17,866,585	N/A	0.45
Fiduciary Fund			
Certificates of deposit	1,059,745	N/A	1.52
Mutual funds-equities	4,346,894	N/A	N/A
Money market	132,133	N/A	N/A
Treasury Inflation Protected Securities	457,413	N/A	3.93
Corporate bonds	1,942,323	A	2.37
Total Fiduciary Fund Investments	<u>7,938,508</u>		
Total Investments	<b><u>\$ 25,805,093</u></b>		

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

(2) Interest rate risk is estimated using the weighted average years to maturity method.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investing for the Fiduciary Fund is performed in accordance with investment policies adopted by the Board of Trustees complying with Illinois Compiled Statutes. Funds shall be invested as per Illinois Pension Code Section 3-135 and by the Public Funds Investment Act (20 ILCS 235/01).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Fund's policy provides that investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities while the Fund maintains sufficient liquidity. Investment guidelines have been established for monies invested to meet approximate market rates of return on its investments, consistent with constraints established by its safety objectives, cash flow considerations, and Illinois State laws that restrict the placement of public funds.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The City's policy provides that investments be diversified or collateralized to avoid incurring unreasonable risks regarding specific security types and/or financial institutions.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Investments representing 5% or more of total investments at April 30, 2021 are as follows:

Certificates of Deposit – Morton Community Bank	\$ 6,041,188
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### NOTE 3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended April 30, 2021 was as follows:

	<b><u>Balance</u></b> <b><u>May 1, 2020</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Reclassify</u></b>	<b><u>Balance</u></b> <b><u>April 30, 2021</u></b>
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 5,322,831	\$ -	\$ -	\$ (357,831)	\$ 4,965,000
Construction in process	316,054	3,024,381	125,833	-	3,214,602
Total capital assets not being depreciated	5,638,885	3,024,381	125,833	(357,831)	8,179,602
Other capital assets:					
Land improvements	537,106	142,892	-	309,131	989,129
Buildings	4,987,969	133,432	-	-	5,121,401
Infrastructure	40,451,596	1,688,613	-	48,700	42,188,909
Equipment and vehicles	5,095,494	183,238	104,192	-	5,174,540
Total other capital assets	51,072,165	2,148,175	104,192	357,831	53,473,979
Less accumulated depreciation for:					
Land improvements	267,474	24,543	-	-	292,017
Buildings	1,584,131	108,202	-	-	1,692,333
Infrastructure	20,631,814	1,993,825	-	-	22,625,639
Equipment and vehicles	2,403,536	458,034	104,192	-	2,757,378
Total accumulated depreciation	24,886,955	2,584,604	104,192	-	27,367,367
Other capital assets, net	26,185,210	(436,429)	-	-	26,106,612
Governmental activities, net	\$ 31,824,095	\$ 2,587,952	\$ 125,833	\$ -	\$ 34,286,214

	<b><u>Balance May 1, 2020</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance April 30, 2021</u></b>
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 242,176	\$ -	\$ -	\$ 242,176
Construction in process	756,234	1,271,141	270,822	1,756,553
Total capital assets not being depreciated	998,410	1,271,141	270,822	1,998,729
Other capital assets:				
Water system	15,993,639	1,155,411	-	17,149,050
Sewer system	36,372,071	437,800	-	36,809,871
Equipment	3,008,953	9,021	53,338	2,964,636
Total other capital assets	55,374,663	1,602,232	53,338	56,923,557
Less accumulated depreciation for:				
Water system	7,170,162	460,723	-	7,630,885
Sewer system	14,913,999	721,757	-	15,635,756
Equipment	1,079,241	60,024	49,363	1,089,902
Total accumulated depreciation	23,163,402	1,242,504	49,363	24,356,543
Other capital assets, net	32,211,261	359,728	3,975	32,567,014
Business- type activities, net	\$ 33,209,671	\$ 1,630,869	\$ 274,797	\$ 34,565,743

Depreciation expense was charged as follows in the Statement of Activities:

**Governmental Activities:**

General government	\$ 63,103
Public safety	129,972
Highways and streets	2,023,263
Cemetery	7,835
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	360,433

Total depreciation expense for governmental activities	<u>\$ 2,584,606</u>
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**Business-Type Activities:**

Water	\$ 500,192
Sewer	742,312

Total depreciation expense for business-type activities	<u>\$ 1,242,504</u>
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**NOTE 4. LONG-TERM DEBT**

The City's long term debt is segregated between amounts to be paid from governmental activities and amounts repaid from business type activities. The changes in the City's long-term debt for the year ended April 30, 2021 are as follows:

	<b><u>Balance</u></b> <b><u>May 1, 2020</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Balance</u></b> <b><u>April 30, 2021</u></b>	<b><u>Amount</u></b> <b><u>Due In</u></b> <b><u>One Year</u></b>
<b>Governmental Activities:</b>					
General obligation bonds:					
Refunding Promissory Note					
WACC	\$ 3,160,000	\$ -	\$ 280,095	\$ 2,879,905	\$ 290,000
Capitalized equipment					
leases	2,163	24,000	2,861	23,302	4,328
Vested compensated					
absences	511,772	13,174	-	524,946	42,548
	<hr/>				
Total Governmental					
Activities	\$ 3,673,935	\$ 37,174	\$ 282,956	\$ 3,428,153	\$ 336,876
	<hr/>				
<b>Business-Type Activities:</b>					
2009 Illinois Environmental					
Protection Agency Loan	\$ 3,183,904	\$ -	\$ 289,446	\$ 2,894,458	\$ 289,446
2017 Illinois Environmental					
Protection Agency Loan,					
Phase 2A	3,474,582	-	177,148	3,297,434	180,261
Promissory Note					
AMR – Meter					
Replacement	1,526,981	-	224,627	1,302,354	230,234
Vested compensated					
absences	58,196	-	6,196	52,000	7,529
	<hr/>				
Total Business-Type					
Activities	\$ 8,243,663	\$ -	\$ 697,417	\$ 7,546,246	\$ 707,470
	<hr/>				

## *Governmental Activities*

### **Refunding Promissory Note**

In fiscal year 2015, the City entered into a promissory note agreement with South Side Bank and Trust (now known as Busey Bank) for the purpose of refinancing the 2006 WACC bonds. The loan carries a fixed interest rate of 2.50 percent for a term of 15 years. Payments are due annually, including interest, thereafter, with final payment due May 15, 2029.

<b>Years Ending <u>April 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 290,000	\$ 68,375	\$ 358,375
2023	295,000	61,063	356,063
2024	305,000	53,563	358,563
2025	315,000	45,813	360,813
2026	320,000	37,875	357,875
2027-2030	1,354,905	68,563	1,423,468
<b>Total</b>	<b>\$ 2,879,905</b>	<b>\$ 335,252</b>	<b>\$ 3,215,157</b>

### **Capital Leases**

The City entered into capital lease agreement for the purchase of a copier. The lease had a term of five years, monthly payments of \$316 with an imputed interest rate of 6.785% and the lease expired during the fiscal year. The City entered into a new lease agreement during the fiscal year for a new copier with monthly payments of \$462 and an imputed interest rate of 5.50%.

The future minimum lease payments are as follows:

<b>Years Ending <u>April 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 4,328	\$ 1,221	\$ 5,549
2023	4,572	977	5,549
2024	4,830	719	5,549
2025	5,102	447	5,549
2026	4,470	153	4,623
<b>Total</b>	<b>\$ 23,302</b>	<b>\$ 3,517</b>	<b>\$ 26,819</b>

## *Business-Type Activities*

### **2009 IEPA Loan Payable**

In fiscal year 2010, the City entered into a loan agreement with the Illinois Environmental Protection Agency (IEPA) for the purpose of paying a part of the cost of constructing, improving, and extending the City's sewerage system facilities. The loan carries zero percent interest rate for a term of twenty years. The debt service requirements on this loan are as follows:

<u>Years Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 289,446	\$ -	\$ 289,446
2023	289,446	-	289,446
2024	289,446	-	289,446
2025	289,446	-	289,446
2026	289,446	-	289,446
2027-2031	1,447,228	-	1,447,228
<b>Total</b>	<b>\$ 2,894,458</b>	<b>\$ -</b>	<b>\$ 2,894,458</b>

The sewer loan ordinance for the IEPA loan requires monies held in the Sewerage Enterprise Fund to be segregated and restricted in separate special restricted accounts in the priority indicated by the order of the following:

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
(a) Operation and maintenance	Amount sufficient, when added to amount then on deposit, to establish a balance equal to an amount not less than the amount necessary to pay operation and maintenance expenses for two months. The City ensures each month that the operating accounts of the Sewerage Enterprise Fund have adequate funds to meet this covenant. A separate account has not been established.	Expenses of operating, maintaining, and repairing the system.
(b) Bond, interest, and principal	Amount that results from the monthly accumulation of not less than a pro-rata of the interest becoming due on the next succeeding interest payment date and not less than a pro-rata of the principal becoming due on the next succeeding principal payment date. As of April 30, 2021, \$131,648 has been required to be accumulated.	Paying current principal and interest on bonds.
(c) Bond reserve	1/24 of maximum annual debt service per month, until the account accumulates the total sum of \$289,446 (maximum annual debt service). As of April 30, 2021, \$289,446 has been accumulated.	Paying principal and interest on bonds in the event that the bond and interest account has insufficient funds.
(d) Depreciation	1/120 of 10% of the total outstanding debt, until 10% of the total outstanding balance is accumulated. As of April 30, 2021, \$521,553 has been accumulated.	Paying principal and interest on bonds or extraordinary maintenance and repair costs in the event that no other funds are available for these purposes.

(e) Surplus	The amount remaining after payment into the above accounts. This is accounted for as the remainder of the unrestricted funds of the Sewerage Enterprise Fund.	Constructing or acquiring repairs, improvements or extensions to the system, calling or redeeming bonds or any other lawful purpose of the system.
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The following amounts are reported as restricted cash as follows:

Sewerage Fund \$ 710,540

### 2017 IEPA Loan Payable

In fiscal year 2017, the City entered into a loan agreement with the Illinois Environmental Protection Agency (IEPA) for the purpose of paying a part of the cost of constructing, improving, and extending the City's sewerage system facilities. The loan carries a 1.75 percent interest rate for a term of twenty years. The debt service requirements on this loan are as follows:

<u>Years Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 180,261	\$ 56,921	\$ 237,182
2023	183,431	53,751	237,182
2024	186,654	50,528	237,182
2025	189,935	47,247	237,182
2026	193,273	43,909	237,182
2027-2031	1,018,532	167,378	1,185,910
2032-2036	1,111,245	74,665	1,185,910
2037	234,103	3,078	237,181
<b>Total</b>	<b>\$ 3,297,434</b>	<b>\$ 497,477</b>	<b>\$ 3,794,911</b>

### Promissory Note

In fiscal year 2016, the City entered into a promissory note agreement with Morton Community Bank for the purpose of financing the purchase and installation of a system of remote read water meters. The loan carries a fixed interest rate of 2.46 percent. Payments are due in semi-annual amounts of \$130,657, including interest, thereafter, with final payment due June 2, 2026.

<u>Years Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 230,234	\$ 31,081	\$ 261,315
2023	236,012	25,303	261,315
2024	241,936	19,379	261,315
2025	247,966	13,349	261,315
2026	254,231	7,084	261,315
2027	91,975	1,158	93,133
	<b>\$ 1,302,354</b>	<b>\$ 97,354</b>	<b>\$ 1,399,708</b>

## Debt Covenants

The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various funds. The City is in compliance with all financial limitations and restrictions. The City is a home-rule municipality and, accordingly, is not subject to any constitutional debt limit.

## NOTE 5. RETIREMENT PLANS AND OTHER POST EMPLOYMENT BENEFITS

### Illinois Municipal Retirement Fund

*Plan Description.* The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

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

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

### *Employees Covered by Benefit Terms*

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	40
Inactive Plan Members entitled to but not yet receiving benefits	24
Active Plan Members	<u>42</u>
<b>Total</b>	<u><u>106</u></u>

### *Contributions*

As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2020 was 14.23%. For the fiscal year ended April 30, 2021, the City contributed \$390,780 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

### *Net Pension Liability*

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.

### *Actuarial Assumptions*

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	<u>1%</u>	0.70%
Total	<u>100%</u>	

#### *Single Discount Rate*

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

*Changes in the Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Balances at December 31, 2019</b>	<u>\$ 16,209,779</u>	<u>\$ 14,376,013</u>	<u>\$ 1,833,766</u>
Changes for the year:			
Service Cost	250,001	-	250,001
Interest on the Total Pension Liability	1,153,477	-	1,153,477
Differences Between Expected and Actual Experience of the Total Pension Liability	494,445	-	494,445
Changes of Assumptions	(100,010)	-	(100,010)
Contributions - Employer	-	368,581	(368,581)
Contributions - Employees	-	116,557	(116,557)
Net Investment Income	-	2,056,553	(2,056,553)
Benefit Payments, including Refunds of Employee Contributions	(849,497)	(849,497)	-
Other (Net Transfer)	-	166,160	(166,160)
Net Changes	<u>948,416</u>	<u>1,858,354</u>	<u>(909,938)</u>
<b>Balances at December 31, 2020</b>	<u><u>\$ 17,158,195</u></u>	<u><u>\$ 16,234,367</u></u>	<u><u>\$ 923,828</u></u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

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

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension Liability	\$ 3,020,710	\$ 923,828	\$ (783,737)

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

For the year ended April 30, 2021, the City recognized pension benefit of \$617,332 resulting from a change in actuarial estimates. At April 30, 2021, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:



Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 498,777	\$ 206,408
Changes of assumptions	152,412	186,511
Net difference between projected and actual earnings on pension plan investments	<u>705,133</u>	<u>1,951,245</u>
Total deferred amounts to be recognized in pension expense in future periods	1,356,322	2,344,164
<i>Employer Pension Contributions made subsequent to the Measurement Date</i>	<u>127,992</u>	<u>-</u>
Total deferred amounts related to IMRF pension	<u>\$ 1,484,314</u>	<u>\$ 2,344,164</u>

The City reported \$127,992 as deferred outflows or resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Inflows of Resources</u>
2021	\$ 232,107
2022	24,929
2023	400,116
2024	<u>202,698</u>
Total	<u>\$ 859,850</u>

## Police Pension

*Plan Description.* The City of Washington Police Pension Trust Fund was created and is administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). Provisions of the plan can only be modified by State legislation. The Police Pension Trust Fund is a single-employer defined benefit pension plan, which covers the police-sworn personnel of the City. The Police Pension Trust Fund, which is administered by the City, provides retirement, death, and disability benefits to plan members and their beneficiaries.

### *Benefits Provided.*

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date Tier 1: Age 50 and 20 years of Credited Service.

Date Tier 2: Age 55 with 10 years of Credited Service.

Benefit Tier 1: 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month.

Benefit Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is \$1,000 per month.

Disability:

Eligibility: Total and permanent as determined by the Board of Trustees.

Benefit Amount: A maximum of:

- a.) 65% of salary attached to the rank held by Member on last day of service, and;
- b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.

For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustments:

Tier 1: Retirees - An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

Tier 1: Disabled Retirees - An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by Member on last day of service.

Non-Service Incurred: A maximum of:

- a.) 50% of salary attached to the rank held by Member on last day of service, and;
- b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50

For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination):

Vesting Service Requirement: Tier 1: 8 years.

Vesting Service Requirement: Tier 2: 10 years.

Non-Vested Benefit: Refund of Member Contributions.

Vested Benefit: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (8-year final average salary for Tier 2) times creditable service.

### *Employees Covered by Benefit Terms*

As of April 30, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	12
Inactive Plan Members entitled to but not yet receiving benefits	4
Active Plan Members	<u>21</u>
<b>Total</b>	<u><u>37</u></u>

### *Contributions*

Qualifying employees are required to contribute 9.91 percent of their base salary to the Police Pension Trust Fund. The City is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate. For the fiscal year ended April 30, 2021, the City contributed \$686,961 to the plan.

### *Investment Policy*

Illinois Compiled Statutes (ILCS) limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market, mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. During the year, no changes were made to the investment policy. ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

### *Net Pension Liability*

The City's net pension liability was measured as of April 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the Police Pension Plan as of April 30, 2020 were as follows:

Total pension liability	\$	14,707,817
Plan fiduciary net position		8,247,378
City's net pension liability		6,460,439
Plan fiduciary net position as a percentage of the total pension liability		56.07%

### *Actuarial Assumptions*

The following are the methods and assumptions used to determine total pension liability at April 30, 2020:

- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be service based.
- The Investment Rate of Return was assumed to be 6.75%.
- Projected Retirement Age was based on studies of the fund and the Department of Insurance.
- The rates for Mortality (for non-disabled retirees) were developed from the RP-2000 Combined Healthy Mortality with a blue-collar adjustment, projected to the valuation date with Scale BB.
- The rates for Mortality (for disabled retirees) were developed from the RP-2000 Disabled Retiree Mortality projected to the valuation date with Scale BB.
- The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. These rates are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of April 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	5.00%	0.50%
Corporate investment grade	20.00%	0.75%
Domestic equities	33.75%	6.60%
International developed	11.25%	6.00%
Cash and equivalents	30.00%	0.00%
Total	100.00%	

### *Discount Rate*

The Discount Rate used to measure the Total Pension Liability was 6.75 percent. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. For purpose of this valuation, the expected rate of return on pension plan investments is 6.75 percent; the municipal bond rate is 2.85 percent (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the The Bond Buyer); and the resulting single discount rate is 6.75 percent.

*Changes in the Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Balances at April 30, 2020</b>	\$ 13,942,444	\$ 8,075,755	\$ 5,866,689
Changes for the year:			
Service Cost	355,536	-	355,536
Interest	944,014	-	944,014
Changes of Benefit Terms	79,002	-	79,002
Differences Between Expected and Actual Experience	3,798	-	3,798
Changes of Assumptions	-	-	-
Contributions - Employer	-	632,190	(632,190)
Contributions - Employees	-	145,704	(145,704)
Contributions - Buy Back	8,211	8,211	-
Net Investment Income (Loss)	-	16,639	(16,639)
Benefit Payments, including Refunds of Employee Contributions	(625,188)	(625,188)	-
Administrative expense	-	(5,933)	5,933
Net Changes	765,373	171,623	593,750
<b>Balances at April 30, 2021</b>	<b>\$ 14,707,817</b>	<b>\$ 8,247,378</b>	<b>\$ 6,460,439</b>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the plan's net pension liability, calculated using a discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher:

	1% Lower (5.75%)	Current Discount (6.75%)	1% Higher (7.75%)
Net Pension Liability	\$ 8,657,589	\$ 6,460,439	\$ 4,678,776

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

For the year ended April 30, 2021, the City recognized pension expense of \$363,278. At April 30, 2021, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 178,691	\$ 222,073
Changes of assumptions	590,783	67,280
Net difference between projected and actual earnings on pension plan investments	556,407	-
Total deferred amounts to be recognized in pension expense in future periods	1,325,881	289,353
<i>Pension Contributions made subsequent to the Measurement Date</i>	686,961	-
Total deferred amounts related to the Police Pension	<u>\$ 2,012,842</u>	<u>\$ 289,353</u>

The City reported \$686,961 as deferred outflows or resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending April 30</b>	<b>Net Deferred Outflows of Resources</b>
2022	\$ 945,115
2023	268,985
2024	252,061
2025	148,064
2026	28,944
Thereafter	80,320
Total	<u>\$ 1,723,489</u>

## **Postemployment Benefits Other Than Pensions (OPEB)**

### ***General Information about the OPEB plan***

#### ***Plan Description***

The City of Washington's Retiree Health Care Plan (Plan) is a single-employer define benefit post-employment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

### *Employees covered by benefit terms*

At April 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	-
Active plan members	<u>57</u>
	<u>67</u>

### *Benefits provided*

Eligible retirees participating in the group insurance plans offered by the City and are required to contribute a portion of the active premiums. At April 30, 2020, the retiree's portion of coverage was \$170/month for family and \$81/month for single after a wellness incentive premium reduction of \$50/month. Additionally, the City pays 100% of the retiree premium for dental insurance coverage for eligible retirees. Retirees ineligible for this benefit must pay 100% of the active premium for medical and/or dental insurance to remain covered by the plan. To be eligible for the Plan, retirees need to be at least 55 years old, have combined age and years of service of at least 80, and have been hired by the City before August 1, 1998 to receive the retiree health and dental insurance benefits or meet retirement eligibility under one of the pension plans offered by the City.

### ***Total OPEB Liability***

The City's total OPEB liability of \$2,183,103 was measured as of April 30, 2020, and was determined by an actuarial valuation as of that date.

### *Actuarial Assumptions*

The total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.50%
Salary increases	2.50%
Discount rate	2.85%
Initial trend rate	7.00%
Ultimate trend rate	4.00%
Years to ultimate	54

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale MP-2020.

### *Discount Rate*

Given the City's decision not to fund the program through a trust, all future benefit payments were discounted using a high-quality municipal bond rate of 2.85%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ended April 30, 2020	\$ 3,131,949
Changes for the year:	
Service Cost	65,835
Interest	96,731
Differences Between Expected and Actual	(250,210)
Changes of Assumptions	(489,560)
Benefit Payments	(371,642)
Net Changes	(948,846)
Reporting Period Ended April 30, 2021	\$ 2,183,103

Changes of assumptions reflect a change in the discount rate from 3.21% for the fiscal year ended April 30, 2020 to 2.85% for the fiscal year ended April 30, 2021. Also reflected as assumption changes are updated mortality rates, updated health care costs and premiums, and updated health care cost trend rates.

*Sensitivity of the Total OPEB Liability to changes in the Discount Rate*

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 1.85%	Current 2.85%	1% Increase 3.85%
Total OPEB Liability	\$ 2,313,158	\$ 2,183,103	\$ 2,064,652

*Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rates that is one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00% - 6.50%	Current 4.00% - 7.50%	1% Increase 5.00% - 8.50%
Total OPEB Liability	\$ 2,052,530	\$ 2,183,103	\$ 2,331,574

## **Retirement Health Savings Plan**

In August 2007, the City initiated four retirement health savings plans which cover the unionized telecommunicators, the unionized police and public services employees and non-union employees hired after July 31, 1998. On June 30, 2018, the telecommunications health savings plan was terminated and plan funds were transferred to the non-union employees plan. The City will contribute 1.75% of an eligible participant's base wage plus longevity, with the exception of police officers who receive 1.5% of base plus longevity on an annual basis. The funds will be available to any participant upon separation from service. The City's contribution to the plan for the year ended April 30, 2021 was approximately \$48,000.



**NOTE 6. INTERFUND BALANCES**

Interfund receivable and payable balances as of April 30, 2021 are as follows:

	<u><b>Due from Other Funds</b></u>	<u><b>Due to Other Funds</b></u>
General Fund	\$ 71,608	\$ 185,536
Special Revenue Funds		
Motor Fuel Tax Fund	185,536	-
Storm Water Management Fund	-	6,255
Fiduciary Funds		
Police Pension Fund	-	60,288
Enterprise Funds		
Waterworks Fund	-	3,694
Internal Service Funds		
Employee Benefit Fund	-	1,371
	<hr/>	<hr/>
<b>Total interfund receivables and payables</b>	<b>\$ 257,144</b>	<b>\$ 257,144</b>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. Balances are to be collected in the subsequent year.

**NOTE 7. INTERFUND TRANSFERS**

Transfers between funds for the year ended April 30, 2021, were as follows:

	<u><b>Transfer In</b></u>	<u><b>Transfer Out</b></u>
General Fund	\$ 268,862	\$ 2,641,268
Special Revenue Funds		
EMA Fund	30,000	-
Storm Water Management Fund	150,000	-
MFT Fund	12,385	-
Illinois Municipal Retirement Fund	45,000	-
Social Security Fund	86,000	-
Capital Project Fund		
Freedom Parkway Fund	245,865	-
Washington 223 Fund	19,915	-
North Lawndale Fund	1,284,200	16,500
West Holland Fund	429,977	4,500
Hilldale Avenue Fund	1,687	-
Debt Service Funds		
Washington Area Community Center Fund	255,500	-
Washington 223 Fund	-	19,915
Enterprise Funds		
Waterworks Fund	281,173	326,604
Sewerage Fund	231,365	333,142
Internal Service Funds	350,000	350,000
	<hr/>	<hr/>
<b>Total interfund transfers</b>	<b>\$ 3,691,929</b>	<b>\$ 3,691,929</b>

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them, (2) move receipts restricted to debt service from the funds collecting them to the Bond and Interest Fund as debt service payments become due, and (3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### **NOTE 8. INSURANCE**

The City is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets; injuries to employees; and natural disasters. The City purchases commercial insurance for these risks of loss.

For its health insurance coverages, the City began participating in a sub-pool in the Intergovernmental Personnel Benefit Cooperative (IPBC) in July 2017. IPBC is a public entity risk pool established in 1979 by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi-governmental, and nonprofit public service entities. Management consists of a Board of Directors comprised of one appointed representative from each member. The officers of IPBC are chosen by the Board of Directors from among their membership. The City does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors of the sub-pool. To obtain IPBC's financial statements, contact the administrative offices of IPBC, 1220 Oak Brook Road, Oak Brook, Illinois 60107.

#### **NOTE 9. COMMITMENTS**

The City has a contract for the expansion of the Sewer Treatment Plant #2 phase 2B – Farm Creek Trunk Sewer. As of April 30, 2021, the total estimated City obligation was \$541,700. Due to change orders and project issues, a total of \$733,773 has been paid or is included in payables as of the year-end.

The City has a contract for the reconstruction of N. Lawndale. As of April 30, 2021, the total estimated City obligation was \$2,667,114. A total of \$2,260,468 has been paid as of the year-end.

The City has a contract for the reconstruction of W. Holland. As of April 30, 2021, the total estimated City obligation was \$623,027. A total of \$710,523 has been paid as of the year-end.

The City has a contract for the reconstruction of Hilldale Ave. As of April 30, 2021, the total estimated City obligation was \$1,593,626. A total of \$3,374 has been paid as of the year-end.

The City has an agreement with the Washington Volunteer Fire Department and Rescue Squad to provide fire protection services and ambulance and emergency medical services to the City through October 31, 2020. The City has agreed to pay the Washington Volunteer Fire Department and Rescue Squad \$483,938 for the services and equipment funding to be provided over the next 6 months.

The City has private redevelopment agreements with several companies in the TIF district. As of April 30, 2021, the total City obligation remaining for these agreements was \$135,910.

#### **NOTE 10. DEFICIT FUND BALANCES**

The following City funds have a deficit fund/equity balance as of April 30, 2021:

North Lawndale – Capital Project Fund	\$ 104,047
West Holland – Capital Project Fund	69,845
Freedom Parkway – Capital Project Fund	15,409

#### **NOTE 11. FAIR VALUE MEASUREMENTS**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Police Pension Fund has the following recurring fair value measurements as of April 30, 2021:

- Mutual fund securities of \$4,346,894 are valued using quoted market prices (Level 1 inputs)
- Treasury Inflation Protected securities of \$457,413 are valued using quoted market prices (Level 1 inputs)
- Money market securities of \$132,133 are valued using quoted market prices (Level 1 inputs)
- Corporate bonds of \$1,942,323 are valued using a matrix pricing model (Level 2 inputs)

## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WASHINGTON, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED APRIL 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Property taxes	\$ 1,094,599	\$ 1,094,599	\$1,089,520	\$ (5,079)
Licenses and permits	537,500	537,500	513,990	(23,510)
Intergovernmental	9,072,500	9,072,500	9,853,925	781,425
Grant proceeds	420,500	420,500	1,115,664	695,164
Charges for services	102,000	102,000	103,552	1,552
Fines and forfeitures	162,000	162,000	159,061	(2,939)
Interest	65,200	65,200	75,175	9,975
Other	42,600	42,600	108,203	65,603
	<u>11,496,899</u>	<u>11,496,899</u>	<u>13,019,090</u>	<u>1,522,191</u>
<b>EXPENDITURES</b>				
Current				
General government	1,687,543	1,687,543	1,463,144	224,399
Public safety	5,680,127	5,680,127	5,539,126	141,001
Highways and streets	2,176,851	2,176,851	1,802,955	373,896
Health and welfare	15,000	15,000	12,438	2,562
Capital outlay	1,706,700	1,706,700	1,519,184	187,516
	<u>11,266,221</u>	<u>11,266,221</u>	<u>10,336,847</u>	<u>929,374</u>
Excess of revenue over expenditures	<u>230,678</u>	<u>230,678</u>	<u>2,682,243</u>	<u>2,451,565</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	342,418	342,418	268,862	(73,556)
Transfers out	(1,039,418)	(1,039,418)	(2,641,268)	(1,601,850)
Total other financing sources (uses)	<u>(697,000)</u>	<u>(697,000)</u>	<u>(2,372,406)</u>	<u>(1,675,406)</u>
Net change in fund balances	<u>\$ (466,322)</u>	<u>\$ (466,322)</u>	<u>\$ 309,837</u>	<u>\$ 776,159</u>

**CITY OF WASHINGTON, ILLINOIS**  
**MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST 10 CALENDAR YEARS**  
(schedule to be built prospectively from 2015)

	2020	2019	2018	2017	2016	2015
Calendar year ending December 31,						
Total pension liability:						
Service cost	\$ 250,001	\$ 248,219	\$ 264,423	\$ 289,151	\$ 270,831	\$ 263,773
Interest on the total pension liability	1,153,477	1,095,502	1,092,031	1,094,710	1,049,524	981,553
Difference between expected and actual experience	494,445	258,156	(453,590)	(201,115)	1,984	419,869
Assumption changes	(100,010)	-	441,510	(430,251)	(57,997)	-
Benefit payments and refunds	(849,497)	(756,719)	(815,897)	(735,824)	(718,617)	(798,996)
Net change in total pension liability	948,416	845,158	528,477	16,671	545,725	866,199
Total pension liability - beginning	16,209,779	15,364,621	14,836,144	14,819,473	14,273,748	13,407,549
Total pension liability - ending (a)	17,158,195	16,209,779	15,364,621	14,836,144	14,819,473	14,273,748
Plan fiduciary net position:						
Contributions - employer	368,581	307,825	357,653	385,941	395,121	343,295
Contributions - employee	116,557	110,464	116,026	117,905	130,400	142,475
Net investment income (loss)	2,056,553	2,351,809	(774,914)	2,114,999	764,487	53,662
Benefit payments and refunds	(849,497)	(756,719)	(815,897)	(735,824)	(718,617)	(798,996)
Other	166,160	65,210	142,357	(257,194)	32,124	413,324
Net change in plan fiduciary net position	1,858,354	2,078,589	(974,775)	1,625,827	603,515	153,760
Plan fiduciary net position - beginning	14,376,013	12,297,424	13,272,199	11,646,372	11,042,857	10,889,097
Plan fiduciary net position - ending (b)	16,234,367	14,376,013	12,297,424	13,272,199	11,646,372	11,042,857
City's net pension liability - ending (a) - (b)	\$ 923,828	\$ 1,833,766	\$ 3,067,197	\$ 1,563,945	\$ 3,173,101	\$ 3,230,891
Plan fiduciary net position as a percentage of the total pension liability	94.62%	88.69%	80.04%	89.46%	78.59%	77.36%
Covered - employee payroll	\$ 2,590,170	\$ 2,454,749	\$ 2,469,975	\$ 2,620,105	\$ 2,580,806	\$ 2,409,094
City's net position liability as a percentage of covered-employee payroll	35.67%	74.70%	124.18%	59.69%	122.95%	134.11%

**CITY OF WASHINGTON, ILLINOIS**  
**MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**POLICE PENSION TRUST FUND**  
**LAST 10 YEARS**

(schedule to be built prospectively from 2015)

Fiscal year ending April 30,	2020	2019	2018	2017	2016	2015
Total pension liability:						
Service cost	\$ 355,536	\$ 322,692	\$ 342,439	\$ 324,331	\$ 290,520	\$ 284,738
Interest	944,014	860,298	850,614	807,141	759,768	681,523
Difference between expected and actual experience	3,798	167,797	(299,557)	99,029	(92,933)	(293,629)
Changes of assumptions	79,002	467,158	(107,650)	-	641,098	662,460
Contributions - buy back	8,211	5,053	-	-	-	-
Benefit payments and refunds	(625,188)	(606,049)	(639,208)	(569,929)	(486,957)	(528,697)
Net change in total pension liability	765,373	1,216,949	146,638	660,572	1,111,496	806,395
Total pension liability - beginning	13,942,444	12,725,495	12,578,857	11,918,285	10,806,789	10,000,394
Total pension liability - ending (a)	14,707,817	13,942,444	12,725,495	12,578,857	11,918,285	10,806,789
Plan fiduciary net position:						
Contributions - employer	632,190	553,041	551,778	514,605	373,617	320,283
Contributions - employee	145,704	142,419	135,723	130,676	124,594	115,109
Contributions - buy back	8,211	5,053	-	-	-	-
Net investment income	16,639	341,748	403,054	504,132	(50,667)	283,752
Benefit payments and refunds	(625,188)	(606,049)	(639,208)	(569,929)	(486,957)	(528,697)
Administrative expense	(5,933)	(7,804)	(9,268)	(5,827)	(6,318)	(4,357)
Net change in plan fiduciary net position	171,623	428,408	442,079	573,657	(45,731)	186,090
Plan fiduciary net position - beginning	8,075,755	7,647,347	7,205,268	6,631,611	6,677,342	6,491,252
Plan fiduciary net position - ending (b)	8,247,378	8,075,755	7,647,347	7,205,268	6,631,611	6,677,342
City's net pension liability - ending (a) - (b)	\$ 6,460,439	\$ 5,866,689	\$ 5,078,148	\$ 5,373,589	\$ 5,286,674	\$ 4,129,447
Plan fiduciary net position as a percentage of the total pension liability	56.07%	57.92%	60.09%	57.28%	55.64%	61.79%
Covered - employee payroll	\$ 1,521,288	\$ 1,473,074	\$ 1,369,110	\$ 1,336,695	\$ 1,268,296	\$ 1,179,945
Net pension liability as a percentage of coverage employee payroll	424.67%	398.26%	370.91%	402.01%	416.83%	349.97%

**CITY OF WASHINGTON, ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST 10 YEARS**

<b>Actuarial Valuation Date</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered- Employee Payroll</b>	<b>Contributions as a Percentage of Covered- Employee Payroll</b>
<b>IMRF</b>					
12/31/2020	\$ 368,581	\$ 368,581	\$ -	\$ 2,590,170	14.23%
12/31/2019	307,826	307,825	1	2,454,749	12.54%
12/31/2018	357,652	357,653	(1)	2,469,975	14.48%
12/31/2017	385,941	385,941	-	2,620,105	14.73%
12/31/2016	395,121	395,121	-	2,580,806	15.31%
12/31/2015	343,296	343,295	1	2,409,094	14.25%

\*Estimated based on contribution rate of 14.23% and covered valuation payroll of \$2,590,170.

Schedule to be built prospectively as the City implemented GASB Statement No. 68 in the fiscal year ending 04/30/2016.



**CITY OF WASHINGTON, ILLINOIS**  
**NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**

**Notes to Schedule:**

***Summary of Actuarial Methods and Assumptions Used in the  
Calculation of the 2020 Contribution Rate\****

***Valuation Date:***

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
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**Methods and Assumptions Used to Determine 2020 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age Normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	23-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the valuation pursuant type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2012). The IMRF specific rates were developed form the RP-2015 Employee Mortality Table with adjustments to match current IMRF experience.
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***Other Information:***

<i>Notes:</i>	There were no benefit changes during the year.
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\* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

**CITY OF WASHINGTON, ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION TRUST FUND  
LAST 10 YEARS**

<b>Actuarial Valuation Date</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered- Employee Payroll</b>	<b>Contributions as a Percentage of Covered- Employee Payroll</b>
<b>Police Pension Trust Fund</b>					
4/30/2020	\$ 550,231	\$ 632,190	\$ (81,959)	\$ 1,521,288	41.56 %
4/30/2019	550,691	553,041	(2,350)	1,473,074	37.54
4/30/2018	513,651	551,778	(38,127)	1,369,110	40.30
4/30/2017	378,061	514,605	(136,544)	1,336,695	38.50
4/30/2016	320,912	373,617	(52,705)	1,268,296	29.46
4/30/2015	304,709	320,283	(15,574)	1,179,945	27.14

Schedule to be built prospectively as the City implemented GASB Statement No. 68 in the fiscal year ending 04/30/2016.

**CITY OF WASHINGTON, ILLINOIS**  
**NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE PENSION TRUST FUND**

**Notes to Schedule:**

**Valuation Date:** 5/1/2018

Actuarially determined contribution is calculated as of May 1, two years prior year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

*Mortality Rate:* PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2019.

*Disabled Mortality Rate:* PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2019.

*Interest Rate:* 6.75% per year compounded annually, net of investment related expenses.

*Retirement Age:* See table below. This is based on an experience study performed in 2017.

*Disability Rate:* See table below. This is based on an experience study performed in 2017.

*Termination Rate:* See table below. This is based on an experience study performed in 2017.

*Salary Increases:* Graded scheduled based on service. This is based on an experience study performed in 2017.

Service	Increase	Service	Increase
0	11.00%	6	5.25%
1	10.75%	7	4.25%
2	8.75%	8-16	4.00%
3	8.50%	17-32	3.75%
4	7.00%	32+	3.50%
5	6.25%		

*Payroll Growth:* 3.50% per year.

**CITY OF WASHINGTON, ILLINOIS**  
**NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)**  
**POLICE PENSION TRUST FUND**

*Cost-of-Living Adjustment:* Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.  
Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.

*Marital Status:* 80% of Members are assumed to be married.

*Spouse's Age:* Males are assumed to be three years older than females.

*Funding Method:* Entry Age Normal Cost Method

*Actuarial Asset Method:* Investment gains and losses are smoothed over a 5-year period.

*Amortization Method:* 100% of the UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2040.

Decrement Tables:

% Terminating During the Year	
Age	Rate
20	14.00%
25	10.40%
30	5.60%
35	3.10%
40	1.90%
45	1.50%
50	1.50%
56+	0.00%

% Becoming Disabled During the Year	
Age	Rate
20	0.00%
25	0.03%
30	0.14%
35	0.26%
40	0.42%
45	0.59%
50	0.71%
55	0.90%
60	1.15%

% Retiring During the Year (Tier 1)	
50-51	15%
52-54	20%
55-64	25%
65-69	40%
70+	100%

% Retiring During the Year (Tier 2)	
50-54	5%
55	40%
56-64	25%
65-69	40%
70+	100%

**CITY OF WASHINGTON, ILLINOIS  
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN  
ON PENSION PLAN INVESTMENTS  
POLICE PENSION TRUST FUND  
LAST 10 YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted return rate of return, net of investment expense	19.11%	5.82%	4.88%	3.81%	6.97%	-0.32%	3.58%

Schedule to be built prospectively as the City implemented GASB Statement  
No. 67 in the fiscal year ending 04/30/2015.

**CITY OF WASHINGTON, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE CITY'S**  
**TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST 10 YEARS**

(schedule to be built prospectively from 2019)

Fiscal year ending April 30,	2021	2020	2019
Service cost	\$ 65,835	\$ 56,394	\$ 56,444
Interest	96,731	120,504	122,834
Difference between expected and actual experience	(250,210)	-	-
Changes of assumptions	(489,560)	149,019	(30,009)
Benefit payments and refunds	(371,642)	(342,527)	(314,967)
Net change in total OPEB liability	(948,846)	(16,610)	(165,698)
Total OPEB liability - beginning	3,131,949	3,148,559	3,314,257
Total OPEB liability- ending	<u>\$ 2,183,103</u>	<u>\$ 3,131,949</u>	<u>\$ 3,148,559</u>
Covered - employee payroll	\$ 4,274,811	\$ 3,873,283	\$ 3,778,813
Total OPEB liability as a percentage of covered employee payroll	51.07%	80.86%	83.32%

*Notes to Schedule:*

*Changes of assumptions:*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

Fiscal Year Ended April 30:	
2021	2.85%
2020	3.21%
2019	3.97%

## OTHER SUPPLEMENTARY INFORMATION

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**YEAR ENDED APRIL 30, 2021**

	<b>General Corporate</b>	<b>City Hall</b>	<b>Street</b>
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ 217,133
Licenses and permits	513,990	-	-
Intergovernmental	9,768,245	-	7,944
Grant proceeds	683,398	-	337,558
Charges for services	18,737	-	4,815
Fines and forfeitures	99,543	-	-
Interest	74,894	-	-
Other	1,894	-	25,079
	<u>11,160,701</u>	<u>-</u>	<u>592,529</u>
<b>EXPENDITURES</b>			
General government			
Personal services	645,131	-	-
Supplies	17,837	2,182	-
Other services and charges	207,432	54,683	-
Total general government	<u>870,400</u>	<u>56,865</u>	<u>-</u>
Public safety			
Personal services	-	-	-
Supplies	-	-	-
Special projects	-	-	-
Other services and charges	-	-	-
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>
Highways and streets			
Personal services	-	-	826,964
Supplies	-	-	12,632
Other services and charges	-	-	963,359
Total highways and streets	<u>-</u>	<u>-</u>	<u>1,802,955</u>
Health and welfare			
Other services and charges	12,313	125	-
Capital outlay	26,760	12,816	1,433,890
	<u>909,473</u>	<u>69,806</u>	<u>3,236,845</u>
Excess (deficiency) of revenue over expenditures	10,251,228	(69,806)	(2,644,316)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	(160)	13,962	-
Transfers out	(2,397,229)	-	(244,039)
Total other financing sources (uses)	<u>(2,397,389)</u>	<u>13,962</u>	<u>(244,039)</u>
Net change in fund balance	<u>\$ 7,853,839</u>	<u>\$ (55,844)</u>	<u>\$ (2,888,355)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			
<b>FUND BALANCE, END OF YEAR</b>			



Police		Tourism and Economic Development	Zoning	Fire and Rescue	Total	2020 (Memorandum Only)
\$	612,416	\$ -	\$ -	\$ 259,971	\$ 1,089,520	\$ 1,081,904
	-	-	-	-	513,990	536,644
	47,897	-	-	29,839	9,853,925	8,885,444
	94,708	-	-	-	1,115,664	22,032
	80,000	-	-	-	103,552	92,018
	59,518	-	-	-	159,061	172,058
	281	-	-	-	75,175	177,353
	81,183	-	47	-	108,203	204,942
<hr/>						
	976,003	-	47	289,810	13,019,090	11,172,395
<hr/>						
	-	45,071	190,722	-	880,924	791,293
	-	-	2,581	-	22,600	10,581
	-	148,823	148,682	-	559,620	360,281
<hr/>						
	-	193,894	341,985	-	1,463,144	1,162,155
<hr/>						
	3,709,111	-	-	-	3,709,111	3,479,840
	16,702	-	-	-	16,702	36,132
	84,000	-	-	-	84,000	39,595
	789,669	-	-	939,644	1,729,313	1,425,693
<hr/>						
	4,599,482	-	-	939,644	5,539,126	4,981,260
<hr/>						
	-	-	-	-	826,964	784,267
	-	-	-	-	12,632	14,684
	-	-	-	-	963,359	1,065,956
<hr/>						
	-	-	-	-	1,802,955	1,864,907
<hr/>						
	-	-	-	-	12,438	13,929
	41,637	-	4,081	-	1,519,184	320,793
<hr/>						
	4,641,119	193,894	346,066	939,644	10,336,847	8,343,044
<hr/>						
	(3,665,116)	(193,894)	(346,019)	(649,834)	2,682,243	2,829,351
<hr/>						
	199,808	-	-	55,252	268,862	603,893
	-	-	-	-	(2,641,268)	(1,833,146)
<hr/>						
	199,808	-	-	55,252	(2,372,406)	(1,229,253)
<hr/>						
\$	(3,465,308)	\$ (193,894)	\$ (346,019)	\$ (594,582)	309,837	1,600,098
<hr/>						
					13,471,533	11,871,435
<hr/>						
					\$ 13,781,370	\$ 13,471,533
<hr/>						

**CITY OF WASHINGTON, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2021**

	Special Revenue			
	Cemetery	EMA	Audit	Motor Fuel Tax
<b>ASSETS</b>				
Cash and cash equivalents	\$ 172,548	\$ 70,275	\$ 48,530	\$ 1,798,667
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles)				
Property taxes	-	4,164	29,009	-
Accounts - customers	3,972	-	-	-
Other	-	-	-	-
Due from other funds	-	-	-	185,536
Due from other governments	-	-	-	54,573
Prepaid items	265	183	-	-
	<u>\$ 176,785</u>	<u>\$ 74,622</u>	<u>\$ 77,539</u>	<u>\$ 2,038,776</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,166	\$ 450	\$ -	\$ 82,822
Due to other funds	-	-	-	-
Total liabilities	<u>1,166</u>	<u>450</u>	<u>-</u>	<u>82,822</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue				
Property taxes	-	4,164	29,009	-
Other receivables	-	-	-	229,512
Total deferred inflows of resources	<u>-</u>	<u>4,164</u>	<u>29,009</u>	<u>229,512</u>
<b>Fund balances</b>				
Nonspendable	265	183	-	-
Restricted	-	-	48,530	1,726,442
Assigned	175,354	69,825	-	-
Unassigned	-	-	-	-
Total fund balances	<u>175,619</u>	<u>70,008</u>	<u>48,530</u>	<u>1,726,442</u>
	<u>\$ 176,785</u>	<u>\$ 74,622</u>	<u>\$ 77,539</u>	<u>\$ 2,038,776</u>

Special Revenue (cont'd)							
Incremental Tax	Liability Insurance	Storm Water Management	Illinois Municipal Retirement	Social Security/ Medicare	RBDG Fund	Total	
\$ 627,230 500,000	\$ 245,749 -	\$ 282,501 -	\$ 393,911 -	\$ 351,217 -	\$ 97,024 -	\$ 4,087,652 500,000	
243,312	100,010	-	362,003	316,022	-	1,054,520	
-	-	-	-	-	-	3,972	
52,257	-	913	4,802	4,192	81,310	143,474	
-	-	-	-	-	-	185,536	
-	-	-	-	-	-	54,573	
-	13,142	1,313	-	-	-	14,903	
\$ 1,422,799	\$ 358,901	\$ 284,727	\$ 760,716	\$ 671,431	\$ 178,334	\$ 6,044,630	

\$ 364	\$ -	\$ 6,228	\$ 14,625	\$ 13,878	\$ -	\$ 119,533	
-	-	6,255	-	-	-	6,255	
364	-	12,483	14,625	13,878	-	125,788	

243,312	100,010	-	362,003	316,022	-	1,054,520	
31,953	-	-	-	-	-	261,465	

275,265	100,010	-	362,003	316,022	-	1,315,985	
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-	13,142	1,313	-	-	-	14,903	
1,147,170	245,749	-	15,646	-	178,334	3,361,871	
-	-	270,931	368,442	341,531	-	1,226,083	
-	-	-	-	-	-	-	
1,147,170	258,891	272,244	384,088	341,531	178,334	4,602,857	
\$ 1,422,799	\$ 358,901	\$ 284,727	\$ 760,716	\$ 671,431	\$ 178,334	\$ 6,044,630	

**CITY OF WASHINGTON, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONT'D)  
APRIL 30, 2021**

	<u>Debt Service</u>
	<u>WACC</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ -
Investments	-
Receivables (net of allowance for uncollectibles)	
Property taxes	-
Accounts - customers	-
Other	532,645
Due from other funds	-
Due from other governments	-
Prepaid items	-
	<u>\$ 532,645</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	
<b>Liabilities</b>	
Accounts payable and accrued liabilities	\$ -
Due to other funds	-
Total liabilities	<u>-</u>
<b>Deferred inflows of resources</b>	
Unavailable revenue	
Property taxes	-
Other receivables	532,645
Total deferred inflows	<u>532,645</u>
<b>Fund balances</b>	
Nonspendable	-
Restricted	-
Assigned	-
Unassigned	-
	<u>-</u>
	<u>\$ 532,645</u>

Capital Project						Total Nonmajor Governmental	2020 (Memorandum Only)
Freedom Parkway	Washington 223	North Lawndale	West Holland	Total			
\$ -	\$ 56,334	\$ -	\$ 4	\$ 56,338	\$ 4,143,990	\$ 4,143,761	
-	-	-	-	-	500,000	506,424	
-	-	16,500	4,500	21,000	1,075,520	1,030,756	
-	19,915	-	-	19,915	23,887	2,800	
-	-	-	-	-	676,119	741,917	
-	-	-	-	-	185,536	50,975	
-	-	-	-	-	54,573	49,133	
-	-	-	-	-	14,903	13,228	
\$ -	\$ 76,249	\$ 16,500	\$ 4,504	\$ 97,253	\$ 6,674,528	\$ 6,538,994	
\$ 15,409	\$ -	\$ 104,047	\$ 69,849	\$ 189,305	\$ 308,838	\$ 78,715	
-	-	-	-	-	6,255	-	
15,409	-	104,047	69,849	189,305	315,093	78,715	
-	-	16,500	4,500	21,000	1,075,520	1,030,756	
-	-	-	-	-	794,110	620,731	
-	-	16,500	4,500	21,000	1,869,630	1,651,487	
-	-	-	-	-	14,903	13,228	
-	-	-	-	-	3,361,871	3,593,813	
-	-	-	-	-	1,226,083	1,226,880	
(15,409)	76,249	(104,047)	(69,845)	(113,052)	(113,052)	(25,129)	
(15,409)	76,249	(104,047)	(69,845)	(113,052)	4,489,805	4,808,792	
\$ -	\$ 76,249	\$ 16,500	\$ 4,504	\$ 97,253	\$ 6,674,528	\$ 6,538,994	

**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	<b>Special Revenue</b>					
	<b>Cemetery</b>	<b>EMA</b>	<b>Audit</b>	<b>Motor Fuel Tax</b>	<b>Incremental Tax</b>	<b>Liability Insurance</b>
<b>REVENUES</b>						
Property taxes	\$ -	\$ 4,137	\$ 28,959	\$ -	\$ 236,492	\$ 99,774
Intergovernmental	-	-	-	655,879	-	-
Grant proceeds	-	-	-	316,370	-	-
Charges for services	83,150	-	-	-	-	-
Interest	370	40	32	1,535	3,652	216
Rental	-	-	-	-	-	-
Other	-	-	-	-	20,304	-
	<b>83,520</b>	<b>4,177</b>	<b>28,991</b>	<b>973,784</b>	<b>260,448</b>	<b>99,990</b>
<b>EXPENDITURES</b>						
Current						
General government	-	-	25,712	-	224,136	80,940
Public safety	-	27,803	-	-	-	-
Highway and streets	-	-	-	135,238	-	-
Cemetery	109,272	-	-	-	-	-
Capital outlay	30,984	-	-	1,088,992	6,968	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<b>140,256</b>	<b>27,803</b>	<b>25,712</b>	<b>1,224,230</b>	<b>231,104</b>	<b>80,940</b>
Excess (deficiency) of revenues over expenditures	(56,736)	(23,626)	3,279	(250,446)	29,344	19,050
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	30,000	-	12,385	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-	-	-
Total other financing sources (uses)	-	30,000	-	12,385	-	-
Net change in fund balances	(56,736)	6,374	3,279	(238,061)	29,344	19,050
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>232,355</b>	<b>63,634</b>	<b>45,251</b>	<b>1,964,503</b>	<b>1,117,826</b>	<b>239,841</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 175,619</b>	<b>\$ 70,008</b>	<b>\$ 48,530</b>	<b>\$ 1,726,442</b>	<b>\$ 1,147,170</b>	<b>\$ 258,891</b>

Special Revenue (cont'd)				
Storm Water Management	Illinois Municipal Retirement	Social Security/ Medicare	RBDG Fund	Total
\$ -	\$ 344,136	\$ 294,248	\$ -	\$ 1,007,746
-	17,202	14,915	-	687,996
-	-	-	-	316,370
-	-	-	-	83,150
168	273	241	2,680	9,207
10,956	-	-	-	10,956
-	-	-	-	20,304
11,124	361,611	309,404	2,680	2,135,729
12,754	390,780	380,151	-	1,114,473
-	-	-	-	27,803
-	-	-	-	135,238
-	-	-	-	109,272
156,533	-	-	-	1,283,477
-	-	-	-	-
-	-	-	-	-
169,287	390,780	380,151	-	2,670,263
(158,163)	(29,169)	(70,747)	2,680	(534,534)
150,000	45,000	86,000	-	323,385
-	-	-	-	-
-	-	-	-	-
150,000	45,000	86,000	-	323,385
(8,163)	15,831	15,253	2,680	(211,149)
280,407	368,257	326,278	175,654	4,814,006
\$ 272,244	\$ 384,088	\$ 341,531	\$ 178,334	\$ 4,602,857

**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONT'D)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	<b>Debt Service</b>		
	<b>WACC</b>	<b>Washington 223</b>	<b>Total</b>
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Grant proceeds	-	-	-
Charges for services	-	-	-
Interest	33,074	-	33,074
Rental	-	-	-
Other	66,926	-	66,926
	100,000	-	100,000
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Highway and streets	-	-	-
Cemetery	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	280,095	-	280,095
Interest	75,405	-	75,405
	355,500	-	355,500
Excess (deficiency) of revenues over expenditures	(255,500)	-	(255,500)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	255,500	-	255,500
Transfers out	-	(19,915)	(19,915)
Proceeds from sale of capital asset	-	-	-
Total other financing sources (uses)	255,500	(19,915)	235,585
Net change in fund balances	-	(19,915)	(19,915)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	19,915	19,915
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -



Capital Project						Total Nonmajor Governmental	2020 (Memo Only)
Freedom Parkway	Washington 223	North Lawndale	West Holland	Hilldale	Total		
\$ -	\$ -	\$ 16,500	\$ 4,500	\$ -	\$ 21,000	\$ 1,028,746	\$ 1,048,527
-	-	-	-	-	-	687,996	641,871
-	-	-	-	-	-	316,370	-
-	-	-	-	-	-	83,150	65,550
-	20	-	-	-	20	42,301	56,385
-	66,667	-	-	-	66,667	77,623	70,701
-	-	-	-	-	-	87,230	630
-	66,687	16,500	4,500	-	87,687	2,323,416	1,883,664
-	10,353	-	-	-	10,353	1,124,826	1,062,618
-	-	-	-	-	-	27,803	25,480
-	-	2,302	-	-	2,302	137,540	19,866
-	-	-	-	-	-	109,272	94,038
246,329	-	1,376,901	498,682	1,687	2,123,599	3,407,076	176,426
-	-	-	-	-	-	280,095	1,280,244
-	-	-	-	-	-	75,405	109,181
246,329	10,353	1,379,203	498,682	1,687	2,136,254	5,162,017	2,767,853
(246,329)	56,334	(1,362,703)	(494,182)	(1,687)	(2,048,567)	(2,838,601)	(884,189)
245,865	19,915	1,284,200	429,977	1,687	1,981,644	2,560,529	1,593,789
-	-	(16,500)	(4,500)	-	(21,000)	(40,915)	(230,234)
-	-	-	-	-	-	-	238,684
245,865	19,915	1,267,700	425,477	1,687	1,960,644	2,519,614	1,602,239
(464)	76,249	(95,003)	(68,705)	-	(87,923)	(318,987)	718,050
(14,945)	-	(9,044)	(1,140)	-	(25,129)	4,808,792	4,090,742
\$ (15,409)	\$ 76,249	\$ (104,047)	\$ (69,845)	\$ -	\$ (113,052)	\$ 4,489,805	\$ 4,808,792

**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**APRIL 30, 2021**

	<b>Employees'</b>	<b>Motor</b>	<b>Capital</b>	<b>Building</b>		<b>2020</b>
	<b>Benefit</b>	<b>Equipment</b>	<b>Replacement</b>	<b>Maintenance</b>		<b>(Memorandum</b>
	<b>Fund</b>	<b>Replacement</b>	<b>Fund</b>	<b>Fund</b>	<b>Total</b>	<b>Only)</b>
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 498,457	\$ 1,403,020	\$ 744,804	\$ 350,000	\$ 2,996,281	\$ 2,230,557
Investments	1,026,975	1,032,713	-	-	2,059,688	2,020,133
Receivables (net of allowance for uncollectibles)						
Interest	-	-	-	-	-	52
Other	6,387	12,675	-	-	19,062	14,419
Prepaid items	-	6,378	-	-	6,378	5,748
Restricted cash	131,299	-	-	-	131,299	116,828
Total current assets	1,663,118	2,454,786	744,804	350,000	5,212,708	4,387,737
<b>Noncurrent assets</b>						
Capital assets, net of accumulated depreciation	-	1,800,189	8,975	-	1,809,164	2,073,132
	<u>\$ 1,663,118</u>	<u>\$ 4,254,975</u>	<u>\$ 753,779</u>	<u>\$ 350,000</u>	<u>\$ 7,021,872</u>	<u>\$ 6,460,869</u>
<b>LIABILITIES AND NET POSITION</b>						
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ -	\$ 40,165	\$ -	\$ -	\$ 40,165	\$ 29,126
Accrued compensated absences	-	710	-	-	710	1,118
Due to other funds	1,371	-	-	-	1,371	-
Total current liabilities	1,371	40,875	-	-	42,246	30,244
<b>Noncurrent liabilities</b>						
Accrued compensated absences	-	10,812	-	-	10,812	12,392
Total liabilities	1,371	51,687	-	-	53,058	42,636
<b>Net position</b>						
Invested in capital assets	-	1,800,189	8,975	-	1,809,164	2,073,132
Unrestricted	1,661,747	2,403,099	744,804	350,000	5,159,650	4,345,101
Total net position	1,661,747	4,203,288	753,779	350,000	6,968,814	6,418,233
	<u>\$ 1,663,118</u>	<u>\$ 4,254,975</u>	<u>\$ 753,779</u>	<u>\$ 350,000</u>	<u>\$ 7,021,872</u>	<u>\$ 6,460,869</u>

**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	<b>Employees'</b>	<b>Motor</b>	<b>Capital</b>	<b>Building</b>		<b>2020</b>
	<b>Benefit</b>	<b>Equipment</b>	<b>Replacement</b>	<b>Maintenance</b>		<b>(Memorandum</b>
	<b>Fund</b>	<b>Replacement</b>	<b>Fund</b>	<b>Fund</b>	<b>Total</b>	<b>Only)</b>
<b>OPERATING REVENUES</b>						
Charges for services	\$ 1,208,998	\$ 1,121,085	\$ 163,318	\$ -	\$ 2,493,401	\$ 2,158,873
Employee contributions	253,374	-	-	-	253,374	187,010
Other	14,871	17,632	-	-	32,503	239,430
	1,477,243	1,138,717	163,318	-	2,779,278	2,585,313
<b>OPERATING EXPENSES</b>						
Personal services	1,469,547	117,154	-	-	1,586,701	1,456,883
Materials and supplies	-	136,152	-	-	136,152	146,600
Other services and charges	-	193,591	-	-	193,591	173,064
Depreciation	-	354,555	5,879	-	360,434	358,717
	1,469,547	801,452	5,879	-	2,276,878	2,135,264
Operating income	7,696	337,265	157,439	-	502,400	450,049
<b>NONOPERATING REVENUES</b>						
Interest income	(15,909)	(22,096)	(376)	-	(38,381)	(57,003)
Gain on sale of equipment	-	(9,800)	-	-	(9,800)	(21,256)
	(15,909)	(31,896)	(376)	-	(48,181)	(78,259)
Net income before transfers	23,605	369,161	157,815	-	550,581	528,308
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in (out)	-	(350,000)	-	350,000	-	-
Change in net position	23,605	19,161	157,815	350,000	550,581	528,308
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	1,638,142	4,184,127	595,964	-	6,418,233	5,889,925
<b>TOTAL NET POSITION, END OF YEAR</b>	\$ 1,661,747	\$ 4,203,288	\$ 753,779	\$ 350,000	\$ 6,968,814	\$ 6,418,233

**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	<b>Employees' Benefit Fund</b>	<b>Motor Equipment Replacement Fund</b>	<b>Capital Replacement Fund</b>	<b>Building Maintenance Fund</b>	<b>Total</b>	<b>2020 (Memorandum Only)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 1,483,551	\$ 6,681	\$ -	\$ -	\$ 1,490,232	\$ 1,612,439
Receipts from interfund services provided	-	1,121,085	163,318	-	1,284,403	961,118
Payments to suppliers	(1,471,221)	(330,373)	-	-	(1,801,594)	(1,667,501)
Payments to employees	-	(119,142)	-	-	(119,142)	(106,707)
Net cash provided by operating activities	12,330	678,251	163,318	-	853,899	799,349
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Advances from (to) other funds	1,371	-	-	-	1,371	32,187
Transfers from (to) other funds	-	(350,000)	-	350,000	-	-
Net cash provided by (used in) noncapital financing activities	1,371	(350,000)	-	350,000	1,371	32,187
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	-	(96,466)	-	-	(96,466)	(782,506)
Proceeds from sale of equipment	-	9,800	-	-	9,800	332,967
Net cash used in capital and related financing activities	-	(86,666)	-	-	(86,666)	(449,539)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	15,909	22,096	376	-	38,381	57,508
Purchase of investments	(20,235)	(6,555)	-	-	(26,790)	(2,027,651)
Proceeds from sale/maturity of investments	-	-	-	-	-	1,570,013
Net cash provided by (used in) investing activities	(4,326)	15,541	376	-	11,591	(400,130)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	9,375	257,126	163,694	350,000	780,195	(18,133)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	620,381	1,145,894	581,110	-	2,347,385	2,365,518
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 629,756	\$ 1,403,020	\$ 744,804	\$ 350,000	\$ 3,127,580	\$ 2,347,385
<b>Reconciliation of operating income to net cash provided by operating activities:</b>						
Operating income	\$ 7,696	\$ 337,265	\$ 157,439	\$ -	\$ 502,400	\$ 450,049
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	-	354,555	5,879	-	360,434	358,717
(Increase) decrease in receivables	6,308	(10,951)	-	-	(4,643)	(11,756)
(Increase) decrease in prepaid items	-	(630)	-	-	(630)	105
Increase (decrease) in accounts payable and accrued liabilities	(1,674)	-	-	-	(1,674)	(448)
Increase (decrease) in accrued comp. absences	-	(1,988)	-	-	(1,988)	2,682
Net cash provided by operating activities	\$ 12,330	\$ 678,251	\$ 163,318	\$ -	\$ 853,899	\$ 799,349

**CITY OF WASHINGTON, ILLINOIS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED APRIL 30, 2021**

**PRESENTATION OF CASH AND CASH EQUIVALENTS ON THE  
COMBINING STATEMENT OF NET POSITION**

	<b>Employees'</b>	<b>Motor Equipment</b>	<b>Capital</b>	<b>Building</b>	
	<b>Benefit</b>	<b>Replacement</b>	<b>Replacement</b>	<b>Maintenance</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Total</b>
Cash and cash equivalents	\$ 498,457	\$ 1,403,020	\$ 744,804	\$ 350,000	\$ 2,996,281
Restricted cash	131,299	-	-	-	131,299
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 629,756</b>	<b>\$ 1,403,020</b>	<b>\$ 744,804</b>	<b>\$ 350,000</b>	<b>\$ 3,127,580</b>

**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING SCHEDULE OF OPERATING EXPENSES, OTHER THAN DEPRECIATION**  
**ENTERPRISE FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	<b>2020</b>			
	<b>(Memorandum</b>			
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>	<b>Only)</b>
<b>Personal services</b>				
Wages and salaries	\$ 533,356	\$ 609,546	\$ 1,142,902	\$ 1,006,810
Payroll taxes	5,686	6,995	12,681	17,505
Group insurance	166,762	215,332	382,094	329,959
Uniforms	2,157	2,864	5,021	4,906
Total personal services	707,961	834,737	1,542,698	1,359,180
<b>Heat, lights, and power</b>				
Electricity	115,862	135,876	251,738	282,862
Heating	4,390	1,695	6,085	7,394
Total heat, lights, and power	120,252	137,571	257,823	290,256
<b>Materials and supplies</b>				
Chemicals and supplies	159,710	37,196	196,906	175,593
Operating supplies	31,176	29,872	61,048	45,889
Perishable tools	5,817	8,300	14,117	19,196
Total materials and supplies	196,703	75,368	272,071	240,678
<b>Other services and charges</b>				
Training and recruitment	1,026	678	1,704	2,216
Insurance	8,031	7,356	15,387	18,117
Printing fees	5,890	5,997	11,887	3,236
Legal fees	13,946	5,560	19,506	8,752
Consulting fees	40,712	34,764	75,476	92,870
Rent	5,763	4,760	10,523	7,105
Repairs and maintenance:				
Building	33,678	21,020	54,698	14,883
Equipment	10,408	14,478	24,886	19,853
System	132,596	119,063	251,659	199,781
Motor equipment replacement	74,500	205,000	279,500	225,000
Capital replacement	30,712	53,508	84,220	84,220
Telephone	17,768	18,361	36,129	31,154
Engineering fees	738	74	812	103,511
Miscellaneous	13,023	28,516	41,539	63,994
Total other services and charges	388,791	519,135	907,926	874,692
	\$ 1,413,707	\$ 1,566,811	\$ 2,980,518	\$ 2,764,806

**CITY OF WASHINGTON, ILLINOIS  
SCHEDULE OF PROPERTY TAX LEVIES, RATES, COLLECTIONS,  
AND ASSESSED VALUATION  
2018 THROUGH 2020**

	2020 Levy			2019 Levy			2018 Levy		
	Levy	Rate	Amounts Extended	Levy	Rate	Collections	Levy	Rate	Collections
<b>GENERAL FUND</b>									
General Corporate	\$ -	-	\$ -	\$ -	-	\$ -	\$ 336,075	0.0965	\$ 336,085
Police Pension	657,500	0.1879	657,519	614,000	0.1762	612,416	535,300	0.1536	535,310
Ambulance	174,625	0.0499	174,650	174,601	0.0501	174,171	-	-	-
Fire Protection	86,023	0.0246	86,048	85,998	0.0247	85,800	-	-	-
<b>SPECIAL REVENUE FUNDS</b>									
Civil Defense	4,142	0.0012	4,164	4,142	0.0012	4,137	3,300	0.0010	3,310
Audit	29,000	0.0083	29,009	29,000	0.0083	28,959	29,000	0.0083	29,023
Illinois Municipal Retirement	362,000	0.1035	362,003	345,000	0.0990	344,136	345,000	0.0990	345,004
Social Security	316,000	0.0903	316,022	295,000	0.0846	294,248	295,000	0.0847	295,006
<b>INTERNAL SERVICE FUND</b>									
Liability Insurance	100,000	0.0286	100,010	100,000	0.0287	99,774	104,000	0.0299	104,003
<b>TOTAL</b>	<u>\$ 1,729,290</u>	<u>0.4942</u>	<u>\$ 1,729,425</u>	<u>\$ 1,647,741</u>	<u>0.4728</u>	<u>\$ 1,643,641</u>	<u>\$ 1,647,675</u>	<u>0.4730</u>	<u>\$ 1,647,741</u>
<b>CITY SHARE OF TOWNSHIP</b>									
<b>ROAD AND BRIDGE</b>			<u>\$ 218,706</u>			<u>\$ 217,133</u>			<u>\$ 217,762</u>
<b>INCREMENTAL TAX DISTRICT</b>			<u>\$ 243,312</u>			<u>\$ 236,492</u>			<u>\$ 230,595</u>
<b>N. LAWNSDALE SPECIAL SERVICE AREA</b>			<u>\$ 16,500</u>			<u>\$ 16,500</u>			<u>\$ -</u>
<b>W. HOLLAND SPECIAL SERVICE AREA</b>			<u>\$ 4,500</u>			<u>\$ 4,500</u>			<u>\$ -</u>
<b>ASSESSED VALUATIONS</b>	<u>\$ 349,930,355</u>			<u>\$ 348,552,322</u>			<u>\$ 348,418,651</u>		

**CITY OF WASHINGTON, ILLINOIS  
INFORMATION REGARDING WASTEWATER  
USER-CHARGE SYSTEM  
YEAR ENDED APRIL 30, 2021**

(Unaudited)

The City adopted Ordinance Number 1299 establishing a user-charge system for wastewater system for wastewater treatment on November 7, 1977.

Information required to be disclosed by Section 53.026 of the Ordinance is as follows:

Replacement cost of wastewater facility	Not Available
Total gallons received at the wastewater plant for the year	874,850,000
Total gallons of wastewater billed based on the user-charge system for the year	259,899,159
Number of metered users connected to the system at April 30, 2021	5,248
Number of non metered users at April 30, 2021	11





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*

City Council  
City of Washington, 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Washington, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Washington, Illinois basic financial statements and have issued our report thereon dated December 3, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Washington, Illinois' internal control over financial reporting (internal control) to determine the 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 Washington, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Washington, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's combined 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 the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Washington, Illinois financial statements are free of 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*.

## **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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. The 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.

*Phillips, Salmi & Associates, LLC*

Washington, Illinois  
December 3, 2021