

CITY OF MORRISON, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2019

CITY OF MORRISON
April 30, 2019
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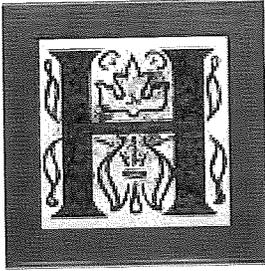
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INDEPENDENT AUDITOR'S REPORT

City Council
City of Morrison, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Morrison, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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. 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 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Morrison, Illinois as of April 30, 2019, 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 retirement plan information in Schedule 1 and budgetary comparison information in Schedules 2 and 3 and Notes to Budgetary Comparison Schedules be presented to supplement the basic financial statements, as listed as *Required Supplementary Information* in the table of contents. 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 Schedule 1 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 in Schedule 1 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Morrison's basic financial statements. Schedules 4-7 detailed as *Supplementary Information* in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *Supplementary Information* is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The *Required Supplementary Information*, except for Schedule 1, and *Supplementary Information* have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules identified above as *Required Supplementary Information*, except Schedule 1, and *Supplementary Information* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hopkins & Assoc.

Granville, Illinois
August 16, 2019

CITY OF MORRISON
GOVERNMENT-WIDE STATEMENT OF NET POSITION
April 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents (Note 2)	\$ 1,959,806	\$ 3,106,071	\$ 5,065,877
Receivables (net) :			
Property Tax (Note 1C)	625,300	-	625,300
Other (Note 7)	382,813	262,627	645,440
	3,913	-	3,913
Inventory	37,470	15,864	53,334
Prepaid Expenses (Note 14)			
Capital Assets: (Note 3)			
Land	264,429	320,459	584,888
Buildings and Public Property	4,854,586	-	4,854,586
Streets and Land Improvements	1,293,096	-	1,293,096
Machinery, Equipment, and Vehicles	1,416,781	374,375	1,791,156
Water and Sewer Infrastructure	-	30,085,683	30,085,683
Accumulated Depreciation	(4,416,322)	(5,863,290)	(10,279,612)
Total Assets	<u>\$ 6,421,872</u>	<u>\$ 28,301,789</u>	<u>\$ 34,723,661</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Pension Resources	\$ 920,564	\$ 433,204	\$ 1,353,768
Unamortized Loss on Refunding	20,456	-	20,456
Total Deferred Outflows of Resources	<u>\$ 941,020</u>	<u>\$ 433,204</u>	<u>\$ 1,374,224</u>
Total Assets and Deferred Outflows	<u>\$ 7,362,892</u>	<u>\$ 28,734,993</u>	<u>\$ 36,097,885</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable (Note 7)	\$ 9,396	\$ 47,881	\$ 57,277
Accrued Wages and Payroll Liabilities (Note 7)	39,187	16,538	55,725
Accrued Vacation and Sick Pay (Note 1L)	2,188	8,598	10,786
Customer Deposits	-	25,783	25,783
Long-Term Liabilities: (Note 11)			
Accrued Compensated Absences	86,861	21,907	108,768
Net Pension Liability (Note 13)	947,939	446,084	1,394,023
Long-Term Debt - Due within One Year	163,656	472,000	635,656
Long-Term Debt - Due in more than One Year	2,099,231	14,576,788	16,676,019
Total Liabilities	<u>\$ 3,348,458</u>	<u>\$ 15,615,579</u>	<u>\$ 18,964,037</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	\$ 625,300	\$ -	\$ 625,300
Deferred Inflows of Pension Resources	416,839	196,159	612,998
Total Deferred Inflows of Resources	<u>\$ 1,042,139</u>	<u>\$ 196,159</u>	<u>\$ 1,238,298</u>
NET POSITION			
Net Investment in Capital Assets	\$ 1,149,683	\$ 9,868,439	\$ 11,018,122
Restricted - nonexpendable	41,383	-	41,383
Restricted for: (Note 4)			
Debt Service	235,323	-	235,323
Economic Development	-	-	-
Road Maintenance	224,185	-	224,185
Other Purposes	879,876	-	879,876
Unrestricted:			
Related to Net Pension Liability (Note 13)	(444,214)	(209,039)	(653,253)
Other Purposes	886,059	3,263,855	4,149,914
Total Net Position	<u>\$ 2,972,295</u>	<u>\$ 12,923,255</u>	<u>\$ 15,895,550</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 7,362,892</u>	<u>\$ 28,734,993</u>	<u>\$ 36,097,885</u>

See accompanying notes to basic financial statements.

CITY OF MORRISON
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 Year Ended April 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Fee/Fines Charges for Service	Operating Grants and Refunds	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Governmental Activities:						
General Administration	\$ 592,242	\$ -	\$ 66,600	\$ (429,808)	\$ -	\$ (429,808)
Public Safety	570,194	-	9,490	(534,712)	-	(534,712)
Streets and Alleys	857,386	-	-	(857,386)	-	(857,386)
Parks, Recreation, and Library	297,144	-	100,221	(114,409)	-	(114,409)
Municipal Buildings and Grounds	319,333	-	-	(272,826)	-	(272,826)
Economic Development	687,275	-	-	(687,275)	-	(687,275)
Interest on Long-Term Debt	76,763	-	-	(76,763)	-	(76,763)
Total Governmental Activities	\$ 3,400,337	\$ 250,847	\$ 176,311	\$ (2,973,179)	\$ -	\$ (2,973,179)
Business-Type Activities:						
Water, Sanitation, and Sewer	\$ 1,788,921	\$ 2,399,522	\$ 96,335	\$ 706,936	\$ (225,579)	\$ 706,936
Interest on Long-Term Debt	225,579	-	-	(225,579)	-	(225,579)
Total Business-Type Activities	\$ 2,014,500	\$ 2,399,522	\$ 96,335	\$ 481,357	\$ (481,357)	\$ 481,357
Total Primary Government	\$ 5,414,837	\$ 2,650,369	\$ 272,646	\$ (2,973,179)	\$ 481,357	\$ (2,491,822)

General revenues:

Taxes:						
Property Taxes	\$ 626,358	\$ -	\$ -	\$ 626,358	\$ -	\$ 626,358
Income Tax	442,777	-	-	442,777	-	442,777
Sales and Use Taxes	832,201	-	-	832,201	-	832,201
Utility Tax	184,031	-	-	184,031	-	184,031
Telecommunications Tax	74,636	-	-	74,636	-	74,636
Motor Fuel Tax	106,311	-	-	106,311	-	106,311
Replacement Tax	51,129	-	-	51,129	-	51,129
Motel Tax	150	-	-	150	-	150
Foreign Fire Insurance	10,314	-	-	10,314	-	10,314
Video Gaming Tax	32,187	-	-	32,187	-	32,187
Interest Earned	57,467	52,494	-	109,961	-	109,961
Other General Revenue	33,392	-	-	33,392	-	33,392
Total General Revenues	\$ 2,450,953	\$ 52,494	\$ -	\$ 2,503,447	\$ -	\$ 2,503,447
Change in Net Position from Operations	\$ (522,226)	\$ 533,851	\$ -	\$ 11,625	\$ (8,274)	\$ 11,625
Change in Accrued Vacation and Sick Pay Liability	(8,274)	-	-	(8,274)	-	(8,274)
Change in Interest Payable on Debt	24,603	-	-	24,603	-	24,603
Transfer In (Note 6)	469,341	10,000	-	479,341	-	479,341
Transfer (Out) (Note 6)	(441,839)	(37,502)	-	(479,341)	-	(479,341)
Change in Net Position	\$ (478,395)	\$ 506,349	\$ -	\$ 27,954	\$ -	\$ 27,954
Prior Period Adjustment	29,000	616	-	29,616	-	29,616
Net Position - Beginning	3,421,690	12,416,290	-	15,837,980	-	15,837,980
Net Position - Ending	\$ 2,972,295	\$ 12,923,255	\$ -	\$ 15,895,550	\$ -	\$ 15,895,550

See accompanying notes to basic financial statements.

**CITY OF MORRISON
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
April 30, 2019**

	General Fund	Local 1% Sales Tax Fund	Debt Service Fund	Other Governmental Funds	TOTAL
ASSETS					
Cash and Cash Equivalents (Note 2)	\$ 792,184	\$ 62,226	\$ 201,528	\$ 903,868	\$ 1,959,806
Accounts Receivable (Note 7)	277,179	57,434	33,795	14,405	382,813
Due From Other Funds	-	-	-	59,713	59,713
Property Tax Receivable (Note 1C)	181,000	-	-	444,300	625,300
Inventory	3,913	-	-	-	3,913
Prepaid Expenses (Note 14)	-	-	-	37,470	37,470
Total Assets	<u>\$ 1,254,276</u>	<u>\$ 119,660</u>	<u>\$ 235,323</u>	<u>\$ 1,459,756</u>	<u>\$ 3,069,015</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE					
Liabilities:					
Accounts Payable (Note 7)	\$ 6,426	\$ -	\$ -	\$ 2,970	\$ 9,396
Due to Other Funds	59,713	-	-	-	59,713
Accrued Wages (Note 7)	31,215	-	-	-	31,215
Accrued Compensated Absences (Note 7)	2,188	-	-	-	2,188
Payroll Tax Liabilities (Note 7)	-	-	-	7,972	7,972
Total Liabilities	<u>\$ 99,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,942</u>	<u>\$ 110,484</u>
Deferred Inflows of Resources:					
Deferred Property Taxes (Note 1C)	\$ 181,000	\$ -	\$ -	\$ 444,300	\$ 625,300
Total Deferred Inflows of Resources	<u>\$ 181,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,300</u>	<u>\$ 625,300</u>
Fund Balances (Note 1):					
Nonspendable	\$ 3,913	\$ -	\$ -	\$ 37,470	\$ 41,383
Restricted	17,357	119,660	235,323	967,044	1,339,384
Committed	8,606	-	-	-	8,606
Assigned	-	-	-	-	-
Unassigned	943,858	-	-	-	943,858
Total Fund Balances	<u>\$ 973,734</u>	<u>\$ 119,660</u>	<u>\$ 235,323</u>	<u>\$ 1,004,514</u>	<u>\$ 2,333,231</u>
Total Liabilities and Fund Balances	<u>\$ 1,254,276</u>	<u>\$ 119,660</u>	<u>\$ 235,323</u>	<u>\$ 1,459,756</u>	<u>\$ 3,069,015</u>

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

Total Fund Balances - All Governmental Funds	\$ 2,333,231
The amount of the book value of capital assets at April 30, 2019. (In governmental fund statements, all capital assets are expensed as purchased. Under GASB No. 34 in the government-wide statements of net position, capital assets are presented at book value.)	3,412,570
The amount of the book value of debt at April 30, 2019. (Governmental funds do not report debt on the balance sheet. In the government-wide statement of net position, debt is reported as a long-term liability.)	(2,262,887)
The amount of Net Pension Liability at April 30, 2019. (In the government-wide statement of net position, net pension liability is reported as a long-term liability).	(947,939)
The amount of Deferred Outflows (Inflows) at April 30, 2019 related to IMRF and Police Pension Expenditures.	503,725
The amount of Deferred Outflows (Inflows) at April 30, 2019 related to Unamortized Loss on Refunding.	20,456
Compensated Absences not due and payable from current resources are not reported in governmental funds	(86,861)
Total Net Position of Governmental Activities	<u>\$ 2,972,295</u>

See accompanying notes to basic financial statements.

CITY OF MORRISON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	General Fund	1% Local Sales Tax Fund	Debt Service Fund	Other Governmental Funds	TOTAL
REVENUES					
Property Tax	\$ 204,424	\$ -	\$ -	\$ 421,934	\$ 626,358
Licenses	58,733	-	-	-	58,733
Permits	8,503	-	-	-	8,503
Income Tax	442,777	-	-	-	442,777
Replacement Tax	25,114	-	-	26,015	51,129
Sales Tax	461,281	-	-	-	461,281
Local 1% Sales Tax	-	245,183	-	-	245,183
Use Tax	125,737	-	-	-	125,737
Video Gaming Tax	32,187	-	-	-	32,187
Hotel/Motel Tax	150	-	-	-	150
Fees	739	-	-	-	739
Interest Revenue	25,527	519	3,404	28,017	57,467
Rental Revenue	2,750	-	-	-	2,750
Reimbursements	14,152	-	-	-	14,152
Donations - Unrestricted	66,600	-	-	94,986	161,586
Certified Death Certificates	10,957	-	-	-	10,957
Police - Fines, Patrol, Fees, Reports	25,701	-	-	291	25,992
Cemetery - Fees and Lot Sales	43,760	-	-	-	43,760
Park - Events, Fees, Concessions, Rental	72,528	-	-	-	72,528
Foreign Fire Insurance Tax	-	-	-	10,314	10,314
Motor Fuel Tax	-	-	-	106,311	106,311
State Grant	-	-	-	14,725	14,725
Vehicle Disposal	-	-	-	9,418	9,418
Library - Desk Fees	-	-	-	9,986	9,986
Utility Tax	-	-	184,031	-	184,031
Telecommunications Tax	-	-	74,636	-	74,636
Cemetery - Perpetual Care	-	-	-	2,747	2,747
Other	23,814	-	-	160	23,974
Total Revenues	\$ 1,645,434	\$ 245,702	\$ 262,071	\$ 724,904	\$ 2,878,111
EXPENDITURES					
Current:					
General Administrative	\$ 372,215	\$ -	\$ 450	\$ 226,475	\$ 599,140
Public Safety	473,678	-	-	81,929	555,607
Streets and Alleys	345,679	231,523	-	172,798	750,000
Parks, Recreation, and Library	179,609	-	-	115,093	294,702
Municipal Buildings and Grounds	125,393	-	-	-	125,393
Economic Development	357,863	-	-	329,412	687,275
Debt service:					
Loan Interest	9,168	-	65,583	2,012	76,763
Loan Principal	54,057	-	80,000	13,916	147,973
Capital Outlay	88,614	-	-	74,010	162,624
Total Expenditures	\$ 2,006,276	\$ 231,523	\$ 146,033	\$ 1,015,645	\$ 3,399,477
Excess (Deficiency) of Revenues over Expenditures	\$ (360,842)	\$ 14,179	\$ 116,038	\$ (290,741)	\$ (521,366)
Transfer In (Note 6)	\$ 437,992	\$ -	\$ -	\$ 31,349	\$ 469,341
Transfer (Out) (Note 6)	(6,349)	-	(95,000)	(340,490)	(441,839)
Loan Proceeds - Fire Truck	-	-	-	69,465	69,465
Net Change in Fund Balances	\$ 70,801	\$ 14,179	\$ 21,038	\$ (530,417)	\$ (424,399)
Prior Period Adjustment	61,076	-	-	583	61,659
Fund Balances - Beginning	841,857	105,481	214,285	1,534,348	2,695,971
Fund Balances - Ending	\$ 973,734	\$ 119,660	\$ 235,323	\$ 1,004,514	\$ 2,333,231

See accompanying notes to basic financial statements.

CITY OF MORRISON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	(424,399)
The amount by which depreciation (\$318,957) exceeded capital outlays (\$162,624) in the current period. (Governmental Funds report capital outlays as expenditures and do not report depreciation. In the government-wide statement of activities the costs of the purchased capital assets are reported as depreciation expense over the estimated useful lives of the assets.)		(156,333)
The amount by which debt service (\$224,736) exceeded interest paid (\$76,763). (Governmental Funds report debt service interest paid and debt service principal payments as expenditures. In the government-wide statement of activities the cost of the debt service interest paid is reported as Interest on Long-Term Debt as a functional expenditure. Principal paid reduces the long-term liability and, in turn, is not recorded as an expenditure.)		147,973
Increase in Accrued Vacation and Sick Pay. (This is a long-term liability and is only reported on the government-wide statements.)		(8,274)
Decrease in Interest Payable on Debt - amount not reported in the governmental funds if payments are due subsequent to reporting date		24,603
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds - Amortization of Loss on Refunding of bonds		(5,643)
Proceeds from Loan Issuance. (Governmental Funds report proceeds from debt issuance as revenue. The amount is recorded as a long-term liability on the government-wide statement of net position, and no activity is recorded on the government-wide statement of activities.)		(69,465)
The change in Net Pension Liability and related Deferred Inflows/Outflows. (Governmental Funds do not report expenditures that do not require current use of financial resources.)		<u>13,143</u>
Change in Net Position of Governmental Activities	\$	<u>(478,395)</u>

See accompanying notes to basic financial statements.

CITY OF MORRISON
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
April 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Sanitation Fund	Total Proprietary Funds	Self Insured Deductible Fund
ASSETS					
Current Assets:					
Cash and Cash Equivalents(Note 2)	\$ 846,433	\$ 2,210,022	\$ 49,616	\$ 3,106,071	\$ 50,781
Receivables:					
Accounts Receivable (Note 7)	103,371	156,993	2,263	262,627	-
Prepaid Expenses	-	15,864	-	15,864	22,210
Due From Other Funds	365,861	(365,861)	-	-	-
Non-Current Assets:					
Capital Assets: (Note 3)					
Land	-	320,459	-	320,459	-
Infrastructure	10,000,902	20,084,781	-	30,085,683	-
Meters	206,958	-	-	206,958	-
Vehicles and Equipment	101,103	66,314	-	167,417	-
Accumulated Depreciation	(2,903,581)	(2,959,709)	-	(5,863,290)	-
Total Assets	\$ 8,721,047	\$ 19,528,863	\$ 51,879	\$ 28,301,789	\$ 72,991
DEFERRED OUTFLOWS OF RESOURCES	\$ 189,528	\$ 243,676	\$ -	\$ 433,204	\$ -
Total Assets and Deferred Outflows	\$ 8,910,575	\$ 19,772,539	\$ 51,879	\$ 28,734,993	\$ 72,991
LIABILITIES					
Current Liabilities:					
Accounts Payable (Note 7)	\$ 15,187	\$ 13,041	\$ 19,653	\$ 47,881	\$ -
Accrued Wages and Payroll Liab. (Note 7)	8,574	7,964	-	16,538	-
Accrued Vacation and Sick Pay (Note 1L)	9,807	20,698	-	30,505	-
Customer Deposits	25,783	-	-	25,783	-
Non-Current Liabilities: (Note 11)					
Net Pension Liability	195,162	250,922	-	446,084	-
Due within One Year	102,000	370,000	-	472,000	-
Due in more than One Year	2,731,522	11,845,266	-	14,576,788	-
Total Liabilities	\$ 3,088,035	\$ 12,507,891	\$ 19,653	\$ 15,615,579	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 85,820	\$ 110,339	\$ -	\$ 196,159	\$ -
Deferred Inflows	\$ 85,820	\$ 110,339	\$ -	\$ 196,159	\$ -
Total Deferred Inflows of Resources	\$ 85,820	\$ 110,339	\$ -	\$ 196,159	\$ -
NET POSITION					
Net Investment in Capital Assets	\$ 4,571,860	\$ 5,296,579	\$ -	\$ 9,868,439	\$ -
Restricted-nonexpendable	-	-	-	-	22,210
Restricted	-	-	-	-	-
Unrestricted	1,164,860	1,857,730	32,226	3,054,816	50,781
Total Net Position	\$ 5,736,720	\$ 7,154,309	\$ 32,226	\$ 12,923,255	\$ 72,991
Total Liabilities, Deferred Inflows, and Net Position	\$ 8,910,575	\$ 19,772,539	\$ 51,879	\$ 28,734,993	\$ 72,991

See accompanying notes to basic financial statements.

CITY OF MORRISON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended April 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Sanitation Fund	Total	Self Insured Deductible Fund
				Enterprise Funds	
OPERATING REVENUES					
Charges for Service:					
Water Fees	\$ 866,500	\$ -	\$ -	\$ 866,500	\$ -
Sewer Fees	-	1,256,446	-	1,256,446	-
Landfill Charges	-	-	275,856	275,856	-
Health Insurance Contributions	-	-	-	-	356,521
Other	-	2	718	720	-
Total Operating Revenues	\$ 866,500	\$ 1,256,448	\$ 276,574	\$ 2,399,522	\$ 356,521
OPERATING EXPENSES					
Salaries	\$ 168,000	\$ 187,922	\$ -	\$ 355,922	\$ -
Workers' Compensation	928	2,272	-	3,200	-
Social Security	12,854	13,879	-	26,733	-
Retirement	17,731	19,797	-	37,528	-
Automobile Allowance	900	900	-	1,800	-
Maintenance Service	19,689	16,477	-	36,166	-
Accounting Service	5,925	5,925	-	11,850	-
Legal	-	534	-	534	-
Software/Hardware	519	8,441	-	8,960	-
Computer System Maintenance	1,087	7,555	-	8,642	-
Lab Fees	3,287	-	-	3,287	-
Postage	5,071	4,583	-	9,654	-
Telephone	8,986	7,631	-	16,617	-
Printing	1,304	713	-	2,017	-
Dues & Permit Fees	874	699	-	1,573	-
Travel/Training	466	700	-	1,166	-
Utilities	13,390	98,623	-	112,013	-
Drug Testing	-	675	-	675	-
IEPA Permit	-	17,500	-	17,500	-
Liability/General Insurance	794	27,690	-	28,484	-
Maintenance Supplies	35,449	9,031	-	44,480	-
Office Supplies	801	801	-	1,602	-
Operating Supplies	2,006	543	-	2,549	-
Small Tools	885	596	-	1,481	-
Lab Supplies	1,394	3,954	-	5,348	-
Fuel/Oil	3,416	3,747	-	7,163	-
Chemicals	14,003	-	-	14,003	-
Uniforms	233	795	-	1,028	-
Meter Testing/Replacement	8,940	-	-	8,940	-
System Leak Survey	3,800	-	-	3,800	-
Economic Development	9,900	9,900	-	19,800	-
Banking Fees	4,639	4,639	-	9,278	-
Contractual Waste Hauler	-	-	237,839	237,839	-
Health Insurance Fund - Reimbursement	36,518	55,231	-	91,749	-
Health Insurance	-	-	-	-	316,195
Depreciation	309,432	339,639	-	649,071	-
Miscellaneous	4,320	8,279	58	12,657	-
Total Operating Expenses	\$ 697,541	\$ 859,671	\$ 237,897	\$ 1,795,109	\$ 316,195
Net Operating Income (Loss)	\$ 168,959	\$ 396,777	\$ 38,677	\$ 604,413	\$ 40,326
NON-OPERATING REVENUE (EXPENSES)					
Interest Revenue	\$ 15,111	\$ 36,657	\$ 726	\$ 52,494	\$ -
State Grant	-	96,335	-	96,335	-
Change in Pension Liability & Deferrals	2,708	3,480	-	6,188	-
Debt Interest Expense	(36,386)	(189,193)	-	(225,579)	-
Transfer In (Note 6)	-	10,000	-	10,000	-
Transfer (Out) (Note 6)	(5,000)	(5,000)	(27,502)	(37,502)	-
Changes in Net Position - Current Year	\$ 145,392	\$ 349,056	\$ 11,901	\$ 506,349	\$ 40,326
Prior Period Adjustment	(18,166)	18,782	-	616	-
Total Net Position - Beginning	5,609,494	6,786,471	20,325	12,416,290	32,665
Total Net Position - Ending	\$ 5,736,720	\$ 7,154,309	\$ 32,226	\$ 12,923,255	\$ 72,991

See accompanying notes to basic financial statements.

CITY OF MORRISON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	Water Fund	Sewer Fund	Sanitation Fund	Total Proprietary Funds	Self Insured Deductible Fund
Cash flows from operating activities:					
Cash Received from Customers	\$ 883,315	\$ 1,272,898	\$ 278,911	\$ 2,435,124	\$ 356,521
Payments to Employees & for Employee Benefits	(205,117)	(220,325)	-	(425,442)	(315,480)
Payments to Suppliers	(173,200)	(402,950)	(237,508)	(813,658)	-
Other Operating Revenues (Expenses)	(4,301)	(8,277)	660	(11,918)	-
Net cash provided by operating activities	\$ 500,697	\$ 641,346	\$ 42,063	\$ 1,184,106	\$ 41,041
Cash flows from non-capital financing activities:					
Transfers In	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -
Transfers (Out)	(5,000)	(5,000)	(27,502)	(37,502)	-
Advances with Other Funds (Net)	-	-	-	-	-
Net cash provided (used) by non-cap. fin. activities	\$ (5,000)	\$ 5,000	\$ (27,502)	\$ (27,502)	\$ -
Cash flows from capital and related financing activities:					
Forgiveable Portion of EPA Loan	\$ -	\$ 96,335	\$ -	\$ 96,335	\$ -
Proceeds from Note Payable	-	520,992	-	520,992	-
Principal Payments on Note Payable	(103,138)	(440,448)	-	(543,586)	-
Acquisition of Capital Assets	(222,737)	(455,148)	-	(677,885)	-
Interest Paid	(36,386)	(189,193)	-	(225,579)	-
Net cash (used) by capital financing activities	\$ (362,261)	\$ (467,462)	\$ -	\$ (829,723)	\$ -
Cash flows from investing activities:					
Interest Revenue	\$ 15,111	\$ 36,657	\$ 726	\$ 52,494	\$ -
Net cash provided by investing activities	\$ 15,111	\$ 36,657	\$ 726	\$ 52,494	\$ -
Net increase in cash and cash equivalents	\$ 148,547	\$ 215,541	\$ 15,287	\$ 379,375	\$ 41,041
Cash and equivalents, April 30, 2018	697,886	1,994,481	34,329	2,726,696	9,740
Cash and equivalents, April 30, 2019	\$ 846,433	\$ 2,210,022	\$ 49,616	\$ 3,106,071	\$ 50,781
Reconciliation of Operating Income (Loss) to Net Cash provided (used) by Operating Activities					
Operating Income (Loss)	\$ 168,959	\$ 396,777	\$ 38,677	\$ 604,413	\$ 40,326
Adjustments to reconcile net loss to net cash provided by operating activities:					
Depreciation	\$ 309,432	\$ 339,639	\$ -	\$ 649,071	\$ -
Changes in Assets and Liabilities					
(Increase) Decrease in Other Assets	54,479	100,414	3,055	157,948	715
Increase (Decrease) in Payables	(32,173)	(195,484)	331	(227,326)	-
Total Adjustments	\$ 331,738	\$ 244,569	\$ 3,386	\$ 579,693	\$ 715
Net Cash provided by operating activities	\$ 500,697	\$ 641,346	\$ 42,063	\$ 1,184,106	\$ 41,041

See accompanying notes to basic financial statements.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

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

A. General

The City of Morrison, Illinois, governed by an elected mayor and eight aldermen. The City's major operations include police protection, parks and recreation, public works, and general administrative services. In addition, the City owns and operates a water and sewer system.

For the year ended April 30, 2019, the financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below.

B. Reporting Entity

The City of Morrison, Illinois, includes all of the funds and account groups relevant to the operation of the City in the financial statements reported herein.

The criteria of GASB pronouncements have been considered in determining the activities to be included in this report. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include potential component units in the reporting entity was based upon the significance of their operational or financial relationship with the primary government.

These financial statements present the City (the primary government) and its component unit, The Odell Public Library (the "Library").

Blended Component Unit - The Odell Public Library (the "Library") serves all the citizens of the City and is governed by the Library Board of Trustees. The budget and tax levy ordinance is approved by the Library Board and City Council. Although it is legally separate from the City, the Library is reported as if it were part of the primary government because the City Council appoints the governing board. The Library is reported as a Special Revenue Fund.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 1 - **Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting

The City maintains its accounting records on the cash basis and year-end adjustments are recorded to convert to the accrual basis or modified accrual basis as prescribed by generally accepted accounting principles. In the government-wide financial statements, the accrual basis is used, and revenues are recognized when earned and expenses are recognized when the related liability is incurred. In the governmental funds financial statements, the modified accrual basis is used. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available, except for the property tax receivable which is discussed below. Available means collectible within 60 days. Expenditures are recognized when the related liability is incurred. All revenue and expense accounts are subject to accrual.

Property tax receivable and a balancing deferred inflow of resources are recorded in the government-wide statement of net position and in the fund financial statements. These amounts are measurable but not available.

D. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in four parts: net investment in capital assets; restricted-nonspendable; restricted net position; and unrestricted net position. Fiduciary funds are not included in government-wide statements.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues and operating and capital grants. Program revenues must be directly associated with the function of the business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 1 - **Summary of Significant Accounting Policies (Continued)**

E. Basic Financial Statements—Fund Financial Statements

The City does not allocate indirect costs. The government-wide focus is more on the sustainability of the City as an entity and the change in its net position resulting from the current year's activities. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements.

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classifications within the financial statements.

1. Governmental Funds:

The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position rather than upon net income. For reporting purposes, the City has elected to treat the General Fund, Local 1% Sales Tax Fund, and the Debt Service fund as major funds, and has considered all other governmental funds to be non-major funds. In Statements 3 and 4, these non-major funds are reported as "Other Governmental Funds." Details of these funds can be found in Schedules 7 and 8. All three Proprietary Funds are also considered to be major funds. The following is a description of governmental fund types:

- a. General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund consists of the General Fund, Community Landscaping Fund, and Public Works Vehicle Fund.
 - 1) General Fund – This is the City's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund. The services which are administered by and accounted for in the general fund include general government, public safety, public works, and parks and recreation, and cemetery operations.
 - 2) Community Landscaping Fund – This fund was created to account for a donation restricted for community landscaping.
 - 3) Public Works Vehicle Fund – This fund was created by the City Council to accumulate funds for future purchases of public works vehicles.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Basic Financial Statements—Fund Financial Statements (Continued)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has fourteen Special Revenue Funds: Local 1% Sales Tax Fund, Audit Fund, Street Lighting Fund, Insurance Fund, Fire Protection Fund, Motor Fuel Tax Fund, IMRF Fund, Social Security Fund, Drug Traffic Prevention Fund, Police Vehicle Fund, Odell Public Library Fund, Revolving Loan Fund, Veterans Memorial Park Fund, and the Grove Hill Cemetery Perpetual Care Fund.
- c. Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt for governmental funds. The City has one debt service fund.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City has no Capital Projects Funds.

2. Proprietary Funds:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed through user charges. The City has three Proprietary Funds: Water Fund; Sewer Fund; and Sanitation Fund.

The City also administers an internal service fund (reported as a proprietary fund type) to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The Self Insured Deductible Fund accounts for the partially self-funded high deductible in the employee health insurance plan.

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City has no fiduciary funds.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Budgets and Budgetary Accounting

Budgetary control is on the total expenditure level for each fund. All budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets are prepared for all funds and all budgets lapse at year-end. The appropriated budget is prepared by fund, function, and department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Appropriations in all budgeted funds lapse at the end of the fiscal year.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, are defined by the City as assets with an initial, individual cost of more than the threshold identified below and an estimated useful life in excess of two years.

Assets	Threshold
Plant and related properties	\$ 25,000
Machinery and equipment	5,000
Vehicles	5,000
Infrastructure	15,000

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	
Plant and related properties	10 to 40 years
Machinery and equipment	3 to 10 years
Vehicles	3 to 10 years
Infrastructure	20 years

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 1 - **Summary of Significant Accounting Policies (Continued)**

H. Revenue and Expenses

Program revenues in government-wide financial statements generally include fees, rentals, permits, fines, and other specifically billed revenues. In proprietary funds, operating revenues and expenses are distinguished from non-operating items because they are clearly traceable to the functioning of the specific service provided to the customers.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. Investments and Cash Equivalents

All investments are cash or cash equivalents (readily converted to cash). Deposits in banks or savings associations are valued at cost, which is equivalent to fair value. For purposes of the statement of cash flows, the proprietary funds consider short-term highly liquid investments, including time deposits at financial institutions, to be cash equivalents.

K. Restricted and Unrestricted Resources

When an expense is incurred in which both restricted and unrestricted net position/fund balances are available, it is the City's policy to first apply the restricted resources.

L. Compensated Absences and Post-Employment

The City's policy permits employees to accumulate earned but unused vacation, compensated time, and sick benefits, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 1 - **Summary of Significant Accounting Policies (Continued)**

M. Fund Balance Classification

In order to comply with GASB 54, the City adheres to the fund balance classification requirements. Fund balances in the fund financial statements will be classified as follows:

- a. Nonspendable – Fund balances should be considered to be nonspendable if funds are not in spendable form, or are legally or contractually required to be maintained intact. The City has a nonspendable fund balance in the Insurance Fund for prepaid insurance (\$37,470) and for inventory in the General Fund (\$3,913).
- b. Restricted – Fund balances should be considered to be restricted when constraints placed on funds are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has restricted fund balances in the General Fund, see Note 4. Additionally, all fund balances that are not considered nonspendable in the following funds are restricted: Local 1% Sales Tax Fund, Audit Fund, Street Lighting Fund, Insurance Fund, Fire Protection Fund, Motor Fuel Tax Fund, IMRF Fund, Social Security Fund, Drug Traffic Prevention Fund, Police Vehicle Fund, Odell Public Library Fund, Revolving Loan Fund, Veterans Memorial Park Fund, and the Grove Hill Cemetery Perpetual Care Fund.
- c. Committed – Fund balances should be considered to be committed if funds can only be used for specific purposes as a result of constraints imposed by formal action of the City’s Mayor and Aldermen. The City has a committed fund balance in the General Fund for public works vehicle replacement for \$8,606.
- d. Assigned – Fund balances should be considered to be assigned if amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. This City does not have any assigned fund balances.
- e. Unassigned – Fund balances should be considered to be unassigned if they are a portion of the General fund balances that have not been considered to be restricted, committed, or assigned to specific purposes.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

N. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 1 - **Summary of Significant Accounting Policies (Continued)**

N. Inventories and Prepaid Items (Continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Note 2 - **Cash and Equivalents**

The City is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30ILCS 235). Cash accounts are maintained at TBK Bank in Morrison, Illinois; Illinois Funds in Springfield, Illinois; Community State Bank in Sterling, Illinois; Sterling Federal Bank in Sterling, Illinois; First National Bank in Sterling, Illinois; a Paypal Clearing Account; and at Illinois National Bank in Springfield, Illinois.

<u>Account Descriptions</u>	<u>Interest Rate</u>	<u>Bank Balance</u>	<u>Book Balance</u>
General Checking (TBK)	0.00%	\$ 164,807	\$ 70,217
Money Market (TBK)	0.20%	182,542	182,542
Sports Complex (TBK)	0.00%	21,978	21,978
E-Pay Clearing (IF)	NA	4,288,031	4,288,031
Merchant Account (Paypal)	NA	21,308	21,308
E-Pay (INB)	NA	1,000	1,000
Grove Hill Cemetery (CSB)	NA	1,273	1,273
Grove Hill Cemetery CD 1(CSB)	1.98%	58,675	58,675
Grove Hill Cemetery CD 2(SFB)	1.60%	54,753	54,753
Odell Public Library-Checking (CSB)	0.00%	4,219	4,219
Odell Public Library-MM (CSB)	NA	138,311	138,311
Odell Public Library-CD 1(CSB)	NA	67,434	67,434
Odell Public Library-CD 2(FNB)	NA	155,267	155,267
General Fund - Petty Cash	0.00%	-	850
Odell Public Library-Petty Cash	0.00%	-	19
Total		<u>\$ 5,159,598</u>	<u>\$ 5,065,877</u>

Cash and investments are categorized in accordance with risk factors. Deposits at each bank are insured up to FDIC limits. The Deposits are secured by type as indicated in the following table.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 2 - **Cash and Investments (Continued)**

		Bank Balance	Book Balance
Type 1	Fully insured by FDIC	\$ 752,240	\$ 776,977
Type 2	Secured by securities pledged to City but in the bank's name	119,327	-
Type 3	Uninsured	-	869
		\$ 871,567	\$ 777,846
Uncatergorized -	Uncatergorized Illinois Fund - secured by State of Illinois	4,288,031	4,288,031
		\$ 5,159,598	\$ 5,065,877

The major divergence between book and bank balances consisted of outstanding checks and deposits in transit at April 30, 2019.

The City also maintained a balance in the Illinois Funds. These pooled investments with other governmental entities are similar in nature to a money market fund and consist primarily of certificates of deposit, U.S. Government Securities, commercial paper, and corporate bonds. Because individual securities are not owned by the City, amounts invested in Illinois Funds are not categorized.

Note 3 - **Capital Assets**

The City's Fixed Assets are valued at historical cost or estimated historical cost, if actual cost is not known. A detailed listing is on file with the City Clerk.

The current year additions to capital assets were engineering for downtown development, \$158,303; asphalt roller, \$12,500; 2 lawn mowers, \$15,489; police equipment, \$24,011; 2 police vehicles, \$49,999; water infrastructure improvements, \$72,850; water equipment, \$7,825; water main improvements, \$15,000; meter replacement, \$29,584; engineering – infrastructure, \$38,573; sewer equipment, \$10,190; infrastructure – WWTP construction, \$394,385; and billing software, \$12,000.

Current year disposals were 2 police vehicles totaling \$50,250. The City also had Construction in Progress at the new waste water treatment plant as of April 30, 2018 of \$19,183,014 that was placed into operation during the year-ended April 30, 2019.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 3 - Capital Assets (Continued)

<u>COST BASIS</u>				
	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
General Assets				
Non-Depreciable Assets				
Land	\$ 264,429	\$ -	\$ -	\$ 264,429
Depreciable Assets				
Plant and Related Properties	\$ 4,854,586	\$ -	\$ -	\$ 4,854,586
Infrastructure	1,232,471	60,625	-	1,293,096
Machinery and Equipment	726,477	52,000	-	778,477
Vehicles	638,555	49,999	50,250	638,304
Total General Assets	<u>\$ 7,716,518</u>	<u>\$ 162,624</u>	<u>\$ 50,250</u>	<u>\$ 7,828,892</u>
Water and Sewer Fund				
Non-Depreciable Assets				
Land	\$ 320,459	\$ -	\$ -	\$ 320,459
Construction in Progress	19,183,014	-	19,183,014	-
Depreciable Assets				
Water Plant and Related Property	\$ 7,097,603	\$ 193,153	\$ -	\$ 7,290,756
Sewer Plant and Related Property	3,168,766	19,626,161	-	22,794,927
Vehicles and Equipment	332,791	41,584	-	374,375
Total Water and Sewer Assets	<u>\$ 30,102,633</u>	<u>\$ 19,860,898</u>	<u>\$ 19,183,014</u>	<u>\$ 30,780,517</u>
GrandTotal	<u>\$ 37,819,151</u>	<u>\$ 20,023,522</u>	<u>\$ 19,233,264</u>	<u>\$ 38,609,409</u>

ACCUMULATED DEPRECIATION

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
General Assets				
Depreciable Assets				
Plant and Related Properties	\$ 2,757,403	\$ 193,940	\$ -	\$ 2,951,343
Infrastructure	434,113	62,827	-	496,940
Machinery and Equipment	507,671	32,972	-	540,643
Vehicles	448,428	29,218	50,250	427,396
Total General Assets	<u>\$ 4,147,615</u>	<u>\$ 318,957</u>	<u>\$ 50,250</u>	<u>\$ 4,416,322</u>
Water and Sewer				
Depreciable Assets				
Water Plant and Related Property	\$ 2,411,152	\$ 296,338	\$ -	\$ 2,707,490
Sewer Plant and Related Property	2,608,505	330,143	-	2,938,648
Vehicles and Equipment	194,562	22,590	-	217,152
Total Water Sewer Assets	<u>\$ 5,214,219</u>	<u>\$ 649,071</u>	<u>\$ -</u>	<u>\$ 5,863,290</u>
GrandTotal	<u>\$ 9,361,834</u>	<u>\$ 968,028</u>	<u>\$ 50,250</u>	<u>\$ 10,279,612</u>

Depreciation is allocated to the following functions: Administration, \$602; public safety, \$14,587; streets, \$107,386; parks, recreation, and library, \$2,442; municipal buildings and grounds, \$193,940; water, \$309,432; and sewer, \$339,639.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 4 - Restricted Fund Balances and Restricted Net Position

Amounts restricted for debt service total \$235,323 in the governmental funds.

Prepaid Insurance and inventory of \$41,383 is classified as nonspendable fund balance in the insurance fund, and as a restricted net asset on the government-wide statement of net assets.

Special levies for police protection, road and bridge, and emergency services are deposited in the general fund. All property tax money received for these special levies was expended in the year ended April 30, 2019. No restricted fund balance is necessary for these items.

Amounts restricted by donors in the general fund for landscaping total \$17,357.

Restrictions for other special levied taxes and other restricted amounts at April 30, 2019 are as follows:

Local 1% Sales Tax	\$ 119,660
Audit	14,559
Insurance	21,538
Motor Fuel Tax	104,525
IMRF	132,892
Social Security	107,519
Drug Traffic Prevention	231
Police Vehicle	28,825
Odell Public Library	422,735
Veterans Memorial Park	4,998
Grove Hill Cemetery	129,222
Total	<u>\$ 1,086,704</u>

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 5 - **Property Tax**

Property taxes are attached as an enforceable lien on property as of January 1, 2017. Taxes are collectible in two installments on July 1 and September 1. The County Collector distributes these taxes to the various entities and funds within 30 days of collection. The City adopted a Tax Levy Ordinance in December of 2017. The tax assessment for the City for 2017 was \$53,635,529. The extension and collections were as follows:

	<u>Rate</u>	<u>Extension</u>	<u>Received</u>	<u>Difference</u>
Corporate	0.24890	\$ 133,499	133,460	
IMRF	0.17430	93,487	93,459	
Fire Protection	0.12120	65,006	64,987	
Police Protection	0.07470	40,066	40,054	
Library	0.14940	80,131	80,108	
Audit	0.03320	17,807	17,802	
Library Building	0.02000	10,727	10,724	
Tort	0.09860	52,885	52,869	
Street Lighting	0.04980	26,710	26,703	
Emergency Services	0.00200	1,073	1,073	
Social Security	0.14040	75,304	75,282	
	<u>1.11250</u>	<u>\$ 596,695</u>	<u>\$ 596,521</u>	<u>\$ (174)</u>
Road and Bridge*	0.05560	29,837	29,837	-
	<u>1.16810</u>	<u>\$ 626,532</u>	<u>\$ 626,358</u>	<u>\$ (174)</u>

*Levied through the township.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 6 - Interfund Payables/Receivables and Transfers

In August 2017 the City Council approved a \$83,599 transfer of outstanding state replacement tax owed to the Odell Public Library Fund to be paid over a seven year period. As of April 30, 2019, the General Fund owed the Odell Public Library Fund \$59,713 related to this transfer. Below are the interfund transfers as of April 30, 2019:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	\$ 367,992	\$ 6,349
Water	-	5,000
Sewer	10,000	5,000
Sanitation	-	27,502
Nonmajor Governmental	101,349	435,490
	<u>\$ 479,341</u>	<u>\$ 479,341</u>

Transfers generally related to expense reimbursements and payroll liabilities within the City's funds in accordance with budgetary authorizations. Water and Sewer Fund transfers were to transfer funds in accordance with budgetary authorizations.

Note 7 - Other Receivables and Payables

At April 30, 2019, the following receivables are recorded:

- Accounts Receivable – Water and sewer billings not yet collected at April 30, including the May 2019 billing. Other receivables identified by the Clerk including income, sales, and use tax due from the State at April 30.
- Accrued Payroll Tax Liabilities – Unpaid wages and the related IMRF, FICA, and Medicare taxes for work performed in the current fiscal year.
- Accounts Payable – Unpaid bills for materials received or services provided at year end.

Note 8 - Insurance Risk Management

The City provides for risk management by securing comprehensive insurance through private carriers. The Mayor reports no major changes in insurance coverage or risk during the current fiscal year. Insurance premiums are paid through the Liability Insurance Fund. Tort levy funds were expended for the following purposes: liability, general, and workers compensation insurance premiums, \$65,266.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 9 - **Construction Commitments**

Construction Commitments – The City completed the Wastewater Treatment Plant Project in the fiscal year-ended April 30, 2019.

Wastewater Treatment Plant Project

The City was notified from the Illinois Environmental Protection Agency (EPA) in 2012 that their waste water systems were in violation of provisions of Section 31(a)(7)(i) of the Illinois Environmental Protection Act, 415 ILCS 5/31(a)(7)(i), and Illinois Pollution Control Board Regulations. In January 2013, the City signed a compliance commitment agreement with the Illinois EPA that states the City will remediate the EPA violations.

Currently, the City has completed the construction phase of the new waste water treatment plant, and the plant is operational. The total cost of the waste water treatment plant project was approximately \$19 million. The Illinois EPA awarded the City two 30-year EPA loans to help fund the waste water treatment plant construction. As of April 30, 2019, net funds borrowed under the two 30-year EPA loans totals \$13 million. The EPA forgave a portion of the amount provided to the City, and the amounts have been included as income in the years received. As of April 30, 2019, the City has expended \$19.6 million relating to design engineering and construction of the waste water treatment plant. The project is now complete.

Note 10 - **Risk Management**

The City faces several types of risk. The following is a discussion of the nature of the risks, the significance to the government, and the policies in place to reduce the risk:

- 1) Custodial credit risk for deposits is the risk that in the event of bank or broker failure, the deposits may be in peril. The government policy is to either keep deposit amounts below F.D.I.C. insurance levels at a specific institution or to require the institution pledge securities to insure the deposits in excess of F.D.I.C. levels. The results are disclosed in Note 2. This risk is moderate.
- 2) Interest rate risk is the risk that interest rate changes may adversely affect the fair value of investments. Since the government's investments are all cash or cash equivalents, this risk is minimal. The City's long-term debt accrues at fixed interest rates; therefore, interest rate risk related to debt is also minimal.
- 3) Concentration of credit risk is the risk of loss attributed to the magnitude of the government's investment in a single issuer. This risk is low.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 10 - Risk Management (Continued)

- 4) Risk of loss of fixed assets is the risk that fire, wind, theft, etc. may reduce or eliminate the value of buildings, property, equipment, and other assets. The government has comprehensive insurance coverage to minimize this risk. During the past three years, settlements have been less than coverage. This risk is low.
- 5) Risk of claims and judgments is the risk that the assets of the government may be impaired due to an employee or officer's actions or failure to act. This risk is minimized by the comprehensive coverage provided by private carriers. This risk is low.

Note 11 - Long-Term Debt

The City issues general obligation debt certificates and bonds and notes payable to provide funds for the acquisition and construction of major capital facilities. The debt has been issued for governmental and business-type type activities. The debt is generally paid by sources other than property taxes. Debt outstanding at April 30, 2019 are as follows:

Governmental Activities:

<u>Debt Certificates and Bonds</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 4/30/19</u>
Series 2016 - Bonds	12/14/2016	\$ 1,960,000	2.00-4.00	12/15/1935	\$ 1,880,000

The general obligation bonds (alternate revenue source), Series 2016, bear interest at 2.00 to 4.00 percent, which is due June 15 and December 15 of each year, while principal mature serially on December 15 of each year with an original final maturity on December 15, 2035. The original issue was \$1,960,000. The bond proceeds were used to refinance the general obligation limited debt certificates, Series 2008 and a portion of the general obligation limited debt certificates, Series 2010. The bonds will be repaid from telecommunication taxes, utility taxes, and State of Illinois income taxes.

Current Year Defeasance

As of April 30, 2019, the City has \$0 balance in the trust account as all defeased debt has matured or called. During the year ended April 30, 2018, \$700,000 of the defeased general obligation debt certificates were called. The decrease in cash flow requirements as a result of the economic gain or loss is the difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate and adjusted for additional cash paid. The City had an economic loss of \$33,858 which will be amortized through 2023.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 11 - Long-Term Debt (Continued)

Governmental Activities - Notes Payable:

<u>Note Payable</u>	<u>Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 4/30/19</u>
John Deere Utility Tractor	2017	\$ 27,794	0.00%	10/27/2021	\$ 14,890
Street Sweeper	2017	210,000	2.96%	4/26/2024	154,424
2017 Dodge Charger	2017	38,787	2.59%	7/28/2022	25,786
Peterbilt Dump Truck	2017	151,145	2.96%	12/28/2024	124,739
2019 Dodge Chargers	2019	69,465	3.65%	11/5/2023	63,048
Total					<u>\$ 382,887</u>

John Deere Utility Tractor Note Payable

The City obtained a \$27,794 loan from John Deere Financial for the purchase of a John Deere utility tractor with an interest rate of 0.0% payable in monthly installments of \$496 through October 27, 2021.

Street Sweeper Note Payable

The City obtained a \$210,000 loan from TBK Bank for the purchase of a street sweeper with an interest rate of 2.96% payable in monthly installments of \$2,775 through April 26, 2024.

2017 Dodge Charger Police Vehicle Note Payable

The City obtained a \$38,787 loan from TBK Bank for the purchase of a police vehicle with an interest rate of 2.59% payable in monthly installments of \$691 through July 28, 2022.

Peterbilt Dump Truck Note Payable

The City obtained a \$151,145 loan from TBK Bank for the purchase of a Peterbilt dump truck with an interest rate of 2.96% payable in monthly installments of \$1,998 through December 28, 2024.

2019 Dodge Charger (2) Police Vehicles Note Payable

The City obtained a \$69,465 loan from Community State Bank for the purchase of two police vehicles with an interest rate of 3.65% payable in quarterly installments of \$3,821 through November 5, 2023.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 11 - Long-Term Debt (Continued)

Business-Type Activities – Notes Payable:

<u>Note Payable</u>	<u>Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 4/30/19</u>
Pub Water Sup Loan (2011)	2013	\$ 3,729,743	1.25%	7/15/2042	\$ 2,833,523
Pub Water Sup Loan (2017)	2017	10,201,010	1.00%	10/5/2046	9,539,462
Pub Water Sup Loan (2016)	2017	2,807,223	1.00%	11/1/2047	2,640,658
John Deere Utility Tractor	2017	49,040	0.00%	11/5/2023	35,145
Total					<u>\$ 15,048,788</u>

Illinois Environmental Protection Agency Loans

In September 2011, the City entered into a public water supply loan with the Illinois Environmental Protection Agency and borrowed \$3,729,743 on a reimbursement basis at a stated interest rate of 1.25% payable in semi-annual installments through July 15, 2042. A total of \$831,628 of the loan has been forgiven.

In November 2015, the City entered into a loan with the Illinois Environmental Protection Agency and borrowed \$15,166,000 on a reimbursement basis at a stated interest rate of 1.00%. As of April 30, 2019, the city has received \$10,201,010 from the IEPA. A final payment schedule has yet to be received from the IEPA. A total of \$4,549,800 of the loan has been forgiven.

In August 2016, the City entered into a loan with the Illinois Environmental Protection Agency and borrowed \$4,010,869 on a reimbursement basis at a stated interest rate of 1.00%. As of April 30, 2019, the City has received \$2,807,223 from the IEPA. A final payment schedule has yet to be received from the IEPA.

John Deere Utility Tractor Note Payable

The City obtained a \$49,040 loan from John Deere Financial for the purchase of a John Deere utility tractor with an interest rate of 0% payable in monthly installments of \$817 through November 3, 2022.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 11 - Long-Term Debt (Continued)

Debt service requirements to maturity are as follows:

Governmental Activities

<u>Year Ending April 30:</u>	<u>Notes Payable</u>		<u>Debt Certificates and Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 73,656	\$ 11,590	\$ 90,000	\$ 63,982
2021	76,934	9,857	90,000	62,182
2022	75,715	8,092	90,000	60,202
2023	68,294	6,329	90,000	57,682
2024	63,701	4,851	95,000	53,832
2025-2029	24,587	3,282	520,000	203,821
2030-2034	-	-	620,000	130,247
2035-2039	-	-	285,000	17,200
Total	\$ 382,887	\$ 44,001	\$ 1,880,000	\$ 649,148

Business-Type Activities

<u>Year Ending April 30:</u>	<u>Loan/Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 114,234	\$ 35,094
2021	115,546	33,784
2022	116,882	32,458
2023	114,133	31,116
2024	112,555	26,969
2025-2029	562,775	134,845
2030-2034	598,955	98,665
2035-2039	637,461	47,266
2040-2043	495,748	5,094
Total	\$ 2,868,289	\$ 445,291

The Illinois Environmental Protection Agency November 2015 and August 2106 loans have no final payment schedules available. Based on payments received in fiscal year 2019 and anticipated current year payments, \$357,766 has been considered the current portion of these long-term liabilities.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 11 - Long-Term Debt (Continued)

Governmental Activities:	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Bonds	\$ 1,960,000	\$ -	\$ 80,000	\$ 1,880,000	\$ 90,000
Notes Payable	381,401	69,465	67,979	382,887	73,656
Accrued Compensated Absences	80,714	8,335	-	89,049	2,188
Governmental Activity Long Term Liabilities	\$ 2,422,115	\$ 77,800	\$ 147,979	\$ 2,351,936	\$ 165,844

Business Type Activities:	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
IEPA - 2011	\$ 2,936,661	\$ -	\$ 103,138	\$ 2,833,523	\$ 104,426
IEPA 2015	9,438,880	393,178	292,596	9,539,462	300,000
IEPA - 2016	2,650,889	127,814	138,047	2,640,656	57,766
JD Tractor	44,955	-	9,808	35,147	9,808
Accrued Comp. Absences	37,652	-	7,147	30,505	8,598
Governmental Activity Long Term Liabilities	\$ 15,109,037	\$ 520,992	\$ 550,736	\$ 15,079,293	\$ 480,598

Note 12 - Legal Debt Margin

Taxed Assessed Valuation - 2018 Tax Year	\$ 55,325,706
Statutory Debt Limitation (8.625%)	\$ 4,771,842
Total Debt	\$ 17,311,675
Excludable from Limit:	(16,893,641)
Legal Debt Margin	<u>\$ 4,353,808</u>

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 13 - Retirement Benefits

All employees are covered by Social Security and Medicare. The City also has a pension plan covering eligible employees. A summary of the plan follows:

Illinois Municipal Retirement Fund

Plan Description – The employer’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 Employer’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. 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.

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

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 13 - Retirement Benefits (Continued)

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

Employees Covered by Benefit Terms – As of December 31, 2018, the following employees were covered by the benefit terms:

<u>Membership</u>	
Number of	
- Retirees and Beneficiaries	29
- Inactive, Non-Retired Members	8
- Active Members	24
Total	61

Contributions – As set by statute, the Employer’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 Employer’s annual contribution rate for calendar years 2019 and 2018 were 9.31% and 11.45%, respectively. For the fiscal year ended April 30, 2019, the Employer contributed \$86,623 to the plan. The Employer 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 Employer’s net pension liability was measured as of December 31, 2018. 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, 2018. 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 2.50%. **Salary increases** were expected to be 3.39-14.25%, 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 of the 2017 valuation according to an experience study from years 2014-2016. For **mortality**, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015) for non-disabled retirees. The IMRF-specific rates for **non-disabled retirees**, 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 adjustments that were applied for non-disabled lives. For **active**

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 13 - Retirement Benefits (Continued)

members, 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 Employee Mortality Table with adjustments to match current IMRF experience. 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:

Asset Class	Portfolio Target Allocation	Long-Term Expected Real Rate of Return
Equities	37%	7.15%
International Equities	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternatives	7%	3.2-8.5%
Cash Equivalents	1%	2.50%
Total	100%	

Single Discount Rate – A Single Discount Rate of 7.50% 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 3.71%, and the resulting single discount rate is 7.25%.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 13 - Retirement Benefits (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 7,732,718	\$ 7,583,217	\$ 149,501
Changes for the year:			
Service Cost	113,537	-	113,537
Interest on the Total Pension Liability	566,966	-	566,966
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	163,890	-	163,890
Changes of Assumptions	238,883	-	238,883
Contributions - Employer	-	132,510	(132,510)
Contributions - Employees	-	52,079	(52,079)
Net Investment Income	-	(496,866)	496,866
Benefit Payments, including Refunds of Employee Contributions	(459,867)	(459,867)	-
Other (Net Transfer)	-	151,031	(151,031)
Net Changes	<u>623,409</u>	<u>(621,113)</u>	<u>1,244,522</u>
Balances at December 31, 2018	<u>\$ 8,356,127</u>	<u>\$ 6,962,104</u>	<u>\$ 1,394,023</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% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Net Pension Liability / (Asset)	\$ 2,473,491	\$ 1,394,023	\$ 501,271

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – For the fiscal year ended April 30, 2019, the Employer recognized pension expense of \$150,475. At April 30, 2019, the Employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 13 - Retirement Benefits (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 164,479	\$ 27,994
Changes of assumptions	192,636	148,995
Net difference between projected and actual earnings on pension plan investments	<u>955,277</u>	<u>436,009</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>1,312,392</u>	<u>612,998</u>
 Pension Contributions made subsequent to the Measurement Date	 <u>41,376</u>	 <u>-</u>
 Total Deferred Amounts Related to Pensions	 <u><u>\$ 1,353,768</u></u>	 <u><u>\$ 612,998</u></u>

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:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 243,380
2020	110,009
2021	128,240
2022	259,141
2023	-
Thereafter	-
Total	<u><u>\$ 740,770</u></u>

Note 14 - Prepaid Expense

The City had \$37,470 of prepaid insurance expense as of April 30, 2019. Insurance premiums are paid annually at the beginning of each covered year.

CITY OF MORRISON
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

Note 15 - Other Post Retirement Benefits Other Than Pensions

The City has evaluated its potential other postemployment benefits liability. The City provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the City are required to pay 100% of the current premium. However, only one former employee has chosen to stay in the City's health insurance plan in the last several years. Therefore, there has been low utilization and, therefore, an immaterial implicit subsidy to calculate in accordance with GASB Statement No. 75. Additionally, the City has no former employees for whom the City was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore the City has not recorded any postemployment benefit liability as of April 30, 2019.

Note 16 - Spending Exceeded Appropriated Amounts – Non-Major & Proprietary Funds

Expenditures/Expenses exceeded appropriated amounts in the following funds: Street Lighting Fund, Fire Protection Fund, Police Vehicle Fund, Revolving Loan Fund, Health Insurance Fund, Sewer Fund, and the Refuse Disposal Fund. Spending that exceeds appropriated amount is a violation of Illinois State Statutes.

Note 17 - Contingencies

From time to time, the City is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City's legal counsel that the likelihood is remote that any such claims or proceedings will have a material or adverse effect on the City's financial position or results of operations.

Note 18 - Prior Period Adjustments

Prior period adjustments were made to eliminate prior year accrued amounts that were not properly supported. Prior period adjustments were made in the following funds: General Fund, \$61,076; Social Security Fund, \$583; Water Fund, (\$18,166); and the Sewer Fund, \$18,782.

CITY OF MORRISON
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR EMPLOYEES

Calendar Year Ending December 31,	Schedule of Changes in the Net Pension Liability and Related Ratios			
	2018	2017	2016	2015
Total Pension Liability	\$ 113,537	\$ 125,839	\$ 135,161	\$ 124,005
Service Cost	566,966	562,702	547,851	526,388
Interest on the Total Pension Liability	-	-	-	-
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	163,890	63,589	(68,411)	(2,044)
Changes of Assumptions	238,883	(239,251)	(27,868)	18,626
Benefit Payments, including Refunds of Employee Contributions	(459,867)	(439,869)	(386,917)	(345,905)
Net Change in Total Pension Liability	\$ 623,409	\$ 73,010	\$ 199,816	\$ 321,070
Total Pension Liability - Beginning	7,732,718	7,659,708	7,459,892	7,138,822
Total Pension Liability - Ending (a)	\$ 8,356,127	\$ 7,732,718	\$ 7,659,708	\$ 7,459,892
Plan Fiduciary Net Position				
Contributions - Employer	\$ 132,510	\$ 141,210	\$ 150,185	\$ 163,428
Contributions - Employee	52,079	52,407	52,067	53,408
Net Investment Income	(496,866)	1,219,840	442,101	32,049
Benefit Payments, including Refunds of Employee Contributions	(459,867)	(439,869)	(386,917)	(345,905)
Other (Net Transfer)	151,031	(177,854)	29,023	123,641
Net Change in Plan Fiduciary Net Position	(621,113)	795,734	286,459	26,621
Plan Fiduciary Net Position - Beginning	7,583,217	6,787,483	6,501,024	6,474,403
Plan Fiduciary Net Position - Ending (b)	6,962,104	7,583,217	6,787,483	6,501,024
Net Pension Liability / (Asset) - Ending (a)-(b)	1,394,023	149,501	872,225	958,868
Plan Fiduciary Net Position as a Percentage of Net Pension Liability	83.32%	98.07%	88.61%	87.15%
Covered Valuation Payroll	\$ 1,157,299	\$ 1,140,616	\$ 1,157,048	\$ 1,186,840
Net Pension Liability as a Percentage of Covered Valuation Payroll	120.45%	13.11%	75.38%	80.79%

Schedule of Employer Contributions - Most Recent Calendar Year

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual
					Contribution as a % of Covered Valuation Payroll
2015	163,428	163,428	-	1,186,840	13.77%
2016	150,185	150,185	-	1,157,048	12.98%
2017	129,346	141,210	11,864	1,140,616	12.38%
2018	132,511	132,510	(1)	1,157,299	11.45%

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

Methods and Assumptions Used to Determine 2018 Contribution Rates: Actuarial Cost Method is Aggregate entry age normal. Amortization method is level percentage of payroll, closed. Remaining Amortization Period is 25 year closed period. Asset Valuation Method is 5-year smoothed market; 20% corridor. Wage growth is 3.5%. Price Inflation is 2.75% approximate; No explicit price inflation assumption is used in this valuation. Salary increases are 3.75% - 14.5%, including inflation. Investment Rate of Return is 7.5%. Retirement Age is Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013. Mortality is based on specific mortality table was used with fully generational projection scale MP-2014 (base year 2012) with specific rates developed for non-disabled retirees, disabled retirees, and active members. The IMRF specific rates were developed from the RP-2014 Blue Collar Annuitant Mortality Table (non-disabled retirees), RP-2014 Disabled Retirees Mortality Table, and RP-2014 Employee Mortality Table (active members). Other Information: There were no benefit changes during the year.

Notes to Schedule: These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, information is presented for those years or which information is available.

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended April 30, 2019

	<u>1st & Final</u>	<u>Actual</u>	<u>Over/Under</u> <u>Budget</u>	<u>Actual</u>
	<u>Budgeted</u>	<u>Budgetary</u>	<u>Budgetary</u>	<u>GAAP</u>
	<u>Revenues &</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>
<u>REVENUES</u>	<u>Expenditures</u>			
Property Tax - Corporate	\$ 133,486	\$ 133,460	\$ (26)	\$ 133,460
Property Tax - Police	40,046	40,054	8	40,054
Property Tax - Road & Bridge	28,325	29,837	1,512	29,837
Property Tax - ESDA	1,041	1,073	32	1,073
Liquor Licenses	13,000	12,475	(525)	12,475
Franchise Licenses	36,900	47,770	10,870	45,048
Other Licenses	1,200	1,210	10	1,210
Building Permits	2,000	7,378	5,378	7,378
Other Permits	755	1,125	370	1,125
Income Tax	430,000	406,609	(23,391)	442,777
Replacement Tax	22,000	23,234	1,234	25,114
Sales Tax	450,000	453,280	3,280	461,281
Use Tax	110,144	123,827	13,683	125,737
Video Gaming Tax	31,000	32,046	1,046	32,187
Hotel/Motel Tax	80	150	70	150
Zoning Fees	250	495	245	495
Interest	23,000	25,527	2,527	25,527
Rental Income - Community Room	2,000	2,750	750	2,750
Other Revenue	32,000	23,814	(8,186)	23,814
Insurance Reimbursement	-	14,152	14,152	14,152
Donations - Unrestricted	-	66,600	66,600	66,600
Certified Death Certificates	11,500	10,957	(543)	10,957
Vehicle Replacement	-	244	244	244
<u>Police Revenue:</u>				
Court Fines	10,000	11,342	1,342	11,342
Township Patrol	1,000	1,000	-	1,000
Parking Fines	12,500	8,550	(3,950)	8,550
Towing Fees	2,500	2,800	300	2,800
DUI Fines	-	1,127	1,127	1,127
Other Revenue	-	582	582	582
Police Reports	-	300	300	300
<u>Cemetery Revenue:</u>				
Burial Fees	26,500	33,290	6,790	33,290
Cemetery Lot Sales	8,000	10,470	2,470	10,470
<u>Parks Revenue:</u>				
Community Events	9,000	7,314	(1,686)	7,314
Flag Football	-	755	755	755
MYSBB Fees	3,500	3,980	480	3,980
Park & Recreation Fees	25,500	12,780	(12,720)	12,780
Park Concessions	40,000	40,311	311	40,311
Other Revenue	1,500	5,613	4,113	5,613
Facility Rental	800	1,775	975	1,775
Total Revenues	<u>\$ 1,509,527</u>	<u>\$ 1,600,056</u>	<u>\$ 90,529</u>	<u>\$ 1,645,434</u>
<u>EXPENDITURES</u>				
Legislative				
Salaries - Elected Officials	\$ 6,650	\$ 6,543	\$ 107	\$ 6,518
Legal Service	32,500	15,137	17,363	14,989
Publishing	2,000	824	1,176	770
Total Legislative	<u>\$ 41,150</u>	<u>\$ 22,504</u>	<u>\$ 18,646</u>	<u>\$ 22,277</u>
City Clerk				
Salaries - Elected Officials	\$ 1,200	\$ 1,200	\$ -	\$ 1,200
Ordinance Codification	3,500	3,345	155	3,345
Dues	325	280	45	280
Travel/Training	500	380	120	380
State CC Fees	5,000	4,156	844	3,888
Miscellaneous	-	1	(1)	1
Total City Clerk	<u>\$ 10,525</u>	<u>\$ 9,362</u>	<u>\$ 1,163</u>	<u>\$ 9,094</u>

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended April 30, 2019

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
<u>EXPENDITURES (Continued)</u>				
Administration				
Salaries	\$ 112,000	\$ 100,261	\$ 11,739	\$ 96,178
Automobile Allowance	1,600	1,800	(200)	1,800
Maintenance Service - Building	6,000	6,245	(245)	6,305
Maintenance Service - Equipment	750	883	(133)	883
Maintenance Service - HVAC	1,000	539	461	539
Website Support	600	4,395	(3,795)	4,395
Internet/Email Services	-	2,700	(2,700)	2,700
Janitor Services	3,000	1,382	1,618	1,409
Software/Hardware	-	19	(19)	19
Copier Services	4,200	4,070	130	3,868
Computer System Maintenance	6,500	9,291	(2,791)	9,291
Postage	1,200	1,044	156	1,044
Telephone	11,500	10,334	1,166	10,031
Publishing	1,500	2,258	(758)	2,388
Printing	1,000	673	327	673
Dues	750	1,068	(318)	1,068
Travel/Training	2,000	1,470	530	1,506
Publications	1,000	624	376	624
Utilities	1,200	1,189	11	1,010
Maintenance Supplies - Building	3,000	885	2,115	877
Office Supplies	5,000	4,188	812	4,181
Health Insurance Fund - Reimbursement	-	185,599	(185,599)	185,599
Miscellaneous	26,550	2,180	24,370	2,148
Banking Charges	2,000	2,309	(309)	2,308
Total Administration	<u>\$ 192,350</u>	<u>\$ 345,406</u>	<u>\$ (153,056)</u>	<u>\$ 340,844</u>
Police				
Salaries - Full Time	\$ 359,927	\$ 349,413	\$ 10,514	\$ 364,467
Salaries - Part Time	6,000	2,618	3,382	2,378
Salaries - Overtime	29,000	42,952	(13,952)	42,652
Health Insurance	58,000	2,980	55,020	3,015
Maintenance - Equipment	1,000	977	23	977
Maintenance - Vehicle	9,000	9,807	(807)	9,390
Software/Hardware	5,000	5,286	(286)	5,286
Animal Control Services	1,500	1,000	500	1,000
Other Professional Services	6,000	6,185	(185)	6,185
Postage	-	88	(88)	88
Dispatching	840	1,200	(360)	1,200
Dues	750	795	(45)	795
Travel/Training	3,000	5,012	(2,012)	5,012
Firearms/Ammunition	1,000	1,171	(171)	1,171
Office Supplies	-	49	(49)	49
Operating Supplies	5,000	6,137	(1,137)	5,621
Automotive Fuel/Oil	13,000	16,455	(3,455)	16,455
Uniforms	6,250	5,449	801	5,230
Miscellaneous	4,200	5	4,195	5
Total Police	<u>\$ 509,467</u>	<u>\$ 457,579</u>	<u>\$ 51,888</u>	<u>\$ 470,976</u>

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended April 30, 2019

	<u>1st & Final</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Actual</u>
	<u>Budgeted</u>	<u>Budgetary</u>	<u>Budget</u>	<u>GAAP</u>
<u>EXPENDITURES (Continued)</u>	<u>Revenues &</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>
	<u>Expenditures</u>			
Cemetery				
Salaries - Full Time	\$ 75,000	\$ 75,888	\$ (888)	\$ 75,911
Salaries - Part Time	6,500	9,281	(2,781)	9,281
Salaries - Overtime	3,000	4,205	(1,205)	4,044
Worker's Compensation	-	15	(15)	15
Maintenance Service - Equipment	5,000	5,462	(462)	5,313
Maintenance Service - Vehicles	4,000	1,157	2,843	1,140
Utilities	2,300	2,471	(171)	2,279
Maintenance Supplies	3,700	7,174	(3,474)	4,239
Operating Supplies	1,400	1,067	333	1,067
Small Tools	500	328	172	328
Automotive Fuel/Oil	3,000	5,076	(2,076)	5,076
Uniforms	500	541	(41)	500
Weed Eaters/Blowers	-	300	(300)	300
Record Deeds	400	516	(116)	516
Miscellaneous	29,000	375	28,625	331
Total Cemetery	<u>\$ 134,300</u>	<u>\$ 113,856</u>	<u>\$ 20,444</u>	<u>\$ 110,340</u>
Parks				
Salaries - Full Time	\$ 78,000	\$ 56,322	\$ 21,678	\$ 55,687
Salaries - Part Time	35,000	24,483	10,517	25,254
Maintenance Service - Building	-	129	(129)	129
Maintenance Service - Equipment	8,000	3,881	4,119	3,881
Maintenance Service - Vehicle	2,000	354	1,646	354
Maintenance Service - Grounds	8,000	2,085	5,915	2,025
French Creek Restroom Rental	2,000	2,040	(40)	1,870
Travel/Training	-	268	(268)	294
Utilities	12,000	13,909	(1,909)	12,739
Maintenance Supplies	3,000	1,557	1,443	1,359
Operating Supplies	18,000	11,799	6,201	11,554
Concession Supplies	22,500	21,779	721	21,755
Concession Sales Tax	4,000	2,976	1,024	2,976
Umpires	3,500	6,945	(3,445)	6,857
Tournament Awards	2,000	2,641	(641)	2,641
Coaching Fees	-	500	(500)	500
Automotive Fuel/Oil	4,000	3,266	734	3,266
Maintenance Supplies - Fields	5,500	3,772	1,728	3,772
Miscellaneous	49,575	13,906	35,669	13,883
Community Events	14,000	8,701	5,299	8,701
Banking Charges	250	112	138	112
Total Parks	<u>271,325</u>	<u>181,425</u>	<u>89,900</u>	<u>179,609</u>
Community Room				
Salaries - Part Time	\$ 1,200	\$ -	\$ 1,200	\$ -
Maintenance Service	3,250	9,514	(6,264)	9,499
Janitorial Service	1,200	950	250	950
Natural Gas	3,000	2,841	159	2,363
Maintenance Supplies	2,000	2,288	(288)	2,241
Close Out - Revolving Loan Fund	500	347,663	(347,163)	347,663
Total Community Room	<u>11,150</u>	<u>363,256</u>	<u>(352,106)</u>	<u>362,716</u>

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended April 30, 2019

<u>EXPENDITURES (Continued)</u>	<u>1st & Final Budgeted Revenues & Expenditures</u>	<u>Actual Budgetary Basis</u>	<u>Over/Under Budget Budgetary Basis</u>	<u>Actual GAAP Basis</u>
Streets				
Salaries - Full Time	\$ 137,000	\$ 114,175	\$ 22,825	\$ 115,408
Salaries - Part Time	3,500	4,427	(927)	4,427
Salaries - Overtime	10,000	19,318	(9,318)	19,411
Maintenance Service - Building	3,000	1,708	1,292	1,708
Maintenance Service - Equipment	10,000	10,292	(292)	10,227
Maintenance Service - Vehicle	15,000	15,413	(413)	15,195
Maintenance Service - Streets	2,000	4,895	(2,895)	4,895
Maintenance Service - Storm Sewer	5,000	5,903	(903)	5,903
Maintenance Service - Snow Removal	13,000	31,166	(18,166)	31,166
Tree Trimming/Removal	9,000	4,245	4,755	4,245
Engineering - Capital Expenditure	2,000	60,625	(58,625)	60,625
Travel/Training	1,500	85	1,415	85
Natural Gas	3,500	1,285	2,215	1,285
Street Lighting	-	18,011	(18,011)	18,011
Maintenance - Traffic Lights	2,500	15,712	(13,212)	15,712
Utilities	-	1,108	(1,108)	2,751
Maintenance Supplies	24,000	26,910	(2,910)	25,620
Operating Supplies	2,000	3,449	(1,449)	3,285
Small Tools	500	919	(419)	752
Automotive Fuel/Oil	18,000	12,900	5,100	12,900
Uniforms	1,250	1,006	244	783
Blacktopping/Maintenance	-	48,939	(48,939)	48,939
Sidewalk Program	3,500	1,421	2,079	1,010
Miscellaneous	38,450	186	38,264	1,961
Total Streets	<u>\$ 304,700</u>	<u>\$ 404,098</u>	<u>\$ (99,398)</u>	<u>\$ 406,304</u>
ESDA				
Maintenance Agreement - Warning System	\$ 780	\$ 535	\$ 245	\$ 535
Mass Warning System	2,200	2,167	33	2,167
Total ESDA	<u>\$ 2,980</u>	<u>\$ 2,702</u>	<u>\$ 278</u>	<u>\$ 2,702</u>
Economic Development				
MEDC Dues	\$ 15,250	\$ 10,200	\$ 5,050	\$ 10,200
Total Economic Development	<u>\$ 15,250</u>	<u>\$ 10,200</u>	<u>\$ 5,050</u>	<u>\$ 10,200</u>
Public Works - Vehicle Replacement				
Equipment and Vehicles	\$ 10,000	\$ 27,989	\$ (17,989)	\$ 27,989
Principal - Long-Term Debt	63,224	54,057	9,167	54,057
Interest - Long-Term Debt	-	9,168	(9,168)	9,168
Total Public Works - Vehicle Replacement	<u>\$ 73,224</u>	<u>\$ 91,214</u>	<u>\$ (17,990)</u>	<u>\$ 91,214</u>
Total General Fund Expenditures - All Departments	<u>\$ 1,566,421</u>	<u>\$ 2,001,602</u>	<u>\$ (435,181)</u>	<u>\$ 2,006,276</u>
Excess (Deficiency) Revenues				
Over Expenditures	\$ (56,894)	\$ (401,546)	\$ 525,710	\$ (360,842)
Transfers In	70,000	437,992	367,992	437,992
Transfers (Out)	(12,943)	(6,349)	6,594	(6,349)
Change in Fund Balance	<u>\$ 163</u>	<u>\$ 30,097</u>	<u>\$ 900,296</u>	<u>\$ 70,801</u>
Prior Period Adjustment				61,076
Fund Balance, Beginning of Year				<u>841,857</u>
Fund Balance, End of Year				<u>\$ 973,734</u>

See accompanying note to budgetary comparison schedules.

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUND
Year Ended April 30, 2019

LOCAL 1% SALES TAX FUND

	<u>1st & Final</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Actual</u>
	<u>Budgeted</u>	<u>Budgetary</u>	<u>Budget</u>	<u>GAAP</u>
	<u>Revenues &</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>
	<u>Expenditures</u>			
<u>REVENUES</u>				
Additional 1% Sales Tax Local	\$ 211,680	\$ 242,771	\$ 31,091	\$ 245,183
Interest	100	519	419	519
Total Revenues	<u>\$ 211,780</u>	<u>\$ 243,290</u>	<u>\$ 31,510</u>	<u>\$ 245,702</u>
<u>EXPENDITURES</u>				
Engineering Streets	\$ 16,000	\$ 26,339	\$ (10,339)	\$ 26,339
Street Improvement Construction	227,700	205,184	22,516	205,184
Total Expenditures	<u>\$ 243,700</u>	<u>\$ 231,523</u>	<u>\$ 12,177</u>	<u>\$ 231,523</u>
Change in Fund Balance	<u>\$ (31,920)</u>	<u>\$ 11,767</u>	<u>\$ 19,333</u>	<u>\$ 14,179</u>
Fund Balance, Beginning of Year				<u>105,481</u>
Fund Balance, End of Year				<u>\$ 119,660</u>

See accompanying note to budgetary comparison schedules.

CITY OF MORRISON
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Year Ended April 30, 2019

Note A - Budget to Actual Reconciliation

An explanation of the difference between budgetary basis revenues and expenditures and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	General Fund	Major Special Revenue Fund
Budgetary basis revenue (inflow)	\$ 1,600,056	\$ 243,290
Differences - budget to GAAP:		
Change in receivables	45,378	2,412
Total revenue (GAAP basis) as reported on statement of revenues, expenditures, and fund balances - governmental funds (Statement 4)	\$ 1,645,434	\$ 245,702
Budgetary basis expenditures (outflows)	\$ 1,816,003	\$ 231,523
Changes in payables and accrued items	4,674	-
Total expenditures (Statement 4)	\$ 1,820,677	\$ 231,523

Note B - Budgetary Process

The City's Budget is adopted in the first quarter of the fiscal year. The budget was not amended and all budgeted funds lapse at year end. More information is available in Note 1 (F) to the financial statements.

Note C - Expenditures in Excess of Budgeted Amounts – Major Funds

Expenditures exceeded budgeted amounts in the General Fund. Expenditures in excess of budgeted amounts is in violation of state statutes.

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL OTHER GOVERNMENTAL FUNDS
Year Ended April 30, 2019

AUDIT FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
REVENUES				
Property Tax	\$ 17,780	\$ 17,802	\$ 22	\$ 17,802
Interest	3	28	25	28
Total Revenues	<u>\$ 17,783</u>	<u>\$ 17,830</u>	<u>\$ 47</u>	<u>\$ 17,830</u>
EXPENDITURES				
Accounting Services	\$ 10,000	\$ 7,900	\$ 2,100	\$ 7,900
Total Expenditures	<u>\$ 10,000</u>	<u>\$ 7,900</u>	<u>\$ 2,100</u>	<u>\$ 7,900</u>
Change in Fund Balance	<u>\$ 7,783</u>	<u>\$ 9,930</u>	<u>\$ 2,147</u>	<u>\$ 4,629</u>
Fund Balance, Beginning of Year				<u>\$ 14,559</u>
Fund Balance, End of Year				<u>\$ 14,559</u>

STREET LIGHTING FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
REVENUES				
Property Tax	\$ 26,697	\$ 26,703	\$ 6	\$ 26,703
Interest	20	172	152	172
Total Revenues	<u>\$ 26,717</u>	<u>\$ 26,875</u>	<u>\$ 158</u>	<u>\$ 26,875</u>
EXPENDITURES				
Street Lights Supplies & Maintenance	\$ 25,000	\$ 26,875	\$ (1,875)	\$ 26,875
Total Expenditures	<u>\$ 25,000</u>	<u>\$ 26,875</u>	<u>\$ (1,875)</u>	<u>\$ 26,875</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ 1,717</u>	<u>\$ -</u>	<u>\$ (1,717)</u>	<u>\$ -</u>
Transfer In		5,349		5,349
Change in Fund Balance		<u>\$ 5,349</u>		<u>\$ 5,349</u>
Fund Balance, Beginning of Year				<u>\$ (5,349)</u>
Fund Balance, End of Year				<u>\$ -</u>

INSURANCE FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
REVENUES				
Property Tax	\$ 52,860	\$ 52,869	\$ 9	\$ 52,869
Interest	50	447	397	447
Total Revenues	<u>\$ 52,910</u>	<u>\$ 53,316</u>	<u>\$ 406</u>	<u>\$ 53,316</u>
EXPENDITURES				
Workers Compensation	\$ 35,000	\$ 27,683	\$ 7,317	\$ 28,128
Liability Insurance	25,000	15,148	9,852	15,391
General Insurance	17,000	21,403	(4,403)	21,747
Total Expenditures	<u>\$ 77,000</u>	<u>\$ 64,234</u>	<u>\$ 12,766</u>	<u>\$ 65,266</u>
Change in Fund Balance		<u>\$ (10,918)</u>		<u>\$ (11,950)</u>
Fund Balance, Beginning of Year				<u>\$ 70,958</u>
Fund Balance, End of Year				<u>\$ 59,008</u>

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL OTHER GOVERNMENTAL FUNDS
Year Ended April 30, 2019

FIRE PROTECTION FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
<u>REVENUES</u>				
Property Tax	\$ 65,000	\$ 64,987	\$ (13)	\$ 64,987
Foreign Fire Insurance Tax	9,000	10,314	1,314	10,314
Total Revenues	\$ 74,000	\$ 75,301	\$ 1,301	\$ 75,301
<u>EXPENDITURES</u>				
Property Tax Distribution	\$ 65,000	\$ 64,987	\$ 13	\$ 64,987
Foreign Fire Insurance Tax Distribution	9,000	10,314	(1,314)	10,314
Total Expenditures	\$ 74,000	\$ 75,301	\$ (1,301)	\$ 75,301
Change in Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year				\$ -
Fund Balance, End of Year				\$ -

MOTOR FUEL TAX FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
<u>REVENUES</u>				
Motor Fuel Tax	\$ 107,841	\$ 106,628	\$ (1,213)	\$ 106,311
Interest	400	1,699	1,299	1,699
Total Revenues	\$ 108,241	\$ 108,327	\$ 86	\$ 108,010
<u>EXPENDITURES</u>				
Salt	\$ 25,000	\$ 26,528	\$ (1,528)	\$ 26,528
Engineering Services	-	17,342	(17,342)	17,342
Street Lighting	27,000	27,000	-	19,832
Blacktopping/Street Maintenance	55,000	41,582	13,418	41,582
Crack Sealing	50,000	40,639	9,361	40,639
Total Expenditures	\$ 157,000	\$ 153,091	\$ 3,909	\$ 145,923
Change in Fund Balance	\$ (48,759)	\$ (44,764)	\$ 3,995	\$ (37,913)
Fund Balance, Beginning of Year				\$ 142,438
Fund Balance, End of Year				\$ 104,525

IMRF FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
<u>REVENUES</u>				
Property Tax	\$ 93,440	\$ 93,459	\$ 19	\$ 93,459
Replacement Tax	10,000	14,900	4,900	16,106
Interest	200	2,245	2,045	2,245
Total Revenues	\$ 103,640	\$ 110,604	\$ 6,964	\$ 111,810
<u>EXPENDITURES</u>				
Retirement Contributions	\$ 125,001	\$ 86,623	\$ 38,378	\$ 86,623
Total Expenditures	\$ 125,001	\$ 86,623	\$ 38,378	\$ 86,623
Change in Fund Balance	\$ (21,361)	\$ 23,981	\$ 45,342	\$ 25,187
Fund Balance, Beginning of Year				\$ 107,705
Fund Balance, End of Year				\$ 132,892

**CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL OTHER GOVERNMENTAL FUNDS
Year Ended April 30, 2019**

SOCIAL SECURITY FUND

	<u>1st & Final</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Actual</u>
	<u>Budgeted</u>		<u>Budget</u>	
	<u>Revenues &</u>	<u>Budgetary</u>	<u>Budgetary</u>	<u>GAAP</u>
	<u>Expenditures</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>
<u>REVENUES</u>				
Property Tax	\$ 75,286	\$ 75,282	\$ (4)	\$ 75,282
Interest	115	1,948	1,833	1,948
Total Revenues	<u>\$ 75,401</u>	<u>\$ 77,230</u>	<u>\$ 1,829</u>	<u>\$ 77,230</u>
<u>EXPENDITURES</u>				
Social Security and Medicare	\$ 75,001	\$ 66,680	\$ 8,321	\$ 66,686
Total Expenditures	<u>\$ 75,001</u>	<u>\$ 66,680</u>	<u>\$ 8,321</u>	<u>\$ 66,686</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ 400</u>	<u>\$ 10,550</u>	<u>\$ 10,150</u>	<u>\$ 10,544</u>
Prior Period Adjustment		583		583
Change in Fund Balance		<u>\$ 11,133</u>		<u>\$ 11,127</u>
Fund Balance, Beginning of Year				<u>96,392</u>
Fund Balance, End of Year				<u><u>\$ 107,519</u></u>

DRUG TRAFFIC PREVENTION

	<u>1st & Final</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Actual</u>
	<u>Budgeted</u>		<u>Budget</u>	
	<u>Revenues &</u>	<u>Budgetary</u>	<u>Budgetary</u>	<u>GAAP</u>
	<u>Expenditures</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>
<u>REVENUES</u>				
Court Fines	\$ 150	\$ 191	\$ 41	\$ 191
Interest	20	2	(18)	2
Total Revenues	<u>\$ 170</u>	<u>\$ 193</u>	<u>\$ 23</u>	<u>\$ 193</u>
<u>EXPENDITURES</u>				
DARE Program	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Fund Balance		<u>\$ 193</u>		<u>38</u>
Fund Balance, Beginning of Year				<u>\$ 231</u>
Fund Balance, End of Year				<u><u>\$ 231</u></u>

POLICE VEHICLE FUND

	<u>1st & Final</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Actual</u>
	<u>Budgeted</u>		<u>Budget</u>	
	<u>Revenues &</u>	<u>Budgetary</u>	<u>Budgetary</u>	<u>GAAP</u>
	<u>Expenditures</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>
<u>REVENUES</u>				
Police Grant	\$ -	\$ 9,490	\$ 9,490	\$ 9,490
Interest	15	240	225	240
Police Vehicle Fines	-	100	100	100
Vehicle Disposal	25,000	9,418	(15,582)	9,418
Total Revenues	<u>\$ 25,015</u>	<u>\$ 19,248</u>	<u>\$ (5,767)</u>	<u>\$ 19,248</u>
<u>EXPENDITURES</u>				
Police Vehicle	\$ 20,000	\$ 49,999	\$ (29,999)	\$ 49,999
Capital Equipment	-	35,564	(35,564)	24,011
Principal - Long Term Debt	25,287	13,916	11,371	13,916
Interest - Long Term Debt	-	2,012	(2,012)	2,012
Miscellaneous	-	6,628	(6,628)	6,628
Total Expenditures	<u>\$ 45,287</u>	<u>\$ 108,119</u>	<u>\$ (62,832)</u>	<u>\$ 96,566</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (20,272)</u>	<u>\$ (88,871)</u>	<u>\$ (109,143)</u>	<u>\$ (77,318)</u>
Loan Proceeds	-	69,465	69,465	69,465
Transfer In	-	25,000	25,000	25,000
Change in Fund Balance		<u>\$ 5,594</u>	<u>\$ (14,678)</u>	<u>\$ 17,147</u>
Fund Balance, Beginning of Year				<u>11,678</u>
Fund Balance, End of Year				<u><u>\$ 28,825</u></u>

CITY OF OGLESBY
BUDGETARY COMPARISON SCHEDULE
ALL OTHER GOVERNMENTAL FUNDS
Year Ended April 30, 2019

ODELL PUBLIC LIBRARY FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
<u>REVENUES</u>				
Property Tax	80,092	80,108	16	80,108
Property Tax - Building	10,679	10,724	45	10,724
Replacement Tax	11,943	9,167	(2,776)	9,909
Per Capita - State Grant	-	5,235	5,235	5,235
Desk Fees	70,000	9,986	(60,014)	9,986
Donations	-	94,986	94,986	94,986
Interest	-	5,286	5,286	5,286
Other Revenue	-	160	160	160
Total Revenues	<u>\$ 172,714</u>	<u>\$ 215,652</u>	<u>\$ 42,938</u>	<u>\$ 216,394</u>
<u>EXPENDITURES</u>				
Salaries and Benefits	\$ 83,150	\$ 67,676	\$ 15,474	\$ 67,676
Library Collection	88,000	24,690	63,310	24,690
Programs and Projects for Patrons	-	3,574	(3,574)	3,574
Repairs and Maintenance	-	12,630	(12,630)	12,630
Technology Maintenance	-	1,037	(1,037)	1,037
Attorney Fees	-	57	(57)	57
Automation	-	990	(990)	990
Dues	-	422	(422)	422
Postage	-	50	(50)	50
Fund Raising	-	101	(101)	101
Insurance	-	205	(205)	205
Miscellaneous Expenditures	-	1,008	(1,008)	1,008
Supplies	-	1,166	(1,166)	1,166
Utilities, Telephone, and Internet	-	1,115	(1,115)	1,115
Travel and Training	-	372	(372)	372
Total Expenditures	<u>\$ 171,150</u>	<u>\$ 115,093</u>	<u>\$ 56,057</u>	<u>\$ 115,093</u>
Change in Fund Balance	<u>\$ 1,564</u>	<u>\$ 100,559</u>	<u>\$ 98,995</u>	<u>\$ 321,434</u>
Fund Balance, Beginning of Year				<u>\$ 422,735</u>
Fund Balance, End of Year				<u>\$ 754,169</u>

**CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL OTHER GOVERNMENTAL FUNDS
Year Ended April 30, 2019**

REVOLVING LOAN FUND

	<u>1st & Final Budgeted Revenues & Expenditures</u>	<u>Actual Budgetary Basis</u>	<u>Over/Under Budget Budgetary Basis</u>	<u>Actual GAAP Basis</u>
REVENUES				
Interest	\$ 59,943	\$ 11,710	\$ (48,233)	\$ 11,710
Total Revenues	<u>\$ 59,943</u>	<u>\$ 11,710</u>	<u>\$ (48,233)</u>	<u>\$ 11,710</u>
EXPENDITURES				
Administration	\$ 1,001	\$ 7,164	\$ (6,163)	\$ 7,164
Receivables - Transferred to State	-	322,248	(322,248)	322,248
Total Expenditures	<u>\$ 1,001</u>	<u>\$ 329,412</u>	<u>\$ (328,411)</u>	<u>\$ 329,412</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 58,942</u>	<u>\$ (317,702)</u>	<u>\$ (376,644)</u>	<u>\$ (317,702)</u>
Transfers (Out)	-	(340,490)	(340,490)	(340,490)
Change in Fund Balance	<u>\$ 58,942</u>	<u>\$ (658,192)</u>	<u>\$ (717,134)</u>	<u>\$ (658,192)</u>
Fund Balance, Beginning of Year				<u>\$ -</u>
Fund Balance, End of Year				<u>\$ -</u>

VETERANS MEMORIAL PARK FUND

	<u>1st & Final Budgeted Revenues & Expenditures</u>	<u>Actual Budgetary Basis</u>	<u>Over/Under Budget Budgetary Basis</u>	<u>Actual GAAP Basis</u>
REVENUES				
Interest	\$ 100	\$ 71	\$ (29)	\$ 71
Total Revenues	<u>\$ 100</u>	<u>\$ 71</u>	<u>\$ (29)</u>	<u>\$ 71</u>
EXPENDITURES				
Memorial Park Expenditures	\$ 1,000	-	\$ 1,000	-
Total Expenditures	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (900)</u>	<u>\$ 71</u>	<u>\$ 971</u>	<u>\$ 71</u>
Transfers (Out)	1,000	1,000	-	1,000
Change in Fund Balance	<u>\$ 1,100</u>	<u>\$ 1,071</u>	<u>\$ (29)</u>	<u>\$ 1,071</u>
Fund Balance, Beginning of Year				<u>\$ 3,927</u>
Fund Balance, End of Year				<u>\$ 4,998</u>

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL OTHER GOVERNMENTAL FUNDS
Year Ended April 30, 2019

DEBT SERVICE FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
<u>REVENUES</u>				
Utility Tax	\$ 160,000	\$ 183,719	\$ 23,719	\$ 184,031
Telecommunications Tax	77,000	76,605	(395)	74,636
Interest Revenue	75	3,404	3,329	3,404
Total Revenues	<u>\$ 237,075</u>	<u>\$ 263,728</u>	<u>\$ 26,653</u>	<u>\$ 262,071</u>
<u>EXPENDITURES</u>				
Debt Principal	\$ 80,000	\$ 80,000	\$ -	\$ 80,000
Debt Interest	64,000	65,583	(1,583)	65,583
Fiscal Agent Fees	2,500	450	2,050	450
Total Expenditures	<u>\$ 146,500</u>	<u>\$ 146,033</u>	<u>\$ 467</u>	<u>\$ 146,033</u>
Excess (Deficiency) of Revenues	<u>\$ 90,575</u>	<u>\$ 117,695</u>	<u>\$ 27,120</u>	<u>\$ 116,038</u>
Over Expenditures	<u>(95,000)</u>	<u>(95,000)</u>	<u>-</u>	<u>(95,000)</u>
Transfer Out				
Change in Fund Balance	<u>\$ (4,425)</u>	<u>\$ 22,695</u>	<u>\$ 27,120</u>	<u>\$ 21,038</u>
Fund Balance, Beginning of Year				<u>214,285</u>
Fund Balance, End of Year				<u>\$ 235,323</u>

GROVE HILL CEMETERY PERPETUAL CARE FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
<u>REVENUES</u>				
Perpetual Care	\$ 1,000	\$ 2,747	\$ 1,747	\$ 2,747
Interest	1,600	4,169	2,569	4,169
Total Revenues	<u>\$ 2,600</u>	<u>\$ 6,916</u>	<u>\$ 4,316</u>	<u>\$ 6,916</u>
<u>EXPENDITURES</u>				
Perpetual Care Expenditures	\$ 9,500	\$ -	\$ 9,500	\$ -
Total Expenditures	<u>\$ 9,500</u>	<u>\$ -</u>	<u>\$ 9,500</u>	<u>\$ -</u>
Change in Fund Balance	<u>\$ (6,900)</u>	<u>\$ 6,916</u>	<u>\$ 13,816</u>	<u>\$ 6,916</u>
Fund Balance, Beginning of Year				<u>122,306</u>
Fund Balance, End of Year				<u>\$ 129,222</u>

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL PROPRIETARY FUNDS
Year Ended April 30, 2019

HEALTH INSURANCE - INTERNAL SERVICE FUND

	<u>1st & Final</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Actual</u>
	<u>Budgeted</u>	<u>Budgetary</u>	<u>Budget</u>	<u>GAAP</u>
	<u>Revenues &</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>
	<u>Expenditures</u>			
<u>OPERATING REVENUES</u>				
Retirees and Cobra Contribution	\$ 16,000	\$ 27,495	\$ 11,495	\$ 27,495
Employee Health Insurance Contribution	25,000	51,678	26,678	51,678
Total Revenues	<u>\$ 41,000</u>	<u>\$ 79,173</u>	<u>\$ 38,173</u>	<u>\$ 79,173</u>
<u>OPERATING EXPENSES</u>				
Health Insurance Premiums	\$ 233,000	\$ 284,238	\$ (51,238)	\$ 284,238
Dental Life Vision Premiums	37,550	21,752	15,798	20,899
Eye Care Reimbursements	1,500	1,606	(106)	1,606
Deductible Reimbursements	20,000	9,452	10,548	9,452
Total Expenses	<u>\$ 292,050</u>	<u>\$ 317,048</u>	<u>\$ (24,998)</u>	<u>\$ 316,195</u>
Net Operating Revenue (Loss)	<u>\$ (251,050)</u>	<u>\$ (237,875)</u>	<u>\$ 13,175</u>	<u>\$ (237,022)</u>
<u>Other Sources (Uses)</u>				
Reimbursement from City Funds	\$ 233,000	\$ 277,348	\$ 44,348	\$ 277,348
Total Other Sources (Uses)	<u>\$ 233,000</u>	<u>\$ 277,348</u>	<u>\$ 44,348</u>	<u>\$ 277,348</u>
Change in Net Position	<u>\$ (18,050)</u>	<u>\$ 39,473</u>	<u>\$ 57,523</u>	<u>\$ 40,326</u>
Net Position, Beginning of Year				<u>32,665</u>
Net Position, End of Year				<u>\$ 72,991</u>

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL PROPRIETARY FUNDS
Year Ended April 30, 2019

WATER FUND

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>	<u>Actual</u> <u>GAAP</u> <u>Basis</u>
<u>OPERATING REVENUES</u>				
Water Sales	\$ 845,000	\$ 823,587	\$ (21,413)	\$ 830,019
Penalties	10,000	59,728	49,728	36,481
Other Income	8,000	9,433	1,433	-
Total Revenues	<u>\$ 863,000</u>	<u>\$ 892,748</u>	<u>\$ 29,748</u>	<u>\$ 866,500</u>
<u>OPERATING EXPENSES</u>				
Salaries	\$ 191,000	\$ 167,204	\$ 23,796	\$ 168,000
Workers' Compensation	1,500	928	572	928
Social Security	15,000	12,735	2,265	12,854
Retirement	34,000	17,731	16,269	17,731
Automobile Allowance	1,000	900	100	900
Maintenance Service	31,000	19,689	11,311	19,689
Accounting Service	7,000	5,925	1,075	5,925
Engineering Service	50,000	97,478	(47,478)	-
Software/Hardware	5,000	519	4,481	519
Computer System Maintenance	12,000	1,087	10,913	1,087
Lab Fees	5,000	3,678	1,322	3,287
Postage	3,000	5,071	(2,071)	5,071
Telephone	6,000	12,106	(6,106)	8,986
Printing	1,500	1,304	196	1,304
Dues	1,000	874	126	874
Travel/Training	3,000	394	2,606	466
Utilities	43,000	13,381	29,619	13,390
Liability Insurance	5,000	794	4,206	794
Maintenance Supplies	18,000	35,417	(17,417)	35,449
Office Supplies	500	801	(301)	801
Operating Supplies	3,000	2,006	994	2,006
Small Tools	1,000	885	115	885
Lab Supplies	1,000	1,394	(394)	1,394
Fuel/Oil	7,000	3,416	3,584	3,416
Chemicals	19,000	14,007	4,993	14,003
Uniforms	500	98	402	233
Meter Testing/Replacement	30,000	38,524	(8,524)	8,940
Infrastructure	80,000	87,850	(7,850)	-
System Leak Survey	4,400	3,800	600	3,800
Economic Development	18,250	9,900	8,350	9,900
Banking Fees	3,000	4,639	(1,639)	4,639
Health Insurance Fund Reimbursement	30,000	30,000	-	36,518
Depreciation	-	-	-	309,432
Miscellaneous Expenses	36,750	13,734	23,016	4,320
Total Expenses	<u>\$ 667,400</u>	<u>\$ 608,269</u>	<u>\$ 59,131</u>	<u>\$ 697,541</u>
Net Operating Revenue (Loss)	<u>\$ 195,600</u>	<u>\$ 284,479</u>	<u>\$ 88,879</u>	<u>\$ 168,959</u>
Other Sources (Uses)				
Interest Revenue	\$ 400	\$ 15,111	\$ 14,711	\$ 15,111
Change in Pension Liability & Deferrals	-	-	-	2,708
Debt Principal Payments	(103,137)	(103,138)	(1)	-
Debt Interest Expense	(36,387)	(36,386)	1	(36,386)
Transfer In	-	-	-	-
Transfer (Out)	(5,000)	(5,000)	-	(5,000)
Total Other Sources (Uses)	<u>\$ (144,124)</u>	<u>\$ (129,413)</u>	<u>\$ 14,711</u>	<u>\$ (23,567)</u>
Change in Net Position	<u>\$ 51,476</u>	<u>\$ 155,066</u>	<u>\$ 103,590</u>	<u>\$ 145,392</u>
Prior Period Adjustment				(18,166)
Net Position, Beginning of Year				5,609,494
Net Position, End of Year				<u>\$ 5,736,720</u>

CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL PROPRIETARY FUNDS
Year Ended April 30, 2019

		<u>SEWER FUND</u>			
		<u>1st & Final</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Actual</u>
		<u>Budgeted</u>	<u>Budgetary</u>	<u>Budget</u>	<u>GAAP</u>
<u>REVENUES</u>	<u>Revenues & Expenditures</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>	<u>Basis</u>
Sewer Fees	\$ 1,132,000	\$ 1,234,338	\$ 102,338	\$ 1,217,886	\$ 1,217,886
Leachate	22,500	11,794	(10,706)	11,794	11,794
Penalties	16,000	26,766	10,766	26,766	26,766
Other Revenue	200	2	(198)	2	2
Total Revenues	\$ 1,170,700	\$ 1,272,900	\$ 102,200	\$ 1,256,448	\$ 1,256,448
		<u>OPERATING EXPENSES</u>			
Salaries	219,000	184,279	34,721	187,922	187,922
Workers Compensation	40,000	2,272	37,728	2,272	2,272
Social Security	16,000	13,977	2,023	13,879	13,879
Retirement	27,500	19,797	7,703	19,797	19,797
Automobile Allowance	1,000	900	100	900	900
Maintenance Service	21,000	16,536	4,464	16,477	16,477
Accounting	7,000	5,925	1,075	5,925	5,925
Engineering	5,000	38,573	(33,573)	-	-
Legal	3,500	978	2,522	534	534
Software Support	3,500	8,441	(4,941)	8,441	8,441
Computer System Maintenance	15,000	7,555	7,445	7,555	7,555
Postage	6,500	4,583	1,917	4,583	4,583
Telephone	4,000	7,774	(3,774)	7,631	7,631
Printing	1,500	713	787	713	713
Dues	1,500	699	801	699	699
Travel/Training	2,500	700	1,800	700	700
Utilities and Disposal	90,400	97,101	(6,701)	98,325	98,325
Julie	1,000	298	702	298	298
Drug Testing	900	675	225	675	675
IEPA Permit	17,500	17,500	-	17,500	17,500
Liability Insurance	2,000	1,944	56	1,944	1,944
General Insurance	30,000	22,980	7,020	25,746	25,746
Maintenance Supplies	29,500	8,979	20,521	9,031	9,031
Office Supplies	300	808	(508)	801	801
Operating Supplies	3,000	8,268	(5,268)	543	543
Small Tools	1,000	596	404	596	596
Lab Supplies	1,000	7,167	(6,167)	3,954	3,954
Automotive Fuel/Oil	4,500	3,747	753	3,747	3,747
Uniforms	500	997	(497)	795	795
Infrastructure Improvements	164,804	410,530	(245,726)	-	-
Economic Development	10,000	9,900	100	9,900	9,900
Banking Fees	-	4,639	(4,639)	4,639	4,639
Health Insurance Fund Reimbursement	-	55,231	(55,231)	55,231	55,231
Depreciation	-	-	-	339,639	339,639
Miscellaneous Expense	50,501	8,279	42,222	8,279	8,279
Total Expenses	\$ 781,405	\$ 973,341	\$ (191,936)	\$ 859,671	\$ 859,671
		<u>Other Sources (Uses)</u>			
Interest Revenue	\$ 700	\$ 36,657	\$ 35,957	\$ 36,657	\$ 36,657
State Grant Revenue	-	96,335	96,335	96,335	96,335
Change in Pension Liability & Deferrals	-	-	-	3,480	3,480
Debt Principal Payments	(363,027)	(440,448)	(77,421)	-	-
Loan Proceeds	-	520,992	520,992	-	-
Interest Expense	(119,167)	(189,193)	(70,026)	(189,193)	(189,193)
Transfers In	10,000	10,000	-	10,000	10,000
Transfers (Out)	(5,000)	(5,000)	-	(5,000)	(5,000)
Total Other Sources (Uses)	\$ (476,494)	\$ 29,343	\$ 505,837	\$ (47,721)	\$ (47,721)
Change in Net Position	\$ (87,199)	\$ 328,902	\$ 416,101	\$ 349,056	\$ 349,056
Prior Period Adjustment				18,782	18,782
Net Position, Beginning of Year				6,786,471	6,786,471
Net Position, End of Year				\$ 7,154,309	\$ 7,154,309

**CITY OF MORRISON
BUDGETARY COMPARISON SCHEDULE
ALL PROPRIETARY FUNDS
Year Ended April 30, 2019**

REFUSE DISPOSAL FUND

	<u>1st & Final Budgeted Revenues & Expenditures</u>	<u>Actual Budgetary Basis</u>	<u>Over/Under Budget Budgetary Basis</u>	<u>Actual GAAP Basis</u>
<u>REVENUES</u>				
User Fees	\$ 238,040	\$ 274,897	\$ 36,857	\$ 271,842
Penalties	-	4,014	4,014	4,014
Other Revenue	515	718	203	718
Total Revenues	<u>\$ 238,555</u>	<u>\$ 279,629</u>	<u>\$ 41,074</u>	<u>\$ 276,574</u>
<u>OPERATING EXPENSES</u>				
Contractual Waste Hauler	\$ 225,408	\$ 237,508	\$ (12,100)	\$ 237,839
Other Services	2,450	58	2,392	58
Total Expenses	<u>\$ 227,858</u>	<u>\$ 237,566</u>	<u>\$ (9,708)</u>	<u>\$ 237,897</u>
Other Sources (Uses)				
Interest Income	\$ 8	\$ 726	\$ 718	\$ 726
Transfers (Out)	-	(27,502)	(27,502)	(27,502)
Total Other Sources (Uses)	<u>\$ 8</u>	<u>\$ (26,776)</u>	<u>\$ (27,502)</u>	<u>\$ (26,776)</u>
Change in Net Position	<u>\$ 10,705</u>	<u>\$ 15,287</u>	<u>\$ 4,582</u>	<u>\$ 11,901</u>
Net Position, Beginning of Year				<u>20,325</u>
Net Position, End of Year				<u><u>\$ 32,226</u></u>

CITY OF MORRISON
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Audit Fund	Street Lighting Fund	Insurance Fund	Fire Protection Fund	Motor Fuel Tax Fund	IMRF Fund	Social Security Fund	Drug Traffic Prevention Fund	Police Vehicle Fund
ASSETS									
Cash and Equivalents (Note 2)	\$ 14,559	\$ -	\$ 21,538	\$ -	\$ 95,255	\$ 133,859	\$ 110,131	\$ 231	\$ 28,825
Accounts Receivable (Note 7)	-	-	-	-	9,270	4,393	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
Property Tax Receivable (Note 1C)	8,350	27,650	64,800	65,000	-	106,500	78,000	-	-
Prepaid Expenses (Note 15)	-	-	37,470	-	-	-	-	-	-
Total Assets	\$ 22,909	\$ 27,650	\$ 123,808	\$ 65,000	\$ 104,525	\$ 244,752	\$ 188,131	\$ 231	\$ 28,825
LIABILITIES									
Current Liabilities (Note 7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,360	\$ 2,612	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,360	\$ 2,612	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES									
Deferred Property Taxes (Note 1C)	\$ 8,350	\$ 27,650	\$ 64,800	\$ 65,000	\$ -	\$ 106,500	\$ 78,000	\$ -	\$ -
Total Deferred Inflows	\$ 8,350	\$ 27,650	\$ 64,800	\$ 65,000	\$ -	\$ 106,500	\$ 78,000	\$ -	\$ -
FUND BALANCE									
Fund Balance: (Note 1M)	\$ -	\$ -	\$ 37,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	14,559	-	21,538	-	104,525	132,892	107,519	231	28,825
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	14,559	-	59,008	-	104,525	132,892	107,519	231	28,825
Total Fund Balance	\$ 14,559	\$ -	\$ 59,008	\$ -	\$ 104,525	\$ 132,892	\$ 107,519	\$ 231	\$ 28,825
Total Liabilities, Deferred Inflows and Fund Balance	\$ 22,909	\$ 27,650	\$ 123,808	\$ 65,000	\$ 104,525	\$ 244,752	\$ 188,131	\$ 231	\$ 28,825
ASSETS									
Cash and Equivalents (Note 2)	\$ 365,250	\$ -	\$ 4,998	\$ 129,222	\$ -	\$ -	\$ -	\$ -	\$ 903,868
Accounts Receivable (Note 7)	742	-	-	-	-	-	-	-	14,405
Due From Other Funds	59,713	-	-	-	-	-	-	-	59,713
Property Tax Receivable (Note 1C)	94,000	-	-	-	-	-	-	-	444,300
Prepaid Expenses (Note 15)	-	-	-	-	-	-	-	-	37,470
Total Assets	\$ 519,705	\$ -	\$ 4,998	\$ 129,222	\$ -	\$ -	\$ -	\$ -	\$ 1,459,756
LIABILITIES									
Current Liabilities (Note 7)	\$ 2,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,942
Total Liabilities	\$ 2,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,942
DEFERRED INFLOWS OF RESOURCES									
Deferred Property Taxes (Note 1C)	\$ 94,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,300
Total Deferred Inflows	\$ 94,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,300
FUND BALANCE									
Fund Balance: (Note 1M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,470
Nonspendable	422,735	-	4,998	129,222	-	-	-	-	967,044
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	422,735	-	4,998	129,222	-	-	-	-	1,004,514
Total Fund Balance	\$ 422,735	\$ -	\$ 4,998	\$ 129,222	\$ -	\$ -	\$ -	\$ -	\$ 1,004,514
Total Liabilities, Deferred Inflows and Fund Balance	\$ 519,705	\$ -	\$ 4,998	\$ 129,222	\$ -	\$ -	\$ -	\$ -	\$ 1,459,756

CITY OF MORRISON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended April 30, 2019

	Audit Fund	Street Lighting Fund	Insurance Fund	Fire Protection Fund	Motor Fuel Tax Fund	IMRF Fund	Social Security Fund	Drug Traffic Prevention Fund	Police Vehicle Fund
REVENUES									
Property Tax	\$ 17,802	\$ 26,703	\$ 52,869	\$ 64,987	\$ -	\$ 93,459	\$ 75,282	\$ -	\$ -
Foreign Fire Insurance Tax	-	-	-	10,314	-	-	-	-	-
Motor Fuel Tax	-	-	-	-	106,311	-	-	-	-
Replacement Tax	-	-	-	-	-	16,106	-	-	-
Fines	-	-	-	-	-	-	-	191	100
State Grant	-	-	-	-	-	-	-	-	9,490
Vehicle Disposal	-	-	-	-	-	-	-	-	9,418
Library Desk Fees	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-
Cemetery - Perpetual Care	-	-	-	-	-	-	-	-	-
Interest Revenue	28	172	447	-	1,699	2,245	1,948	2	240
Other	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 17,830	\$ 26,875	\$ 53,316	\$ 75,301	\$ 108,010	\$ 111,810	\$ 77,230	\$ 193	\$ 19,248

EXPENDITURES									
Current:									
General Administrative	\$ 7,900	\$ -	\$ 65,266	\$ -	\$ -	\$ 86,623	\$ 66,686	\$ -	\$ -
Public Safety	-	-	-	75,301	-	-	-	-	6,628
Streets and Alleys	-	26,875	-	-	145,923	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Municipal Buildings	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Debt service:									
Loan Interest	-	-	-	-	-	-	-	-	2,012
Loan Principal	-	-	-	-	-	-	-	-	13,916
Capital Outlay	-	-	-	-	-	-	-	-	74,010
Total Expenditures	\$ 7,900	\$ 26,875	\$ 65,266	\$ 75,301	\$ 145,923	\$ 86,623	\$ 66,686	\$ -	\$ 96,566
Excess (Deficiency) of Revenues over Expenditures	\$ 9,930	\$ -	\$ (11,950)	\$ -	\$ (37,913)	\$ 25,187	\$ 10,544	\$ 193	\$ (77,318)
Transfer In	\$ -	\$ 5,349	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Transfer (Out)	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	69,465
Net Change in Fund Balances	\$ 9,930	\$ 5,349	\$ (11,950)	\$ -	\$ (37,913)	\$ 25,187	\$ 10,544	\$ 193	\$ 17,147
Prior Period Adjustment	-	-	-	-	-	-	583	-	-
Fund Balances - Beginning	4,629	(5,349)	70,958	-	142,438	107,705	96,392	38	11,678
Fund Balances - Ending	\$ 14,559	\$ -	\$ 59,008	\$ -	\$ 104,525	\$ 132,892	\$ 107,519	\$ 231	\$ 28,825

CITY OF MORRISON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Odell Public Library District Fund	Revolving Loan Fund	Veteran's Memorial Park Fund	Grove Hill Cemetery Perpetual Care Fund	Total All Non-Major Gov't Funds
REVENUES					
Property Tax	90,832	-	-	-	421,934
Foreign Fire Insurance Tax	-	-	-	-	10,314
Motor Fuel Tax	-	-	-	-	106,311
Replacement Tax	9,909	-	-	-	26,015
Fines	-	-	-	-	291
State Grant	5,235	-	-	-	14,725
Vehicle Disposal	-	-	-	-	9,418
Library Desk Fees	9,986	-	-	-	9,986
Donations	94,986	-	-	-	94,986
Cemetery - Perpetual Care	-	-	-	2,747	2,747
Interest Revenue	5,286	11,710	71	4,169	28,017
Other	160	-	-	-	160
Total Revenues	\$ 216,394	\$ 11,710	\$ 71	\$ 6,916	\$ 724,904

EXPENDITURES					
Current:					
General Administrative	-	-	-	-	226,475
Public Safety	-	-	-	-	81,929
Streets and Alleys	-	-	-	-	172,798
Parks and Recreation	115,093	-	-	-	115,093
Municipal Buildings	-	-	-	-	-
Economic Development	-	329,412	-	-	329,412
Debt Service:					
Loan Interest	-	-	-	-	2,012
Loan Principal	-	-	-	-	13,916
Capital Outlay	-	-	-	-	74,010
Total Expenditures	\$ 115,093	\$ 329,412	\$ -	\$ -	\$ 1,015,645
Excess (Deficiency) of Revenues over Expenditures	\$ 101,301	\$ (317,702)	\$ 71	\$ 6,916	\$ (290,741)
Transfer In	-	-	1,000	-	31,349
Transfer (Out)	-	(340,490)	-	-	(340,490)
Loan Proceeds	-	-	-	-	69,465
Net Change in Fund Balances	\$ 101,301	\$ (658,192)	\$ 1,071	\$ 6,916	\$ (530,417)
Prior Period Adjustment	-	-	-	-	583
Fund Balances - Beginning	321,434	658,192	3,927	122,306	1,534,348
Fund Balances - Ending	\$ 422,735	\$ -	\$ 4,998	\$ 129,222	\$ 1,004,514