

***City of Marquette Heights  
Marquette Heights, IL***

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***Annual Financial Report***

***April 30, 2021***

DRAFT

**CITY OF MARQUETTE HEIGHTS  
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## INDEPENDENT AUDITOR'S REPORT

To City Council and Management  
City of Marquette Heights, IL

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Marquette Heights, IL, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### Opinions

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

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America required that the pension related information (pages 28-29) and the budgetary comparison schedules (pages 30-34) and be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require 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 Marquette Heights's basic financial statements. The combining nonmajor financial statements, nonmajor budgetary comparative information, and other information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the nonmajor budgetary comparative information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparative information and the combining general fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of assessed calculations, rates, extensions, and collections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Pekin, Illinois

July 5, 2022

**City of Marquette Heights  
Statement of Net Position  
April 30, 2021**

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets			
Cash and investments	\$ 1,145,610	\$ 469,558	\$ 1,615,168
Accounts receivable			
Taxes receivable	591,457	-	591,457
Charges for service	2,140	13,713	15,853
Other receivables	2,522	159	2,681
Inventory	684	-	684
Prepaid expenses	36,473	29,333	65,806
Internal balances	2,184	(2,184)	-
Non Current Assets			
Net pension asset	389,122	-	389,122
Land	202,177	8,000	210,177
Capital assets, net of depreciation	687,723	2,301,923	2,989,646
Total assets	<u>3,060,092</u>	<u>2,820,502</u>	<u>5,880,594</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Pension related amounts	269,671	-	269,671
Total deferred outflows of resources	<u>269,671</u>	<u>-</u>	<u>269,671</u>
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts payable	33,787	22,598	56,385
Accrued wages	21,802	3,172	24,974
Accrued compensated absences	10,337	5,292	15,629
Customer deposits	-	23,776	23,776
Non Current Liabilities			
Current portion of note payable	46,004	125,917	171,921
Notes payable, due in more than one year	258,389	928,040	1,186,429
Total liabilities	<u>370,319</u>	<u>1,108,795</u>	<u>1,479,114</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Deferred property tax revenue	472,294	-	472,294
Pension related amounts	517,830	-	517,830
Total deferred inflows of resources	<u>990,124</u>	<u>-</u>	<u>990,124</u>
<b>NET POSITION</b>			
Net investment in capital assets	585,507	1,255,966	1,841,473
Restricted	525,968	-	525,968
Unrestricted	857,845	455,741	1,313,586
Total net position	<u>\$ 1,969,320</u>	<u>\$ 1,711,707</u>	<u>\$ 3,681,027</u>

See independent auditor's report and accompanying notes.

**City of Marquette Heights  
Statement of Activities  
For the Fiscal Year Ending April 30, 2021**

Functions/Program	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position Primary Government		
		Charges for Services	Operating Grants and Contribution	Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 236,478	\$ 32,973	\$ 129,869	\$ (73,636)	\$ -	\$ (73,636)
Public safety	536,026	35,308	-	(500,718)	-	(500,718)
Streets	250,712	-	93,056	(157,656)	-	(157,656)
Public works	32,998	3,640	-	(29,358)	-	(29,358)
Culture and recreation	82,829	1,391	3,911	(77,527)	-	(77,527)
Interest expense	2,415	-	-	(2,415)	-	(2,415)
Total governmental activities	<u>1,141,458</u>	<u>73,312</u>	<u>226,836</u>	<u>(841,310)</u>	<u>-</u>	<u>(841,310)</u>
Business - type activities:						
Waterworks	602,681	497,117	-	-	(105,564)	(105,564)
Sewerage	270,223	336,854	-	-	66,631	66,631
Total business-type activities	<u>872,904</u>	<u>833,971</u>	<u>-</u>	<u>-</u>	<u>(38,933)</u>	<u>(38,933)</u>
Total primary government	<u>\$ 2,014,362</u>	<u>\$ 907,283</u>	<u>\$ 226,836</u>	<u>(841,310)</u>	<u>(38,933)</u>	<u>(880,243)</u>
General revenues:						
Taxes						
Property tax				463,432	-	463,432
State income tax				342,783	-	342,783
Utility tax				144,313	-	144,313
Use tax				153,268	-	153,268
Motor fuel tax				101,111	-	101,111
Franchise tax				42,325	-	42,325
Wheel tax				33,900	-	33,900
Sales tax				27,349	-	27,349
Replacement tax				4,228	-	4,228
Interest income				1,301	529	1,830
Other revenue				31,732	9,415	41,147
Total general revenues				<u>1,345,742</u>	<u>9,944</u>	<u>1,355,686</u>
Change in net position				504,432	(28,989)	475,443
Net position, beginning of year				<u>1,464,888</u>	<u>1,740,696</u>	<u>3,205,584</u>
Net position, end of year				<u>\$ 1,969,320</u>	<u>\$ 1,711,707</u>	<u>\$ 3,681,027</u>

See independent auditor's report and accompanying notes.

**City of Marquette Heights  
Balance Sheet  
Governmental Funds  
April 30, 2021**

	General Fund	Motor Fuel Tax Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS:</b>				
Current Assets				
Cash and investments	\$ 648,436	\$ 357,672	\$ 139,502	\$ 1,145,610
Accounts receivable				
Taxes receivable	335,553	9,303	246,601	591,457
Charges for service	2,140	-	-	2,140
Other receivables	2,516	6	-	2,522
Inventory	684	-	-	684
Prepaid expenses	-	-	36,473	36,473
Due from other funds	91,353	-	115	91,468
Total assets	<u>\$ 1,080,682</u>	<u>\$ 366,981</u>	<u>\$ 422,691</u>	<u>\$ 1,870,354</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Current Liabilities				
Accounts payable	\$ 33,787	\$ -	\$ -	\$ 33,787
Accrued wages	20,551	-	1,251	21,802
Accrued compensated absences	8,998	-	1,339	10,337
Due to other funds	115	-	89,169	89,284
Total liabilities	<u>63,451</u>	<u>-</u>	<u>91,759</u>	<u>155,210</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>				
Deferred property tax revenue	225,693	-	246,601	472,294
Total deferred inflows of resources	<u>225,693</u>	<u>-</u>	<u>246,601</u>	<u>472,294</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Streets	-	366,981	79,900	446,881
Library	-	-	27,637	27,637
Liability insurance	-	-	51,450	51,450
Unassigned	791,538	-	(74,656)	716,882
Total fund balance	<u>791,538</u>	<u>366,981</u>	<u>84,331</u>	<u>1,242,850</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,080,682</u>	<u>\$ 366,981</u>	<u>\$ 422,691</u>	<u>\$ 1,870,354</u>

See independent auditor's report and accompanying notes.

**City of Marquette Heights**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**April 30, 2021**

Total Fund Balances - Governmental Funds \$ 1,242,850

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not reported in the governmental funds balance sheet

Capital assets	2,945,752	
Less accumulated depreciation	<u>(2,055,852)</u>	
		889,900

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds (304,393)

The net pension liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the governmental funds:

Deferred inflows - pension	(517,830)	
Deferred outflows - pension	269,671	
Net pension asset	<u>389,122</u>	
		<u>140,963</u>

Net Position of Governmental Activities \$ 1,969,320

See independent auditor's report and accompanying notes.



**City of Marquette Heights**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ending April 30, 2021**

	General Fund	Motor Fuel Tax Fund	Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes:				
Property tax	\$ 227,891	\$ -	\$ 235,541	\$ 463,432
State income tax	342,783	-	-	342,783
Utilities tax	144,313	-	-	144,313
Use tax	153,268	-	-	153,268
Motor fuel tax	-	101,111	-	101,111
Franchise tax	42,325	-	-	42,325
Wheel tax	-	-	33,900	33,900
Sales tax	27,349	-	-	27,349
Replacement tax	4,228	-	-	4,228
Rental income	21,873	-	-	21,873
Charges for service	3,757	-	695	4,452
Fines	35,198	-	22	35,220
Licenses and permits	11,773	-	-	11,773
Grant revenue	116,499	93,056	3,530	213,085
Interest revenue	759	479	63	1,301
Donations	13,370	-	381	13,751
Other revenue	30,449	-	1,283	31,732
Total revenues	<u>1,175,835</u>	<u>194,646</u>	<u>275,415</u>	<u>1,645,896</u>
<b>EXPENDITURES:</b>				
Current:				
General government	193,301	-	153,267	346,568
Public safety	454,582	-	-	454,582
Streets	183,011	50,000	206	233,217
Public works	32,998	-	-	32,998
Culture and recreation	15,911	-	56,428	72,339
Capital Outlay				
Equipment	370,327	-	-	370,327
Books	-	-	5,287	5,287
Debt Service				
Principal	14,722	-	-	14,722
Interest	2,415	-	-	2,415
Total expenditures	<u>1,267,267</u>	<u>50,000</u>	<u>215,188</u>	<u>1,532,455</u>
Excess revenue over (under) expenditures	<u>(91,432)</u>	<u>144,646</u>	<u>60,227</u>	<u>113,441</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan/bond proceeds	272,615	-	-	272,615
Total financing sources	<u>272,615</u>	<u>-</u>	<u>-</u>	<u>272,615</u>
Net change in fund balance	181,183	144,646	60,227	386,056
Fund balance - beginning	610,355	222,335	24,104	856,794
Fund balance - ending	<u>\$ 791,538</u>	<u>\$ 366,981</u>	<u>\$ 84,331</u>	<u>\$ 1,242,850</u>

See independent auditor's report and accompanying notes.

**City of Marquette Heights**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances - Governmental Funds to**  
**the Statement of Activites**  
**For the Fiscal Year Ending April 30, 2021**

Amounts reported for governmental activities in the Statement of Activities differ as follows:

Net change in fund balances - total governmental funds	\$	386,056
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	375,614		
Depreciation expense	<u>(115,711)</u>		259,903

Note payable obligations provide current resources to governmental funds, but commitment increases long-term liabilities in the Statement of Net Position. Payment on notes is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Debt issued	(272,615)		
Note payments	<u>14,722</u>		(257,893)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Current year change in net pension liability and related pension items		<u>116,366</u>	
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Change in Net Position of Governmental Funds	\$	<u><u>504,432</u></u>
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See independent auditor's report and accompanying notes.

**City of Marquette Heights  
Statement of Net Position  
Proprietary Fund  
April 30, 2021**

	<u>Business-Type Activities</u> <u>Waterworks &amp; Sewerage Fund</u>
<b>ASSETS:</b>	
Current Assets	
Cash and investments	\$ 469,558
Accounts receivable	
Charges for service	13,713
Other receivables	159
Prepaid expenses	29,333
Non Current Assets	
Land	8,000
Capital assets, net of depreciation	2,301,923
Total assets	<u>2,822,686</u>
 <b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	22,598
Accrued wages	3,172
Accrued compensated absences	5,292
Due to other funds	2,184
Customer deposits	23,776
Non Current Liabilities	
Current portion of note payable	125,917
Notes payable, due in more than one year	928,040
Total liabilities	<u>1,110,979</u>
 <b>NET POSITION</b>	
Net investment in capital assets	1,255,966
Unrestricted	455,741
Total net position	<u>\$ 1,711,707</u>

See independent auditor's report and accompanying notes.

**City of Marquette Heights**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Fiscal Year Ending April 30, 2021**

	<u>Business-Type Activities</u>
	<u>Waterworks &amp; Sewerage Fund</u>
<b>Operating Revenues</b>	
Charges for service - water	\$ 497,117
Charges for service - sewer	336,854
Other operating revenue	9,415
Total operating revenue	<u>843,386</u>
<b>Operating Expenses</b>	
Water supply and distribution systems	411,780
Sewer collections and treatment systems	264,425
Total operating expenses	<u>676,205</u>
Operating income (loss) before depreciation	167,181
Depreciation	<u>(173,866)</u>
Operating income (loss)	<u>(6,685)</u>
<b>Non-Operating Revenue (Expenses)</b>	
Interest revenue	529
Interest expense	(22,833)
Total non-operating revenues (expenses)	<u>(22,304)</u>
Change in net position	(28,989)
Net position, beginning	<u>1,740,696</u>
Net position, ending	<u><u>\$ 1,711,707</u></u>

See independent auditor's report and accompanying notes.

**City of Marquette Heights**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Fiscal Year Ending April 30, 2021**

	Business-Type Activities
	Waterworks & Sewerage Fund
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 834,170
Other cash receipts	9,415
Payments to suppliers for goods and services	(419,416)
Payments to employees	(205,331)
Payments for insurance premiums	(43,700)
Net cash provided by (used in) operating activities	175,138
<b>Cash flows from non-capital financing activities:</b>	
Increase (decrease) in interfund activities	(11,975)
Net cash provided by (used in) non-capital financing activities	(11,975)
<b>Cash flows from capital and related financing activities:</b>	
Interest paid	(22,833)
Principal payments on long-term debt	(126,372)
Purchase of capital assets	(95,914)
Net cash provided by (used in) capital and related financing activities	(245,119)
<b>Cash flows from investing activities:</b>	
Interest received	528
Net cash provided by (used in) investing activities	528
Net increase (decrease) in cash and cash equivalents	(81,428)
Cash and investments at the beginning of the year	550,986
Cash and investments at the end of the year	\$ 469,558
<b>Reconciliation of operating income to net cash provided by (used in) operating activities</b>	
Operating income (loss)	\$ (6,685)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities	
Depreciation	173,866
Change in assets and liabilities	
(Increase) decrease in accounts receivable	(3,027)
(Increase) decrease in prepaid expenses	(1,497)
Increase (decrease) in accounts payable	13,082
Increase (decrease) in wages payable & compensated absences	(3,827)
Increase (decrease) in customer deposits	3,226
Total adjustments	181,823
Net cash provided by (used in) operating activities	\$ 175,138

See independent auditor's report and accompanying notes.

**City of Marquette Heights**  
**Notes to Basic Financial Statements**  
**April 30, 2021**

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

The City of Marquette Heights is a governmental entity located in central Illinois. Revenues are substantially generated as the result of property taxes, sales taxes, income taxes, and motor fuel taxes assessed and allocated to the City of Marquette Heights and charges for services performed for constituents of the City. The City of Marquette Heights revenues are therefore dependent on the economy within its territorial boundaries. The City operates under an elected Mayor-Council form of government. The City's major operations include maintaining the City hall, waterworks and wastewater utilities, law enforcement, fire protection, street maintenance, and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant accounting policies affecting the financial statement presentation.

**A. THE FINANCIAL REPORTING ENTITY**

For financial reporting purposes, the City of Marquette Heights has included all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Additionally, the primary government may choose to include an organization in the reporting entity that does not meet either of these criteria because the nature and significance of the component unit's relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Accordingly, the Marquette Heights Library District, which was formed to operate a public library for the Marquette Heights area, is presented as a blended component unit of the City. The Library's annual tax levy is determined by the City Council and Library employees are included in the City's payroll reporting, creating a blended component unit financial relationship between the Library and the City as described above. Separate financial statements are not prepared for the Marquette Heights Library.

**B. BASIS OF ACCOUNTING AND FINANCIAL PRESENTATION**

Government-Wide Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the primary government. The City has no fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION - Continued**

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meet the operation or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

The focus of the fund financial statements is on major funds. All major individual governmental funds are reported as separate columns in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or by meeting the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

Governmental Fund Types

The following are the City's major governmental funds:

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

Motor Fuel Tax Fund - The Motor Fuel Tax Fund is used to account for funds received from the State of Illinois Motor Fuel Tax to be used for the maintenance and repair of City roads.

The City also has the following nonmajor funds: the Audit Fund, Liability Insurance Fund, IMRF Fund, Social Security Fund, Wheel Tax Fund, and Library Fund.

Proprietary Fund Types

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City complies with all Financial Accounting Standards Board statements currently in effect for proprietary fund activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund are charges to customers for sales and services.

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION – Continued**

Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses and maintenance. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Waterworks & Sewerage Fund qualifies as a proprietary fund. This fund was established to account for the provisions of water and sewer services to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing, and related debt service, as well as billing and collection.

**C. MEASUREMENT FOCUS**

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied. In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, as subsequently defined in item (b). In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, defined in (a) below:

- a. All governmental funds utilize a current financial resources measurement focus and the modified accrual basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported.

**D. CASH AND INVESTMENTS**

Cash

The City of Marquette Heights has various accounts in different financial institutions. For the purpose of the Statement of Cash Flows, the City's proprietary funds considers their cash on hand, demand deposits, and all highly liquid investments to be cash and cash equivalents. The City includes investments in the Illinois Funds Investment Pool as cash equivalents due to the highly liquid nature of those funds. Further information on the Illinois Funds Investment Pool is presented in Note 2.

Investments

Investments with a maturity date of less than one year from the date of purchase are recorded at cost or amortized cost, which approximates fair value. Investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets or identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. As of April 30, 2021, all of the City's investments were in Level 1.



**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**E. INVENTORIES**

The City's inventories are valued at the lower of cost or market, which is determined using the first-in, first-out method. Cost is recorded at the time of purchase. The General Fund inventories consist of gasoline and diesel fuel held for consumption. They are recorded as an asset when purchased and expended when consumed.

**F. INTERFUND BALANCES AND TRANSFERS**

Interfund balances and transfers are loans and transfers of money between the separate funds of the City. In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities the internal balances and activity in the fund statements has been combined and eliminated or reclassified.

**G. CAPITAL ASSETS**

The City's capital assets result from cash transactions or events and reports depreciation, when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. The City does not have a capitalization policy but applies the following guidelines for capital asset recording.

Depreciation of exhaustible capital assets arising from cash transactions or events are recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are capitalized and depreciated over the estimated useful lives as follows:

<u>Category of Asset</u>	<u>Estimated Life</u>
Buildings	40 years
Infrastructure	20 years
Other improvements	7-10 years
Equipment	10-15 years
Vehicles	5-10 years
Library books	10 years

Fund Financial Statements

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

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

H. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. All full-time employees are required to use their vacation time or receive it as a payout by the end of the fiscal year except for one week. One week of vacation may be cumulative, to be used within the first three months of the following fiscal year. Sick leave is not paid upon termination or retirement and, therefore, is not accrued at the end of the fiscal year.

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City recognized deferred outflows of resources for the fiscal year ended April 30, 2021 for pension contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has reported the following in this category:

- In the governmental funds balance sheet, the City has unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.
- In the government-wide statement of net position, the City has recognized deferred inflows and outflows of resources for its pension liability based on actuarial valuation that was performed and deferred inflows of resources for deferred property tax revenue.

For additional pension information, refer to Note 5.

J. NET POSITION AND FUND BALANCE CLASSIFICATIONS

Government-Wide Statements

Net Position is classified and displayed in three components

*Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

*Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

*Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The City has no set policy for this allocation of expenditures. The City currently uses the method suggested by GASB, which is to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

J. NET POSITION AND FUND BALANCE CLASSIFICATIONS – Continued

Fund Financial Statements

*Governmental Funds*

In the governmental fund financial statements, fund balances are classified as:

*Nonspendable* - amounts that cannot be spent either because they are either (a) in a nonspendable form or (b) they are legally or contractually required to be maintained intact.

*Restricted* - amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified property taxes as restricted because their use is restricted by state laws and regulations. The City also has restricted cash balances classified as restricted fund balance due to the funds being restricted by creditors.

*Committed* - amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

*Assigned* - amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to a Council member through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except the General Fund.

*Unassigned* – the residual funds balance of the General Fund and any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

As of the end of the fiscal year, the City had no policy for the allocation of expenditures when all the above fund balances are available. Currently the method suggested by GASB 54 has been applied in which the amounts will first be spent out of the committed funds, and then the assigned funds, and finally the unassigned funds unless the City Council has provided otherwise in its commitment or assignment actions.

As of April 30, 2021, the governmental fund financial statements reported fund balances as restricted due to property tax revenues received but not yet expended for their levied purposes. The restricted purposes for these balances are as presented on the face of the governmental fund financial statements.

*Proprietary Funds*

The difference among assets, deferred outflows of resources, liabilities, and deferred inflows of resources of proprietary funds is reported as net position and classified in the same manner as the government-wide financial statements as previously described.

K. PROPERTY TAXES

Property taxes are levied each year on all taxable real property located in the City on or before the last Tuesday in December. The Board adopts the levy in December. Taxes attached as an enforceable lien on property on January 1 and are payable in two installments (on or about June 1 and September 1) subsequent to the year of levy. The City receives significant distributions of tax receipts in each of these months.

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

K. PROPERTY TAXES – Continued

Pursuant to the City Council resolution, property tax levies passed in December 2020 are allocated and will be recognized as revenue in the fiscal year 2022. They are reported as property taxes receivable in the current year financial statements. The property tax revenues collected and reported for the fiscal year ended April 30, 2021 are from the 2019 and prior levies.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – CASH AND INVESTMENTS**

Illinois state statutes authorize the City to deposit funds in commercial banks and savings and loan institutions, and to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Public Treasurer’s Investment Pool (Illinois Funds). The City does not have a policy to limit allowable deposits or investments. As of April 30, 2021, the City does not have any investments other than certificates of deposit and Illinois Funds.

The Illinois Public Treasurers’ Investment Pool, known as the Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 70, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer’s Office issues a separate financial report for the Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704. The Illinois Funds is not registered with the SEC. The Illinois State Treasury administers the pool and oversight is provided by the Auditor General’s Office of the State of Illinois. The fair value of the positions in this pool is the same as the value of the pool shares.

Cash and investments as of April 30, 2021 consist of the following:

	Governmental Activities	Business - Type Activities
Cash	\$ 476,901	\$ 230,249
Investments		
CDs	37,503	60,787
Illinois Funds	631,206	178,522
	\$ 1,145,610	\$ 469,558

A. DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits in financial institutions are subject to custodial credit risk. Custodial credit risk is defined as the risk that in the event of a bank failure, the City’s deposits may not be returned to it. Financial institutions holding deposits and investments of the City hold pledged securities to provide collateralization for deposits in excess of the FDIC limit. As of April 30, 2021, \$219,671 of the City’s bank cash balance held was exposed to custodial credit risk.

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 2 – CASH AND INVESTMENTS – Continued**

**B. INVESTMENTS**

The risks related to investments held by the City are as follows:

Interest Rate Risk – Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy limiting exposure to interest rate risk or limiting the maximum maturity lengths of investments.

Credit Risk – State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no policy in place to further limit beyond those required by law. As of April 30, 2021, the City’s investments, which consisted only of the Illinois Funds, was rated AAA by Standard & Poors rating service.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City limits its exposure to credit risk by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. The Illinois Funds are not subject to custodial credit risk.

**NOTE 3 – INTERFUND TRANSACTIONS**

Interfund Balances

The interfund balances shown below result from the General Fund paying expenditures for other funds which were yet to be reimbursed prior to the fiscal year end. Individual interfund assets and liabilities are as follows:

Receivable Fund	Payable Fund		
General Fund	Audit Fund	\$	12,500
General Fund	IMRF Fund		69,128
General Fund	Social Security Fund		7,541
Library Fund	General Fund		115
General Fund	Waterworks & Sewerage Fund		2,184
		\$	91,468

Interfund Transfers

For the fiscal year ended April 30, 2021, the City had no interfund transfers.

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended April 30, 2021.

<b>Governmental Activities</b>	Beginning Balances	Additions	Disposals	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 202,177	\$ -	\$ -	\$ 202,177
Capital assets, being depreciated:				
Buildings and improvements	535,805	-	-	535,805
Infrastructure	146,746	-	-	146,746
Machinery and equipment	1,609,661	370,327	-	1,979,988
Library books	75,749	5,287	-	81,036
Subtotals	<u>2,367,961</u>	<u>375,614</u>	<u>-</u>	<u>2,743,575</u>
Less accumulated depreciation for:				
Buildings and improvements	(428,415)	(8,300)	-	(436,715)
Infrastructure	(102,740)	(7,338)	-	(110,078)
Machinery and equipment	(1,351,806)	(96,145)	-	(1,447,951)
Library books	(57,180)	(3,928)	-	(61,108)
Subtotals	<u>(1,940,141)</u>	<u>(115,711)</u>	<u>-</u>	<u>(2,055,852)</u>
Total depreciable capital assets, net	<u>427,820</u>	<u>259,903</u>	<u>-</u>	<u>687,723</u>
Governmental activities capital assets, net	<u>\$ 629,997</u>	<u>\$ 259,903</u>	<u>\$ -</u>	889,900
Less related long-term debt outstanding				<u>(304,393)</u>
Investment in capital assets, net of related debt				<u>\$ 585,507</u>

Depreciation expense for 2021 was charged to functions/programs of the primary government as follows:

<b>Governmental activities</b>	
General government	\$ 6,276
Public safety	81,444
Streets	17,495
Culture and recreation	10,496
	<u>\$ 115,711</u>

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 4 – CAPITAL ASSETS - Continued**

<b>Business-Type Activities</b>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 8,000	\$ -	\$ -	\$ 8,000
Capital assets, being depreciated:				
Plant and equipment	3,902,987	88,298	-	3,991,285
New well	212,302	-	-	212,302
Meters	139,326	7,616	-	146,942
Subtotals	<u>4,254,615</u>	<u>95,914</u>	<u>-</u>	<u>4,350,529</u>
Less accumulated depreciation for:				
Plant and equipment	(1,646,800)	(156,759)	-	(1,803,559)
New well	(130,320)	(8,557)	-	(138,877)
Meters	(97,620)	(8,550)	-	(106,170)
Subtotals	<u>(1,874,740)</u>	<u>(173,866)</u>	<u>-</u>	<u>(2,048,606)</u>
Total depreciable capital assets, net	<u>2,379,875</u>	<u>(77,952)</u>	<u>-</u>	<u>2,301,923</u>
Governmental activities capital assets, net	<u>\$ 2,387,875</u>	<u>\$ (77,952)</u>	<u>\$ -</u>	<u>\$ 2,309,923</u>
Less related long-term debt outstanding				<u>(1,053,957)</u>
Investment in capital assets, net of related debt				<u>\$ 1,255,966</u>

**NOTE 5 – ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)**

The City contributes to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. Benefit provisions and contributions rates are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available report that includes financial statements, detailed financial information about the pension plan's fiduciary net position and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**A. IMRF PLAN DESCRIPTION**

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The City's defined benefit pension plan for employees provides retirement and disability benefits, post-retirement increases and death benefits to plan members and beneficiaries. Employer and employee contributions are recognized when earned in the year that the contributions are required. Benefits and refunds are recognized as expenses and liabilities when due and payable.

**B. BENEFITS PROVIDED**

IMRF provides two tiers of pension benefits.

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





**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 5 – ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – Continued**

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 returns 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 or each major asset class are summarized in the following table as of December 31, 2020:

Asset Class	Portfolio Target Percentage	Longterm Expected Real Rate of Return
Domestic equity	37%	2.85%
International equity	18%	3.85%
Fixed income	28%	-0.85%
Real estate	9%	4.05%
Alternative investments	7%	0.70-4.80%
Cash Equivalents	1%	-1.45%
Total	<u>100%</u>	

**G. DISCOUNT RATE**

The discount rate used to measure the total pension liability at December 31, 2020 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made to the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**H. DISCOUNT RATE SENSITIVITY**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the City calculated using the discount rate as well as what the city's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

December 31, 2020:	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net pension liability/(asset)	<u>\$ (109,190)</u>	<u>\$ (389,122)</u>	<u>\$ (626,537)</u>

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**

**April 30, 2021**

**NOTE 5 – ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – Continued**

I. CHANGES IN NET PENSION LIABILITY/(ASSET)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2019	\$ 3,040,670	\$ 3,154,860	\$ (114,190)
Changes for the year:			
Service cost	46,898	-	46,898
Interest on the total pension liability	213,243	-	213,243
Difference between expected and actual experience of the total pension liability	67,955	-	67,955
Changes of assumptions	(18,033)	-	(18,033)
Contributions - employer	-	38,977	(38,977)
Contributions - employee	-	22,487	(22,487)
Benefit Payments, including refunds of employee contributions	(245,685)	(245,685)	-
Net investment income	-	481,252	(481,252)
Other (net transfer)	-	42,279	(42,279)
Net changes	<u>64,378</u>	<u>339,310</u>	<u>(274,932)</u>
Balances at December 31, 2020	<u>\$ 3,105,048</u>	<u>\$ 3,494,170</u>	<u>\$ (389,122)</u>

J. PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended April 30, 2021, the City recognized pension expense of (\$77,923). At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences between expected and actual experience	\$ 70,374	\$ 7,211	\$ 63,163
Changes in assumptions	14,636	16,454	(1,818)
Net difference between projected and actual earnings on pension plan investments	<u>172,793</u>	<u>494,165</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	257,803	517,830	(260,027)
Pension contributions made subsequent to the measurement date	<u>11,868</u>		<u>11,868</u>
Total deferred amounts related to pensions	<u>\$ 269,671</u>	<u>\$ 517,830</u>	<u>\$ (248,159)</u>

The amount of \$11,868 is reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2021.

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**

**April 30, 2021**

**NOTE 5 – ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – Continued**

**J. PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – Continued**

Amounts reported as net deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ (41,534)
2022	(39,563)
2023	(127,396)
2024	(51,534)
Thereafter	-
Total	<u>\$ (260,027)</u>

**NOTE 6 – LONG-TERM DEBT**

The following is a summary of changes in notes payable reported on the financial statements for the year ended April 30, 2021.

	Beginning Balance	Increase	Decrease	Ending Balance	Principal Due Within One Year
<b>Governmental activities</b>					
Backhoe Loader Loan	\$ 46,500	\$ -	\$ (6,077)	\$ 40,423	\$ 6,211
Squad Car Loan	-	34,465	(3,425)	31,040	8,369
Fire Truck Loan	-	238,150	(5,220)	232,930	31,424
Total	<u>\$ 46,500</u>	<u>\$ 272,615</u>	<u>\$ (14,722)</u>	<u>\$ 304,393</u>	<u>\$ 46,004</u>
<b>Business-type activities</b>					
IL EPA - Water tower construction	\$ 190,386	\$ -	\$ (32,709)	\$ 157,677	\$ 33,532
IL EPA - Water plant construction	469,508	-	(47,136)	422,372	48,321
IL EPA - Sewer improvements	473,935	-	(40,451)	433,484	40,958
Backhoe Loader Loan	46,500	-	(6,076)	40,424	3,106
Total	<u>\$ 1,180,329</u>	<u>\$ -</u>	<u>\$ (126,372)</u>	<u>\$ 1,053,957</u>	<u>\$ 125,917</u>

**Joint Governmental and Business-type Activities**

**Backhoe Loader Loan**

In April 2020, the City obtained a \$93,000 loan to finance the purchase of a backhoe loader. Annual installments are due through April 2025, with interest of 2.2%. The loan is allocated equally between the General Fund and the Water and Sewerage Fund. Annual debt service requirements for the note balance outstanding at April 30, 2021, including interest, are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30, 2022	\$ 6,211	\$ 898	\$ 6,212	\$ 899	\$ 12,423	\$ 1,797
April 30, 2023	6,349	760	6,350	761	12,699	1,521
April 30, 2024	6,491	619	6,491	619	12,982	1,238
April 30, 2025	21,372	475	21,371	475	42,743	950
Total	<u>\$ 40,423</u>	<u>\$ 2,752</u>	<u>\$ 40,424</u>	<u>\$ 2,754</u>	<u>\$ 80,847</u>	<u>\$ 5,506</u>

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**

**April 30, 2021**

**NOTE 6 – LONG-TERM DEBT – Continued**

**Governmental Activities**

Squad Car Loan – In November 2020, the City obtained a \$34,465 loan for the purchase of a police vehicle. Monthly installments are due through November 2024, with interest of 2.64% and are being paid from the General Fund.

Fire Truck Loan – In February 2021, the City obtained a \$238,150 loan for the purchase of a fire truck. Monthly installments are due through February 2028, with interest of 2.75% and are being paid from the General Fund.

Annual debt service requirements for the squad car and fire truck loan balances outstanding at April 30, 2021, including interest, are as follows:

Fiscal Year	Police Car Loan			Fire Truck Loan		
	Principal	Interest	Total	Principal	Interest	Total
April 30, 2022	\$ 8,369	\$ 719	\$ 9,088	\$ 31,424	\$ 6,013	\$ 37,437
April 30, 2023	8,593	495	9,088	32,299	5,138	37,437
April 30, 2024	8,823	265	9,088	33,199	4,238	37,437
April 30, 2025	5,255	45	5,300	34,123	3,314	37,437
April 30, 2026	-	-	-	35,074	2,363	37,437
April 30, 2027 - 2028	-	-	-	66,811	1,777	68,588
Total	<u>\$ 31,040</u>	<u>\$ 1,524</u>	<u>\$ 32,564</u>	<u>\$ 232,930</u>	<u>\$ 22,843</u>	<u>\$255,773</u>

**Business-Type Activities**

IL EPA Loan – Water Tower Construction – In August 2004, the City obtained a \$572,371 loan to finance construction of a water tower. Semi-annual installments are due through August 2025, with interest of 2.50%.

IL EPA Loan – Water Plant Construction – In September 2008, the City obtained a \$896,854 loan to finance construction of a new water plant. Semi-annual installments are due through February 2029, with interest of 2.50%.

IL EPA Loan – Sewer Improvements – In August 2004, the City obtained a \$798,157 loan to finance major sewer improvements. Semi-annual installments are due through April 2031, with interest of 1.25%.

Annual debt service requirements for the business-type activities loan balances outstanding at April 30, 2021, including interest, are as follows:

Fiscal Year	Water Tower Construction			Water Plant Construction		
	Principal	Interest	Total	Principal	Interest	Total
April 30, 2022	\$ 33,532	\$ 3,734	\$ 37,266	\$ 48,321	\$ 10,259	\$ 58,580
April 30, 2023	34,375	2,891	37,266	49,537	9,043	58,580
April 30, 2024	35,240	2,026	37,266	50,783	7,797	58,580
April 30, 2025	36,127	1,139	37,266	52,060	6,520	58,580
April 30, 2026	18,403	230	18,633	53,370	5,210	58,580
April 30, 2027 - 2029	-	-	-	168,301	7,439	175,740
Total	<u>\$ 157,677</u>	<u>\$ 10,020</u>	<u>\$ 167,697</u>	<u>\$ 422,372</u>	<u>\$ 46,268</u>	<u>\$468,640</u>

Fiscal Year	Sewer Improvements		
	Principal	Interest	Total
April 30, 2022	\$ 40,958	\$ 5,291	\$ 46,249
April 30, 2023	41,472	4,777	46,249
April 30, 2024	41,992	4,257	46,249
April 30, 2025	42,518	3,731	46,249
April 30, 2026	43,052	3,197	46,249
April 30, 2027 - 2031	223,492	7,753	231,245
Total	<u>\$ 433,484</u>	<u>\$ 29,006</u>	<u>\$ 462,490</u>

**City of Marquette Heights**  
**Notes to Basic Financial Statements - Continued**  
**April 30, 2021**

**NOTE 8 – LEGAL DEBT MARGIN**

The City's legal debt margin as set forth by State Statute is limited to 8.75% of total taxable assessed value which approximates \$2,458,512. The debt subject to the debt limitation is based on the type of debt that is issued. As such, proprietary fund debt is not included. As of April 30, 2021, the City holds no debt subject to legal debt margin. The City of Marquette Heights is within the statutory legal debt margin.

**NOTE 9 – RISK OF LOSS**

The City of Marquette Heights is exposed to various risks of loss related to torts; thefts; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Illinois Municipal League Risk Management Association covers risks of this nature. The City is responsible for deductibles and losses exceeding policy limits. There have been no settlements in excess of insurance coverage for the past three years.

**NOTE 10 – RISK AND UNCERTAINTIES**

In March 2020, the COVID-19 virus was declared a global pandemic. The impact of the pandemic continued into 2021 with employee absences and receiving federal pandemic funds. The City Council's evaluations of the current finances show no concern for the ongoing operations of the City of Marquette Heights. The Council has been and will continue to monitor the situation and evaluate options during this time to continue to serve its residents during the pandemic while complying with various governmental mandates. No adjustments have been made to these financial statements as a result.

**NOTE 11 – DEFICIT FUND BALANCE**

As of April 30, 2021 the City had deficit fund balances in the Audit Fund of \$1,706, the IMRF Fund of \$69,128, and the Social Security Fund of \$3,822. Based on reporting standards, these funds are presented as unassigned and the General Fund is liable for any deficits in these funds and provides transfers when cash is required.

**NOTE 12 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 5, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**REQUIRED SUPPLEMENTARY INFORMATION**

DRAFT

**City of Marquette Heights**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Unaudited)**  
**Last Six Calendar Years**

	Calendar Year Ended December 31,					
	2020	2019	2018	2017	2016	2015
<b>A. Total Pension Liability</b>						
Service cost	\$ 46,898	\$ 53,253	\$ 65,890	\$ 67,254	\$ 63,569	\$ 55,789
Interest on the total pension liability	213,243	209,091	199,806	209,801	201,008	190,218
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	67,955	41,284	129,308	(95,947)	26,301	58,080
Changes of assumptions	(18,033)	-	73,013	(95,526)	(3,264)	3,109
Benefit payments, including refunds of employee contributions	(245,685)	(240,690)	(242,838)	(193,488)	(158,107)	(169,189)
<b>Net change in total pension liability</b>	<b>64,378</b>	<b>62,938</b>	<b>225,179</b>	<b>(107,906)</b>	<b>129,507</b>	<b>138,007</b>
<b>Total pension liability - beginning</b>	<b>3,040,670</b>	<b>2,977,732</b>	<b>2,752,553</b>	<b>2,860,459</b>	<b>2,730,952</b>	<b>2,592,945</b>
<b>Total pension liability - ending (A)</b>	<b>\$ 3,105,048</b>	<b>\$ 3,040,670</b>	<b>\$ 2,977,732</b>	<b>\$ 2,752,553</b>	<b>\$ 2,860,459</b>	<b>\$ 2,730,952</b>
<b>B. Plan Fiduciary Net Pension</b>						
Contributions - employer	\$ 38,977	\$ 24,410	\$ 46,684	\$ 53,869	\$ 53,888	\$ 48,661
Contributions - employee	22,487	23,223	24,315	27,547	26,945	25,462
Net investment income	481,252	573,578	(206,404)	498,158	178,214	12,827
Benefit payments, including refunds of employee contributions	(245,685)	(240,690)	(242,838)	(193,488)	(158,107)	(169,189)
Other (net transfer)	42,279	(3,289)	124,529	(47,349)	20,546	40,353
<b>Net change in plan fiduciary net position</b>	<b>339,310</b>	<b>377,232</b>	<b>(253,714)</b>	<b>338,737</b>	<b>121,486</b>	<b>(41,886)</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,154,860</b>	<b>2,777,628</b>	<b>3,031,342</b>	<b>2,692,605</b>	<b>2,571,119</b>	<b>2,613,005</b>
<b>Plan fiduciary net position - ending (B)</b>	<b>\$ 3,494,170</b>	<b>\$ 3,154,860</b>	<b>\$ 2,777,628</b>	<b>\$ 3,031,342</b>	<b>\$ 2,692,605</b>	<b>\$ 2,571,119</b>
<b>C. Net Pension Liability (Asset) - Ending (A) - (B)</b>	<b>\$ (389,122)</b>	<b>\$ (114,190)</b>	<b>\$ 200,104</b>	<b>\$ (278,789)</b>	<b>\$ 167,854</b>	<b>\$ 159,833</b>
<b>D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	112.53%	103.76%	93.28%	110.13%	94.13%	94.15%
<b>E. Covered Valuation Payroll</b>	\$ 499,710	\$ 516,059	\$ 540,334	\$ 612,144	\$ 598,769	\$ 565,826
<b>F. Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-77.87%	-22.13%	37.03%	-45.54%	28.03%	28.25%

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**City of Marquette Heights  
Required Supplementary Information  
Schedule of Employer Contributions (Unaudited)  
Last Six Calendar Years**

<b>Calendar Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency/ (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a Percentage of Covered Valuation Payroll</b>
2015	\$ 48,661	\$ 48,661	-	\$ 565,826	8.60%
2016	53,889	53,888	1	598,769	9.00%
2017	53,869	53,869	-	612,144	8.80%
2018	46,685	46,684	1	540,334	8.64%
2019	24,410	24,410	-	516,059	4.73%
2020	38,977	38,977	-	499,710	7.80%

**Notes to the Required Supplementary Information**

***Methods and Assumptions Used to Determine 2020 Contribution Rates:***

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	23-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	See Notes to the Basic Financial Statements
<i>Mortality:</i>	MP-2017 (base year 2015)

***Other Information:***

There were no benefit changes during the year.

Based on Valuation Assumptions used in the December 31, 2018, actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.



**City of Marquette Heights**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule (Unaudited)**  
**Major Governmental Funds - General Fund**  
**For the Fiscal Year Ending April 30, 2021**

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
<b><u>REVENUES:</u></b>			
Taxes			
Property tax	\$ 245,010	\$ 227,891	\$ (17,119)
State income tax	296,520	342,783	46,263
Utility tax	117,500	144,313	26,813
Use tax	135,259	153,268	18,009
Franchise tax	46,000	42,325	(3,675)
Sales tax	19,020	27,349	8,329
Replacement tax	3,682	4,228	546
Rental income	58,000	21,873	(36,127)
Charges for service	18,950	6,650	(12,300)
Fines	25,900	35,198	9,298
Licenses & permits	5,320	11,773	6,453
Grant revenue	-	116,499	116,499
Interest revenue	2,000	759	(1,241)
Other income	2,600	313,541	310,941
Total revenues	975,761	1,448,450	472,689
<b><u>EXPENDITURES:</u></b>			
<b>CURRENT</b>			
<b>General Government - Administration</b>			
Personnel			
Salaries	84,519	75,992	(8,527)
Health insurance	22,436	40,691	18,255
Life insurance	384	346	(38)
Contractual services			
Maintenance service - equipment	500	-	(500)
Service agreements	8,800	11,581	2,781
Legal services	22,300	21,614	(686)
Postage	850	580	(270)
Telephone	3,165	3,745	580
Printing and publications	1,000	1,178	178
Dues and subscriptions	3,260	3,511	251
Travel	50	9	(41)
Training	500	-	(500)
Other purchased services	-	20,531	20,531
Commodities			
Office supplies	2,500	3,311	811
Computer supplies	150	2,343	2,193
Office sundry	1,000	1,075	75
Minor equipment purchases	300	-	(300)
Other expenditures			
Bank fees	600	265	(335)
Other expenses	7,500	6,529	(971)
Total administration	159,814	193,301	33,487

See notes to the required supplementary information.

**City of Marquette Heights**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule (Unaudited)**  
**Major Governmental Funds - General Fund - Continued**  
**For the Fiscal Year Ending April 30, 2021**

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Public Safety - Police</b>			
Personnel			
Salaries - employees	261,877	213,665	(48,212)
Salaries - overtime	15,500	-	(15,500)
Health insurance	76,372	53,230	(23,142)
Life insurance	684	585	(99)
Immunization and physicals	200	93	(107)
Contractual services			
Vehicle maintenance	4,000	14,153	10,153
Equipment maintenance	2,000	1,093	(907)
Legal fees	10,000	3,916	(6,084)
Animal control	3,210	3,231	21
Postage	600	186	(414)
Telephone and cell phone	4,565	6,493	1,928
Tazewell communications	33,902	33,934	32
911 cards	2,161	1,658	(503)
Travel	1,000	-	(1,000)
Training	2,500	7,424	4,924
Public relations	600	200	(400)
Commodities			
Minor equipment purchases	13,072	12,664	(408)
Office supplies	2,500	957	(1,543)
Ammunition	1,000	-	(1,000)
Gas and oil	12,000	23,836	11,836
Medical supplies	500	317	(183)
Uniforms	3,580	3,276	(304)
Other supplies	600	319	(281)
Total police	452,423	381,230	(71,193)
<b>Public Safety - Fire Protection</b>			
Personnel			
Immunization and physicals	2,000	548	(1,452)
Contractual services			
Vehicle maintenance	10,000	4,668	(5,332)
Equipment maintenance	7,000	4,693	(2,307)
Postage	100	-	(100)
Telephone and cell phone	900	1,127	227
Tazewell communications	7,400	6,958	(442)
Travel	600	343	(257)
Training	9,000	875	(8,125)
Other professional services	2,400	375	(2,025)
Commodities			
Minor equipment purchases	5,600	623	(4,977)
Office supplies	800	261	(539)
Gas and oil	1,500	483	(1,017)
Medical supplies	4,500	3,080	(1,420)
Uniforms	1,000	-	(1,000)
Other supplies	500	15,594	15,094

See notes to the required supplementary information.

**City of Marquette Heights**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule (Unaudited)**  
**Major Governmental Funds - General Fund - Continued**  
**For the Fiscal Year Ending April 30, 2021**

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
Other expenditures			
Other expenses	10,500	10,500	-
Total fire protection	<u>63,800</u>	<u>50,128</u>	<u>(13,672)</u>
<b>Streets &amp; Sidewalks</b>			
Personnel			
Salaries	132,623	120,061	(12,562)
Medical insurance	16,000	7,204	(8,796)
Life insurance	317	306	(11)
Immunization and physicals	1,000	675	(325)
Contractual Services			
Service agreements	-	1,861	1,861
Legal fees	-	31	31
Telephone	300	63	(237)
Dues and subscriptions	-	147	147
Training	1,000	109	(891)
Utilities	13,000	9,922	(3,078)
Street maintenance	16,000	24,295	8,295
Commodities			
Minor equipment purchases	3,000	5,624	2,624
Operating supplies	-	1,084	1,084
Gas and oil	8,000	7,310	(690)
Other supplies	2,000	3,435	1,435
Other expenditures			
Other expenses	100	(116)	(216)
Total streets and sidewalks	<u>193,340</u>	<u>182,011</u>	<u>(11,329)</u>
<b>Public Works</b>			
Personnel			
Salaries	5,400	5,182	(218)
Contractual Services			
Building maintenance	8,350	9,649	1,299
Service agreements	2,650	2,552	(98)
Telephone	312	314	2
Utilities	15,600	11,688	(3,912)
Ground maintenance	-	375	375
Commodities			
Minor equipment purchases	-	40	40
Other supplies	1,900	1,839	(61)
Other expenditures			
Other expenses	-	1,359	1,359
Total public works	<u>34,212</u>	<u>32,998</u>	<u>(1,214)</u>
<b>Culture and Recreation</b>			
Contractual Services			
Training	300	49	(251)
Ground maintenance	7,000	9,446	2,446

See notes to the required supplementary information.

**City of Marquette Heights**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule (Unaudited)**  
**Major Governmental Funds - General Fund - Continued**  
**For the Fiscal Year Ending April 30, 2021**

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
Commodities			
Operating supplies	1,500	3,966	2,466
Other supplies	-	2,450	2,450
Total culture and recreation	<u>8,800</u>	<u>15,911</u>	<u>7,111</u>
<b>CAPITAL OUTLAY</b>			
Equipment	59,500	394,551	335,051
Total capital outlay	<u>59,500</u>	<u>394,551</u>	<u>335,051</u>
<b>DEBT SERVICE</b>			
Principal	-	14,722	14,722
Interest	-	2,415	2,415
Total debt service	<u>-</u>	<u>17,137</u>	<u>17,137</u>
Total expenditures	<u>971,889</u>	<u>1,267,267</u>	<u>295,378</u>
Net change in fund balance	3,872	181,183	177,311
Fund balance - beginning	610,355	610,355	-
Fund balance - ending	<u>\$ 614,227</u>	<u>\$ 791,538</u>	<u>\$ 177,311</u>

See notes to the required supplementary information.

**City of Marquette Heights**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule (Unaudited)**  
**Major Governmental Funds - Motor Fuel Fund**  
**For the Fiscal Year Ending April 30, 2021**

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
<b><u>REVENUES:</u></b>			
Taxes			
Motor fuel tax	\$ -	\$ 101,111	\$ 101,111
Grant income	-	93,056	93,056
Interest revenue	-	479	479
Total revenues	<u>-</u>	<u>194,646</u>	<u>194,646</u>
<b><u>EXPENDITURES:</u></b>			
<b>CURRENT</b>			
<b>Streets &amp; Sidewalks</b>			
Contractual Services			
Equipment rental	-	15,000	15,000
Commodities			
Operating supplies	-	35,000	35,000
Total expenditures	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net change in fund balance	-	144,646	244,646
Fund balance - beginning	<u>222,335</u>	<u>222,335</u>	<u>-</u>
Fund balance - ending	<u>\$ 222,335</u>	<u>\$ 366,981</u>	<u>\$ 244,646</u>

See notes to the required supplementary information.

**City of Marquette Heights**  
**Notes to the Required Supplementary Information**  
**April 30, 2021**

**BUDGETARY INFORMATION**

The City adopts an annual budget and appropriation ordinance in accordance with Illinois Compiled Statutes on or before August 31 of the issuing year. The budget covers the financial year ending April 30. These appropriations are adopted on a cash basis method of accounting.

Prior to the adoption of the annual budget and appropriation ordinance, the City Board, at least 30 days prior to such adoption, shall make this proposed appropriation ordinance conveniently available to public inspection and shall hold at least one public hearing thereon. Notice of this hearing shall be given publication in one or more newspapers published locally at least 30 days prior to the time of the public hearing.

Subsequent to the public hearing and before final action is taken on the annual budget and appropriation ordinance, the Board may revise, alter, increase, or decrease the items contained therein.

The budgetary comparison schedule (cash basis) for the governmental fund types presents legally adopted budgets with actual data on a budgetary basis. The appropriation ordinance lapses on the fiscal year end. The City does not budget for the Motor Fuel Tax, a major fund. Budgets are also not prepared for the Wheel Tax or Library Funds. Due to these funds being nonmajor and included in the supplementary information, budgetary comparison schedules are not presented.

**EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended April 30, 2021, the City had expenditures that exceeded budget for the General Fund of \$295,378 and \$50,000 in the Motor Fuel Tax Fund.

**OTHER SUPPLEMENTARY INFORMATION**

DRAFT

**City of Marquette Heights**  
**Combining Balance Sheet (Unaudited)**  
**Nonmajor Governmental Funds**  
**April 30, 2021**

	Audit Fund	Liability Insurance Fund	IMRF Fund	Social Security Tax Fund	Wheel Tax Fund	Library Fund	Total Nonmajor Governmental Funds
<b>ASSETS:</b>							
Current Assets							
Cash and deposits	\$ 10,794	\$ 14,977	\$ -	\$ 3,719	\$ 79,900	\$ 30,112	\$ 139,502
Accounts receivable							
Taxes receivable	14,379	69,812	54,272	50,715	-	57,423	246,601
Prepaid Expenses	-	36,473	-	-	-	-	36,473
Due from other funds	-	-	-	-	-	115	115
Total assets	<u>\$ 25,173</u>	<u>\$ 121,262</u>	<u>\$ 54,272</u>	<u>\$ 54,434</u>	<u>\$ 79,900</u>	<u>\$ 87,650</u>	<u>\$ 422,691</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>							
<b>LIABILITIES:</b>							
Current Liabilities							
Accrued wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,251	\$ 1,251
Accrued compensated absences	-	-	-	-	-	1,339	1,339
Due to other funds	12,500	-	69,128	7,541	-	-	89,169
Total liabilities	<u>12,500</u>	<u>-</u>	<u>69,128</u>	<u>7,541</u>	<u>-</u>	<u>2,590</u>	<u>91,759</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>							
Deferred property taxes	14,379	69,812	54,272	50,715	-	57,423	246,601
Total deferred inflows of resources	<u>14,379</u>	<u>69,812</u>	<u>54,272</u>	<u>50,715</u>	<u>-</u>	<u>57,423</u>	<u>246,601</u>
<b>FUND BALANCES:</b>							
Restricted for:							
Streets	-	-	-	-	79,900	-	79,900
Library	-	-	-	-	-	27,637	27,637
Liability insurance	-	51,450	-	-	-	-	51,450
Unassigned	(1,706)	-	(69,128)	(3,822)	-	-	(74,656)
Total fund balance	<u>(1,706)</u>	<u>51,450</u>	<u>(69,128)</u>	<u>(3,822)</u>	<u>79,900</u>	<u>27,637</u>	<u>84,331</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 25,173</u>	<u>\$ 121,262</u>	<u>\$ 54,272</u>	<u>\$ 54,434</u>	<u>\$ 79,900</u>	<u>\$ 87,650</u>	<u>\$ 422,691</u>

See independent auditor's report and accompanying notes.



**City of Marquette Heights**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Unaudited)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ending April 30, 2021**

	Audit Fund	Liability Insurance Fund	IMRF Fund	Social Security Tax Fund	Wheel Tax Fund	Library Fund	Total Nonmajor Governmental Funds
<b>REVENUES:</b>							
Taxes:							
Property tax	\$ 13,650	\$ 66,259	\$ 51,509	\$ 48,138	\$ -	\$ 55,985	\$ 235,541
Wheel tax	-	-	-	-	33,900	-	33,900
Charges for service	-	-	-	-	-	695	695
Fines	-	-	-	-	-	22	22
Grant revenue	-	-	-	-	-	3,530	3,530
Interest revenue	6	11	-	6	40	-	63
Donations	-	-	-	-	-	381	381
Other revenue	-	-	-	-	-	1,283	1,283
Total revenue	<u>13,656</u>	<u>66,270</u>	<u>51,509</u>	<u>48,144</u>	<u>33,940</u>	<u>61,896</u>	<u>275,415</u>
<b>EXPENDITURES:</b>							
Current:							
General government	6,620	58,604	38,443	49,600	-	-	153,267
Streets	-	-	-	-	206	-	206
Culture and recreation	-	-	-	-	-	56,428	56,428
Capital Outlay							
Books	-	-	-	-	-	5,287	5,287
Total expenditures	<u>6,620</u>	<u>58,604</u>	<u>38,443</u>	<u>49,600</u>	<u>206</u>	<u>61,715</u>	<u>215,188</u>
Net change in fund balance	7,036	7,666	13,066	(1,456)	33,734	181	60,227
Fund balance - beginning	<u>(8,742)</u>	<u>43,784</u>	<u>(82,194)</u>	<u>(2,366)</u>	<u>46,166</u>	<u>27,456</u>	<u>24,104</u>
Fund balance - ending	<u>\$ (1,706)</u>	<u>\$ 51,450</u>	<u>\$ (69,128)</u>	<u>\$ (3,822)</u>	<u>\$ 79,900</u>	<u>\$ 27,637</u>	<u>\$ 84,331</u>

See independent auditor's report and accompanying notes.

**City of Marquette Heights  
Other Supplementary Information  
Budgetary Comparison Schedule (Unaudited)  
Nonmajor Governmental Funds  
For the Fiscal Year Ending April 30, 2021**

	Levy and Appropriation Ordinance	Actual	Variance with Final Budget Over (Under)
<b>Audit Fund</b>			
<b>REVENUES:</b>			
Taxes			
Property tax	\$ 12,423	\$ 13,650	\$ 1,227
Interest revenue	-	6	6
Total revenues	<u>12,423</u>	<u>13,656</u>	<u>1,233</u>
<b>EXPENDITURES:</b>			
<b>CURRENT</b>			
<b>Administration</b>			
Contractual services			
Audit fees	12,423	6,620	(5,803)
Total expenditures	<u>12,423</u>	<u>6,620</u>	<u>(5,803)</u>
Net change in fund balance	-	7,036	(4,570)
Fund balance - beginning	(8,742)	(8,742)	-
Fund balance - ending	<u>\$ (8,742)</u>	<u>\$ (1,706)</u>	<u>\$ (4,570)</u>
<b>Liability Insurance Fund</b>			
<b>REVENUES:</b>			
Taxes			
Property tax	\$ 60,323	\$ 66,259	\$ 5,936
Interest revenue	-	11	11
Total revenues	<u>60,323</u>	<u>66,270</u>	<u>5,947</u>
<b>EXPENDITURES:</b>			
<b>CURRENT</b>			
<b>Administration</b>			
Contractual services			
Other purchased services	-	2,950	2,950
Insurance	60,323	55,654	(4,669)
Total expenditures	<u>60,323</u>	<u>58,604</u>	<u>(1,719)</u>
Net change in fund balance	-	7,666	4,228
Fund balance - beginning	43,784	43,784	-
Fund balance - ending	<u>\$ 43,784</u>	<u>\$ 51,450</u>	<u>\$ 4,228</u>

See independent auditor's report and accompanying notes.

**City of Marquette Heights**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule (Unaudited)**  
**Nonmajor Governmental Funds - Continued**  
**For the Fiscal Year Ending April 30, 2021**

	Levy and Appropriation Ordinance	Actual	Variance with Final Budget Over (Under)
<b>IMRF Fund</b>			
<b>REVENUES:</b>			
Taxes			
Property tax	\$ 46,895	\$ 51,509	\$ 4,614
Total revenues	<u>46,895</u>	<u>51,509</u>	<u>4,614</u>
<b>EXPENDITURES:</b>			
<b>CURRENT</b>			
<b>Administration</b>			
Personnel			
Retirement contributions	46,895	38,443	(8,452)
Total expenditures	<u>46,895</u>	<u>38,443</u>	<u>(8,452)</u>
Net change in fund balance	-	13,066	(3,838)
Fund balance - beginning	(82,194)	(82,194)	-
Fund balance - ending	<u>\$ (82,194)</u>	<u>\$ (69,128)</u>	<u>\$ (3,838)</u>
<b>Social Security Fund</b>			
<b>REVENUES:</b>			
Taxes			
Property tax	\$ 43,823	\$ 48,138	\$ 4,315
Interest revenue	-	6	6
Total revenues	<u>43,823</u>	<u>48,144</u>	<u>4,321</u>
<b>EXPENDITURES:</b>			
<b>CURRENT</b>			
<b>Administration</b>			
Personnel			
Payroll taxes	43,823	49,580	5,757
Other expenditures			
Bank fees	-	20	20
Total expenditures	<u>43,823</u>	<u>49,600</u>	<u>5,777</u>
Net change in fund balance	-	(1,456)	10,098
Fund balance - beginning	(2,366)	(2,366)	-
Fund balance - ending	<u>\$ (2,366)</u>	<u>\$ (3,822)</u>	<u>\$ 10,098</u>

See independent auditor's report and accompanying notes.

**OTHER INFORMATION (UNAUDITED)**

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**City of Marquette Heights  
Other Information (Unaudited)  
Assessed Valuations, Rate, Extensions, and Collections  
For the Year Ending April 30, 2021**

	Tax Year		
	2021	2020	2019
Assessed Valuation	\$ 28,097,285	\$ 28,084,901	\$ 28,325,903
<u>Tax Rate (per \$100)</u>			
City tax rates			
Corporate	0.43750	0.31957	0.30920
Illinois Municipal Retirement Fund	0.24884	0.18366	0.17772
Fire protection	0.00000	0.18064	0.17480
Police protection	0.00000	0.18064	0.17480
Audit	0.09633	0.04867	0.04709
Liability insurance	0.32010	0.23625	0.22861
Street and bridge	0.00000	0.07770	0.07988
Street lighting	0.05000	0.04344	0.04451
Social security	0.24884	0.17164	0.16608
Total City tax rates	<u>1.40161</u>	<u>1.44221</u>	<u>1.40269</u>
Library tax rates			
Operations and maintenance	0.01558	0.01736	0.01779
Library	0.00077	0.18226	0.17636
Total Library tax rates	<u>0.01635</u>	<u>0.19962</u>	<u>0.19415</u>
Total tax rates	<u>1.41796</u>	<u>1.64183</u>	<u>1.59684</u>
<u>Tax Extension:</u>			
City tax extension			
Corporate	\$ 122,926	\$ 89,751	\$ 87,584
Illinois Municipal Retirement Fund	69,917	51,581	50,341
Fire protection	-	50,733	49,514
Police protection	-	50,733	49,514
Audit	27,066	13,669	13,339
Liability insurance	89,939	66,351	64,756
Street and bridge	-	21,822	22,627
Street lighting	14,049	12,200	12,608
Social security	69,917	48,205	47,044
Total City tax extension	<u>393,814</u>	<u>405,045</u>	<u>397,327</u>
Library tax extensions			
Operations and maintenance	4,378	4,876	5,039
Library	54,087	51,188	49,956
Total Library tax extensions	<u>58,465</u>	<u>56,064</u>	<u>54,995</u>
Total tax extensions	<u>\$ 452,279</u>	<u>\$ 461,109</u>	<u>\$ 452,322</u>
Taxes collected		<u>\$ 463,432</u>	<u>\$ 455,280</u>