



PHILLIPS, SALMI + ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF CANTON, ILLINOIS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Canton, Illinois

We have audited the accompanying modified cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canton, 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 the modified cash basis of accounting described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion on Pension Trust Funds

Management has elected not to obtain actuarial valuations in compliance with Governmental Accounting Standards Board Statement (GASB) 67 *Financial Reporting for Pension Plans* or GASB 68 *Accounting and Financial Reporting for Pensions* for the Police and Fire Pension Trust Funds, accordingly these financial statements do not include all the required disclosures and supplemental schedules.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Pension Trust Funds” paragraph, the Pension Trust Funds present fairly, in all material respects, the financial position of the Pension Trust Funds as of April 30, 2019, and the respective changes in financial position thereof, for the year ended, in conformity with generally accepted accounting principles.

Unmodified Opinions

In our opinion, except for the Pension Trust Funds, 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 Canton, Illinois as of April 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

We draw your attention to Note 1 of the financial statements which describes the basis of accounting. As discussed in Note 1, except for the Pension Trust Funds financial statements, the City of Canton, Illinois, prepares its financial statements on the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter. The City of Canton, Illinois, prepares its Pension Trust Funds financial statements on the accrual basis of accounting, which is the basis of accounting generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City of Canton’s basic financial statements. The budgetary comparison information, combining statements, and the Schedule of Operating Expenditures Other than Depreciation – Water and Sewer Fund presented on pages 44 through 59 are the responsibility of management and were derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The statistical schedules on pages 60 through 64 have 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 such information.

Other Reporting Required By Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of City of Canton, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Canton, Illinois' internal control over financial reporting and compliance.

Phillips, Salmi & Associates, LLC

December 20, 2019
Washington, Illinois



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

To the City Council
City of Canton, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Canton, Illinois as of and for the year ended April 30, 2019, and the notes to the financial statements, which collectively comprise the City of Canton, Illinois' basic financial statements and have issued our report thereon dated December 20, 2019. The City of Canton, Illinois, prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Phillips, Salmi & Associates, LLC

December 20, 2019

CITY OF CANTON, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
Year Ended April 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,097,848	\$ 982,113	\$ 6,079,961
Restricted assets	-	2,703,211	2,703,211
Due from other governments	1,112	-	1,112
Loans receivable	85,445	-	85,445
Capital Assets:			
Non-depreciable	186,111	17,664	203,775
Depreciable, net	8,839,870	30,922,050	39,761,920
Total Assets	<u>\$ 14,210,386</u>	<u>\$ 34,625,038</u>	<u>\$ 48,835,424</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Bond refunding deferred charges	<u>\$ -</u>	<u>\$ 690,092</u>	<u>\$ 690,092</u>
<u>LIABILITIES</u>			
Payroll liabilities payable	\$ 16,076	\$ -	\$ 16,076
Current portion of bonds and loans payable	399,133	2,180,383	2,579,516
Non-Current Liabilities:			
Bonds payable after one year	-	7,612,216	7,612,216
Loans due after one year	<u>5,170,272</u>	<u>500,688</u>	<u>5,670,960</u>
Total Liabilities	<u>5,585,481</u>	<u>10,293,287</u>	<u>15,878,768</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	3,456,576	21,336,519	24,793,095
Restricted for:			
Debt service	-	2,213,780	2,213,780
Perpetual care and maintenance	-	489,431	489,431
Special police expenditures	514	-	514
Workers compensation insurance	83,657	-	83,657
Redevelopment	249,584	-	249,584
Retirement	996,059	-	996,059
Motor fuel tax	651,151	-	651,151
Audit	14,434	-	14,434
Drug prevention	11,822	-	11,822
DUI	4,664	-	4,664
Capital projects	257,966	-	257,966
Unrestricted	<u>2,898,478</u>	<u>982,113</u>	<u>3,880,591</u>
Total Net Position	<u>8,624,905</u>	<u>25,021,843</u>	<u>33,646,748</u>
	<u>\$ 14,210,386</u>	<u>\$ 35,315,130</u>	<u>\$ 49,525,516</u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended April 30, 2019

<u>FUNCTIONS/PROGRAMS:</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>
			<u>Contributions</u>	<u>Contributions</u>
Primary Government:				
Governmental Activities				
General government	\$ 2,388,463	\$ 85,029	\$ -	\$ -
Public safety	5,956,438	58,993	-	-
Public works	1,121,588	289,777	46,776	-
Community development	726,163	-	-	-
Buildings and grounds	124,599	-	-	-
Sanitation	566,422	874,756	-	-
Interest on long-term debt	242,471	-	-	-
Total Governmental Activities	<u>11,126,144</u>	<u>1,308,555</u>	<u>46,776</u>	<u>-</u>
Business-Type Activities:				
Water and sewer utilities	5,521,472	7,127,712	-	-
Cemetery operations	<u>236,951</u>	<u>154,015</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>5,758,423</u>	<u>7,281,727</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 16,884,567</u>	<u>\$ 8,590,282</u>	<u>\$ 46,776</u>	<u>\$ -</u>

General Revenues

Local taxes
State taxes and allotments
Interest and investment income
Miscellaneous
Loss on disposal of fixed assets
Transfers in (out)

Total General Revenues, Special Items and Transfers

Change in Net Position

NET POSITION - BEGINNING

NET POSITION - ENDING

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes
in Net Position - Primary Government**

Governmental Activities	Business-type Activities	Total
\$ (2,303,434)	\$ -	\$ (2,303,434)
(5,897,445)	-	(5,897,445)
(785,035)	-	(785,035)
(726,163)	-	(726,163)
(124,599)	-	(124,599)
308,334	-	308,334
(242,471)	-	(242,471)
<u>(9,770,813)</u>	<u>-</u>	<u>(9,770,813)</u>
-	1,606,240	1,606,240
<u>-</u>	<u>(82,936)</u>	<u>(82,936)</u>
<u>-</u>	<u>1,523,304</u>	<u>1,523,304</u>
(9,770,813)	1,523,304	(8,247,509)
4,509,438	-	4,509,438
5,406,239	-	5,406,239
11,083	39,429	50,512
361,921	-	361,921
(4,027)	(6,112)	(10,139)
(76,285)	76,285	-
<u>10,208,369</u>	<u>109,602</u>	<u>10,317,971</u>
437,556	1,632,906	2,070,462
<u>8,187,349</u>	<u>23,388,937</u>	<u>31,576,286</u>
<u>\$ 8,624,905</u>	<u>\$ 25,021,843</u>	<u>\$ 33,646,748</u>

CITY OF CANTON, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES, AND FUND EQUITY
MODIFIED CASH BASIS - GOVERNMENTAL FUND TYPES
Year Ended April 30, 2019

	General	Canton 1 Tax Increment Financing District	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,634,948	\$ 166,019	\$ 2,296,881	\$ 5,097,848
Loans receivable	30,188	-	55,257	85,445
Due from other governments	-	1,112	-	1,112
Due from other funds	431,743	169,000	465,688	1,066,431
Total Assets	<u>\$ 3,096,879</u>	<u>\$ 336,131</u>	<u>\$ 2,817,826</u>	<u>\$ 6,250,836</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Current liabilities:				
Payroll taxes withheld	\$ 16,076	\$ -	\$ -	\$ 16,076
Due to other funds	465,688	92,934	507,809	1,066,431
Total Current Liabilities	<u>481,764</u>	<u>92,934</u>	<u>507,809</u>	<u>1,082,507</u>
Fund Balances:				
Restricted for:				
Special police expenditures	514	-	-	514
Workers compensation insurance	83,657	-	-	83,657
Redevelopment	-	243,197	6,387	249,584
Retirement	-	-	996,059	996,059
Motor fuel tax	-	-	651,151	651,151
Audit	-	-	14,434	14,434
Drug prevention	-	-	11,822	11,822
DUI	-	-	4,664	4,664
Capital projects	-	-	257,966	257,966
Assigned for:				
Garbage expenditures	257,817	-	-	257,817
Tourism promotion expenditures	37,799	-	-	37,799
Special police expenditures	12,661	-	-	12,661
Fire capital improvements	136,093	-	-	136,093
Fire technical rescue	38,302	-	-	38,302
Small business loans	-	-	93,887	93,887
Working cash	-	-	561,136	561,136
Unassigned	2,048,272	-	(287,489)	1,760,783
Total Fund Balances	<u>2,615,115</u>	<u>243,197</u>	<u>2,310,017</u>	<u>5,168,329</u>
Total Liabilities & Fund Equity	<u>\$ 3,096,879</u>	<u>\$ 336,131</u>	<u>\$ 2,817,826</u>	<u>\$ 6,250,836</u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,
AND FUND EQUITY - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
Year Ended April 30, 2019

Total fund balance - total governmental funds	\$ 5,168,329
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$16,009,302 net of accumulated depreciation of \$6,983,321 are not financial resources and, therefore, are not reported in the funds.	9,025,981
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	<u>(5,569,405)</u>
Net Position of Governmental Activities	<u><u>\$ 8,624,905</u></u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	General	Canton 1 Tax Increment Financing District	Other Governmental Funds	Total Governmental Funds
<u>REVENUES RECEIVED</u>				
Local taxes	\$ 2,921,608	\$ 304,098	\$ 1,283,732	\$ 4,509,438
Intergovernmental	4,956,679	-	496,336	5,453,015
Licenses and permits	85,029	-	-	85,029
Fines	92,566	-	13,428	105,994
Charges for services	933,749	-	-	933,749
Interest	1,837	1,378	7,868	11,083
Franchise fees	289,777	-	-	289,777
Other	248,177	1,250	6,500	255,927
Total Revenues Received	<u>9,529,422</u>	<u>306,726</u>	<u>1,807,864</u>	<u>11,644,012</u>
<u>EXPENDITURES DISBURSED</u>				
General government	1,674,734	-	658,792	2,333,526
Buildings and grounds	121,423	-	-	121,423
Public safety	5,853,694	-	6,563	5,860,257
Public works/transportation	676,217	-	52,503	728,720
Sanitation	541,312	-	-	541,312
Community development	-	459,716	245,306	705,022
Capital outlay	169,216	57,446	134,356	361,018
Debt service:				
Principal repayment	28,484	345,000	-	373,484
Interest	2,689	239,782	-	242,471
Total Expenditures Disbursed	<u>9,067,769</u>	<u>1,101,944</u>	<u>1,097,520</u>	<u>11,267,233</u>
Revenues Received Over (Under)				
Expenditures Disbursed Before				
Other Financing Sources (Uses)	461,653	(795,218)	710,344	376,779
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from sale of capital assets	17,050	-	-	17,050
Operating transfers in	91,767	-	50,000	141,767
Operating transfers out	(86,473)	-	(131,579)	(218,052)
Total Other Financing Sources (Uses)	<u>22,344</u>	<u>-</u>	<u>(81,579)</u>	<u>(59,235)</u>
Change in Fund Balance	483,997	(795,218)	628,765	317,544
FUND BALANCE - BEGINNING	<u>2,131,118</u>	<u>1,038,415</u>	<u>1,681,252</u>	<u>4,850,785</u>
FUND BALANCE - ENDING	<u><u>\$ 2,615,115</u></u>	<u><u>\$ 243,197</u></u>	<u><u>\$ 2,310,017</u></u>	<u><u>\$ 5,168,329</u></u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2019

Net change in fund balances - total governmental funds	\$ 317,544
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation of \$593,413 exceeded capital outlay of \$361,018 in the current period.	(232,395)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	373,484
Governmental funds report proceeds from the sale of fixed assets as revenues. However, in the statement of activities, the cost of the assets sold is netted against the sale proceeds to reflect the gain or loss on sale of assets. This is the unrecovered book cost of fixed assets sold or scrapped.	<u>(21,077)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 437,556</u></u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
STATEMENT OF NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
Year Ended April 30, 2019

	Water & Sewer Fund	Non-Major Funds	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 878,805	\$ 103,308	\$ 982,113
Cash and cash equivalents - Restricted	2,213,780	-	2,213,780
Investments - Restricted	-	489,431	489,431
	<u>2,213,780</u>	<u>489,431</u>	<u>2,703,211</u>
	3,092,585	592,739	3,685,324
Capital assets, net of accumulated depreciation	<u>30,735,898</u>	<u>203,816</u>	<u>30,939,714</u>
Total Assets	<u><u>\$ 33,828,483</u></u>	<u><u>\$ 796,555</u></u>	<u><u>\$ 34,625,038</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Bond refunding deferred charges	<u><u>\$ 690,092</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 690,092</u></u>
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities (payable from current assets):			
Current portion of long-term liabilities	<u>\$ 2,180,383</u>	<u>\$ -</u>	<u>\$ 2,180,383</u>
Long-term liabilities:			
Illinois EPA loan payable	500,688	-	500,688
Revenue bonds payable	<u>7,612,216</u>	<u>-</u>	<u>7,612,216</u>
Total Long-Term Liabilities, Net of Current Portion	<u>8,112,904</u>	<u>-</u>	<u>8,112,904</u>
Total Liabilities	<u>10,293,287</u>	<u>-</u>	<u>10,293,287</u>
Net Position:			
Invested in capital assets net of related debt	21,132,703	203,816	21,336,519
Restricted for:			
Debt service	2,213,780	-	2,213,780
Perpetual care and maintenance	-	489,431	489,431
Unrestricted	<u>878,805</u>	<u>103,308</u>	<u>982,113</u>
Total Net Position	<u>24,225,288</u>	<u>796,555</u>	<u>25,021,843</u>
Total Liabilities and Net Position	<u><u>\$ 34,518,575</u></u>	<u><u>\$ 796,555</u></u>	<u><u>\$ 35,315,130</u></u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
Year Ended April 30, 2019

	Water & Sewer Fund	Non-Major Funds	Total Enterprise Funds
<u>OPERATING REVENUES</u>			
Charges for service and sales	\$ 7,113,948	\$ 78,042	\$ 7,191,990
Fees and permits	1,199	64,740	65,939
Other income	12,565	11,233	23,798
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	7,127,712	154,015	7,281,727
	<hr/>	<hr/>	<hr/>
<u>OPERATING EXPENSES</u>			
Operations and maintenance	3,707,533	213,559	3,921,092
Depreciation	1,395,483	23,392	1,418,875
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	5,103,016	236,951	5,339,967
	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	2,024,696	(82,936)	1,941,760
	<hr/>	<hr/>	<hr/>
<u>NONOPERATING REVENUE & EXPENSES</u>			
Interest income	29,939	9,490	39,429
Interest expense	(418,456)	-	(418,456)
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenue & Expenses	(388,517)	9,490	(379,027)
	<hr/>	<hr/>	<hr/>
Net Income (Loss) Before Other Financing Sources (Uses)	1,636,179	(73,446)	1,562,733
	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	-	85,364	85,364
Operating transfers out	-	(9,079)	(9,079)
Loss on sale of fixed assets	-	(6,112)	(6,112)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	70,173	70,173
	<hr/>	<hr/>	<hr/>
Change in Net Position	1,636,179	(3,273)	1,632,906
	<hr/>	<hr/>	<hr/>
NET POSITION - BEGINNING	22,589,109	799,828	23,388,937
	<hr/>	<hr/>	<hr/>
NET POSITION - ENDING	<u>\$ 24,225,288</u>	<u>\$ 796,555</u>	<u>\$ 25,021,843</u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
Year Ended April 30, 2019

	Water & Sewer Fund	Non-Major Funds	Total Enterprise Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 7,127,712	\$ 154,015	\$ 7,281,727
Cash payments to suppliers for goods & services	(1,619,359)	(95,012)	(1,714,371)
Cash payments to employees for services	(2,088,174)	(118,547)	(2,206,721)
Net Cash Provided By (Applied To) Operating Activities	3,420,179	(59,544)	3,360,635
<u>CAPITAL FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Repayment of loans from other funds	(5,815)	(68)	(5,883)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal paid on IL EPA loan	(184,972)	-	(184,972)
Principal paid on Alt. Rev. Source bonds	(1,955,000)	-	(1,955,000)
Interest paid	(265,879)	-	(265,879)
Property and equipment purchases	(460,978)	(48,524)	(509,502)
Transfers in	-	85,364	85,364
Transfers out	-	(9,079)	(9,079)
Net Cash Provided by (Applied to) Capital and Related Financing Activities	(2,866,829)	27,761	(2,839,068)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income received	29,939	9,490	39,429
Investment purchases	-	(3,658)	(3,658)
Net Cash Provided By Investing Activities	29,939	5,832	35,771
Net Change in Cash and Cash Equivalents	577,474	(26,019)	551,455
CASH AND CASH EQUIVALENTS - BEGINNING	2,515,111	129,327	2,644,438
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 3,092,585</u>	<u>\$ 103,308</u>	<u>\$ 3,195,893</u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
Year Ended April 30, 2019

	<u>Water & Sewer Fund</u>	<u>Non-Major Funds</u>	<u>Total Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,024,696	\$ (82,936)	\$ 1,941,760
Adjustments to reconcile operating income (loss) to net cash provided (applied to) operating activities:			
Depreciation	<u>1,395,483</u>	<u>23,392</u>	<u>1,418,875</u>
Net Cash Provided by (Applied To) Operating Activities	<u><u>\$ 3,420,179</u></u>	<u><u>\$ (59,544)</u></u>	<u><u>\$ 3,360,635</u></u>
PRESENTATION OF CASH AND CASH EQUIVALENTS ON THE STATEMENT OF NET POSITION PROPRIETARY FUNDS			
Cash and cash equivalents	\$ 878,805	\$ 103,308	\$ 982,113
Restricted cash and cash equivalents	<u>2,213,780</u>	<u>-</u>	<u>2,213,780</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 3,092,585</u></u>	<u><u>\$ 103,308</u></u>	<u><u>\$ 3,195,893</u></u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended April 30, 2019

	Police Pension Trust Fund	Fire Pension Trust Funds	Total Pension Trust Funds	Private Purpose Trust Fund
<u>ASSETS</u>				
Cash and short-term investments	\$ 474,376	\$ 385,845	\$ 860,221	\$ 14,303
Receivables				
Employer	487,568	750,040	1,237,608	-
Interest and other	28,603	25,031	53,634	-
Total Receivables	516,171	775,071	1,291,242	-
Investments, at fair value	14,652,304	6,631,724	21,284,028	-
Total Assets	<u>\$ 15,642,851</u>	<u>\$ 7,792,640</u>	<u>\$ 23,435,491</u>	<u>\$ 14,303</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES	<u>\$ 15,642,851</u>	<u>\$ 7,792,640</u>	<u>\$ 23,435,491</u>	<u>\$ 14,303</u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended April 30, 2019

	Police Pension Trust Fund	Fire Pension Trust Fund	Total Pension Trust Funds	Private Purpose Trust Fund
<u>ADDITIONS</u>				
Contributions				
Employer	\$ 545,819	\$ 836,061	\$ 1,381,880	\$ -
Additional employer contributions	110,456	159,281	269,737	-
Plan member	128,448	97,538	225,986	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Contributions	784,723	1,092,880	1,877,603	-
	<hr/>	<hr/>	<hr/>	<hr/>
Investment Income				
Net appreciation				
in fair value of investments	123,060	367,393	490,453	-
Interest income	129,458	108,011	237,469	4
Dividend income	584,833	74,933	659,766	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Investment Income	837,351	550,337	1,387,688	4
	<hr/>	<hr/>	<hr/>	<hr/>
Total Additions	1,622,074	1,643,217	3,265,291	4
	<hr/>	<hr/>	<hr/>	<hr/>
<u>DEDUCTIONS</u>				
Benefits	1,178,686	1,114,044	2,292,730	-
Administrative expense	116,216	41,856	158,072	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deductions	1,294,902	1,155,900	2,450,802	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Increase	327,172	487,317	814,489	4
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES				
BEGINNING	15,315,679	7,305,323	22,621,002	14,299
	<hr/>	<hr/>	<hr/>	<hr/>
ENDING	<u>\$ 15,642,851</u>	<u>\$ 7,792,640</u>	<u>\$ 23,435,491</u>	<u>\$ 14,303</u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Canton, Illinois is a non home-rule unit and operates under a Mayor-Aldermanic Form of government. The City provides the following services to its citizens: general government, public safety (police and fire), streets, sanitation, cemetery, economic development and water and sewer utilities.

A. FINANCIAL REPORTING ENTITY AND BASIS OF PRESENTATION

1. FINANCIAL REPORTING ENTITY

Financial criteria set forth in GASB Statement No. 14, The Financial Reporting Entity, have been reviewed to determine whether outside agencies with activities, which benefit the citizens of the City, should be included within its financial reporting entity. The criteria include, whether the City exercises significant oversight responsibility on the agencies' selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service, and special financing relationships. It has been determined that no other outside agency meets the above criteria, and therefore, no other agency has been included as component unit in the City's financial statements.

The accounts of the Parlin-Ingersoll Library are excluded from the accompanying financial statements because the City does not fund the Library and the Library's board of trustees controls operations. Although the Mayor appoints the trustees, the City does not exercise any other form of control over library operations, thus the Library has not been included in these statements.

2. BASIS OF PRESENTATION – GOVERNMENT – WIDE FINANCIAL STATEMENTS

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

3. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

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

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

The funds of the City are described as follows:

Governmental Fund Types:

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The General Fund includes the City's General Fund, Liability Insurance Fund, Unemployment Compensation Fund, Worker's Compensation Fund, and Fire Technical Rescue Fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The reporting entity includes the following special revenue funds, which are reported as non-major funds with the exception of the Canton 1 Tax Increment Financing District:

<u>Fund</u>	<u>Brief Description</u>
Working Cash Fund	Accounts for assets legally restricted for providing short-term working cash loans to other funds.
Civil Defense Fund	Accounts for real estate taxes legally restricted for providing Civil Defense activities to the public.
Illinois Municipal Retirement	Accounts for real estate taxes legally restricted for IMRF and providing retirement benefits to employees.
Social Security Fund	Accounts for real estate taxes legally restricted for Social Security and providing retirement benefits to employees.
Motor Fuel Tax	Accounts for motor fuel taxes legally restricted for street and alley improvements.
Canton 1 Tax Increment Financing District	Accounts for revenues legally restricted for development projects within the designated tax increment financing project area.
Canton 2 Tax Increment Financing District	Accounts for revenues legally restricted for development projects within the designated tax increment financing project area.

Canton 3 Tax Increment Financing District	Accounts for revenues legally restricted for development projects within the designated tax increment financing project area.
Audit Fund	Accounts for real estate taxes legally restricted for obtaining required annual financial statement audit services.
Drug Prevention Fund	Accounts for fine and forfeiture revenues restricted for prevention and awareness activities.
DUI Fund	Accounts for the fine revenues restricted for capital expenditures.
Video Gaming Fund	Accounts for proceeds of video gaming taxes.
DCCA Loan Fund	Accounts for grant revenues legally restricted for making economic development loans to businesses and other organizations.

Capital Projects Fund

Account for the financial resources used for the acquisition or construction of major capital facilities, property development, and environmental assessment and remediation, other than those financed by the enterprise funds. The reporting entity includes the following capital project fund which is reported as a non-major fund:

<u>Fund</u>	<u>Brief Description</u>
IT&EC Environmental Escrow Fund	Accounts for settlement proceeds restricted for remediation activities at the former International Harvester Project Site.

Proprietary Fund Types:

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

<u>Fund</u>	<u>Brief Description</u>
Water Works and Sewer Fund	Accounts for the providing of public water and waste water treatment services.
Lake Fund	Accounts for the lake recreational activities.
Cemetery Fund	Accounts for the activities of operating and maintaining Greenwood Cemetery.

Fiduciary Fund Types:

Trust and Agency Funds

Account for assets held by the City in a trustee capacity of as an agent for individuals, private organizations or other governments. These include the police and fire pension trust funds, and the private purpose trust fund. The private purpose trust fund includes the Orendorf Fence and Hildebrand Trust which stipulate that only income from amounts donated can be spent for cemetery maintenance expenditures. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. The City does not have an agency fund.

B. MEASUREMENT FOCUS

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements.

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item “C” below. Internal activity (transactions between or within funds) are reclassified and eliminated with the government-wide statements. Reimbursements are reported as a reduction of expenses.

In the fund financial statements, the “current financial resources” measurement focus as applied to the modified cash basis of accounting:

- a. The governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable 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), financial position, and cash flows. Assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. The pension trust funds financial statements are prepared using economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

C. BASIS OF ACCOUNTING

Basis of accounting is a term to describe “when” transactions are recorded in the financial statements.

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statement, governmental and business-like activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements, and the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as water deposits, accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. As a modification to the cash basis, the City has elected to report loans receivable as an asset.

The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements as applicable to modified cash basis reporting. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, as applicable to modified cash basis reporting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

D. CASH AND CASH EQUIVALENTS

Cash from certain City funds are invested in time deposits with an original maturity of three months or more when purchased. These accounts are classified as investments and are recorded at cost.

For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. Certificates of deposits are considered cash equivalents if the original maturity is three months or less.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer, is reported at a \$1 per share value, which equals the City’s fair value in the pool.

E. INVESTMENTS

Investments are comprised of non-negotiable certificates of deposit, money market mutual funds, insurance contracts, and State, Local and U.S. government obligations and mutual funds are reported at fair value. Fair value is based on published prices on major exchanges as of April 30, 2019.

F. CAPITAL ASSETS

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS – CAPITAL ASSETS

In the government-wide financial statements, capital assets arising from cash transactions 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.

Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004. Prior to May 1, 2004, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004, are recorded at cost.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful live using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to record all capital assets. The range of the estimated useful lives by type of asset is as follows:

Buildings	40 years
Improvements other than building	20 years
Machinery, furniture, and equipment	5-12 years
Utility property and improvements	15-25 years
Infrastructure	40 years

2. FUND FINANCIAL STATEMENTS – CAPITAL ASSETS

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

G. LONG-TERM DEBT

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

H. EQUITY CLASSIFICATION

Equity is classified as net position in the government-wide statements, and is displayed in three components:

- a. Invest in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Government fund equity is classified as fund balance in the fund financial statements, and proprietary fund equity is classified the same as in the government-wide statements.

I. PROGRAM REVENUES

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

General Government	Fees, permits and hall rentals.
Public Safety	Contract with schools.
Public Works	Charges for maintenance services.
Sanitation	Garbage service fees.

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

J. OPERATING REVENUE AND EXPENSES

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

K. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity, if any, and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans – Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services – Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements – Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid from them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.

4. Interfund transfers – Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

L. FUND BALANCE

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

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

The City's assigned fund balance is reporting authorized by the City Council.

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

M. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the Water and Sewer Fund. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

N. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources.

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, there are no deferred inflows of resources reported in City's financial statements.

O. ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues collected, expenditures paid, and other changes in fund equity during the reporting period. Actual results could differ from those estimates.

NOTE 2. TAX LEVIES AND COLLECTIONS

Property taxes attach as an enforceable lien on property as of January 1: The City adopted its 2017 tax levy on December 20, 2016. The City must submit its tax levy to the county clerk on or before the last Tuesday in December. The county clerk extends the amount called for under the respective funds and within the constraints of each fund's maximum tax rate. The county treasurer normally mails property tax bills to the taxpayers during May of the following year.

The bills are due in early June and September by the county treasurer who remits the tax collected in June, July, August, September and November to the City. As of April 30, 2019, the City had received all of its 2017 levy and none of its 2018 levy.

Following is a schedule of tax rates by fund for the 2018 levy per \$100 of equalized assessed valuation:

<u>Fund</u>	<u>Rate</u>	<u>Maximum Allowable Rate</u>
Governmental Fund Types:		
Corporate	.0000	.2500
Unemployment Compensation	.0189	
Fire Protection	.1005	.1500
Police Protection	.0670	.0750
Civil Defense	.0031	.0500
I.M.R.F.	.3141	
Social Security	.2931	
Liability Insurance	.2094	
Audit	.0189	
Workman's Compensation	.2513	
Proprietary Fund:		
Cemetery Fund	.0243	.0250
Fiduciary Fund Type:		
Fire Pension	.6281	
Police Pension	.4083	
	<u>2.3770</u>	

The City also receives road and bridge property taxes. However, these taxes are levied by Canton and Buckheart Townships.

NOTE 3. CASH AND INVESTMENTS

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

Deposits

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

The City's cash and cash equivalents at April 30, 2019 consisted of deposits with financial institutions and the Illinois Funds Money Market Fund. The Illinois Funds have a credit rating of AAAm, by an independent rating agency, indicating a strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and liquidity risks.

The monies invested in the Illinois Funds by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

At April 30, 2019, all but \$559,000 of the City's deposits were covered by federal depository insurance, by collateral held by the financial institution's trust department or agent in the City's name, or invested in Illinois Funds Money Market Fund.

Investments

As of April 30, 2019, the City had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)
Primary Government			
Business-type Activities (included in Restricted Assets)			
Certificates of Deposit	\$ 489,431	N/A	0.32
Fiduciary Funds			
Certificates of deposit	\$ 1,152,697	N/A	1.76
Corporate bonds	2,296,209	A2	3.56
State & Local government	40,974	AAA	1.63
U.S. Government obligations and agency securities	3,944,719	AAA	5.46
Annuities	1,509,455	N/A	N/A
Common stock	4,129,556	N/A	N/A
Mutual funds	8,210,418	N/A	N/A
Total Fiduciary Investments	\$ 21,284,028		

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

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

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

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

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Investments representing 5% or more of total investments at April 30, 2019 are as follows:

United States Treasury Notes

\$ 1,411,284

NOTE 4. CAPITAL ASSETS

Capital assets activity, resulting from modified cash basis transactions, for the year ended April 30, 2019, is as follows:

	Ending Balance 4/30/2018	Additions	Deletions	Ending Balance 4/30/2019
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 186,111	\$ -	\$ -	\$ 186,111
Depreciable Assets:				
Buildings & Infrastructure	11,097,263	164,402	-	11,261,665
Equipment	1,708,913	11,727	-	1,720,640
Motor Vehicles	2,721,216	184,889	65,219	2,840,886
	<u>15,713,503</u>	<u>361,018</u>	<u>65,219</u>	<u>16,009,302</u>
Accumulated depreciation				
Buildings & Infrastructure	3,086,569	400,367	-	3,486,936
Equipment	1,236,284	79,159	-	1,315,443
Motor Vehicles	2,111,197	113,887	44,142	2,180,942
	<u>6,434,050</u>	<u>593,413</u>	<u>44,142</u>	<u>6,983,321</u>
Governmental activities capital assets, net	<u>\$ 9,279,453</u>	<u>\$ (232,395)</u>	<u>\$ 21,077</u>	<u>\$ 9,025,981</u>

Depreciation expenses were charged to governmental functions:

General Government	\$ 54,937
Buildings and Grounds	3,176
Public Safety	96,181
Public Works	392,868
Community Development	21,141
Sanitation	<u>25,110</u>
Total	<u>\$ 593,413</u>

Business-Type Activities:	Ending Balance 4/30/2018	Additions	Deletions	Ending Balance 4/30/2019
<u>Greenwood Cemetery Fund</u>				
Mowers and equipment	\$ 131,229	\$ 17,328	\$ -	\$ 148,557
Vehicle	15,266	-	-	15,266
Fence	1,097	-	-	1,097
Building	45,137	-	-	45,137
Land improvements	9,532	-	-	9,532
	202,261	17,328	-	219,589
Accumulated depreciation	154,944	7,138	-	162,082
Greenwood Cemetery Fund Capital Assets, net	47,317	10,190	-	57,507
<u>Lake Fund</u>				
Non-Depreciable Assets				
Construction in progress	-	17,664	-	17,664
Depreciable Assets				
Building and plant	265,235	13,532	24,922	253,845
Accumulated depreciation	127,756	16,254	18,810	125,200
Lake Fund Capital Assets, net	137,479	14,942	6,112	146,309
<u>Water & Sewer Fund</u>				
Depreciable Assets				
Water plant	25,120,973	57,342	9,965	25,168,350
Sewer plant	24,575,106	-	-	24,575,106
Water extensions	1,887,879	39,858	-	1,927,737
Sewer extensions	4,346,609	114,034	-	4,460,643
Office equipment	56,101	-	-	56,101
Water equipment	991,876	249,743	-	1,241,619
Sewer equipment	754,156	-	-	754,156
	57,732,700	460,977	9,965	58,183,712
Accumulated depreciation	26,062,296	1,395,483	9,965	27,447,814
Water and Sewer Fund Capital Assets, net	31,670,404	(934,506)	-	30,735,898
Total business-type activity capital asset, net	<u>\$ 31,855,200</u>	<u>\$ (909,374)</u>	<u>\$ 6,112</u>	<u>\$ 30,939,714</u>

NOTE 5. LONG-TERM DEBT

The following is a summary of the changes in each type of long-term debt:

	Balance April 30, 2018	Additions	Reductions	Balance April 30, 2019	Amounts Due within One Year
Changes in governmental activities Long-Term Debt:					
Contracts and loans payable:					
Street Sweeper Term Note	\$ 117,889	\$ -	\$ 28,484	\$ 89,405	\$ 29,133
2011 Debt Certificate	5,825,000	-	345,000	5,480,000	370,000
Total long-term debt, governmental activities	\$ 5,942,889	\$ -	\$ 373,484	\$ 5,569,405	\$ 399,133
Changes in business-type activities Long-Term Debt:					
IL EPA loan	\$ 876,043	\$ -	\$ 184,972	\$ 691,071	\$ 190,383
General obligation bonds (alternate revenue source)					
2012 Series	9,105,000	-	1,505,000	7,600,000	1,545,000
2013 Series	2,525,000	-	450,000	2,075,000	445,000
Net issuance premium (discount)	(87,341)	14,557	-	(72,784)	-
Total general obligation bonds	11,542,659	14,557	1,955,000	9,602,216	1,990,000
Total long-term debt business- type activities	\$ 12,418,702	\$ 14,557	\$ 2,139,972	\$ 10,293,287	\$ 2,180,383

Governmental Activities Long-term Debt:

The City's governmental activities long-term debt as of April 30, 2019, consisted of the following:

Street Sweeper Term Note

During 2017, the City borrowed \$145,737 to finance the purchase of a new street sweeper. Interest rate is 2.25%. The debt service requirements on this note are as follows:

Year Ending 4/30	Principal	Interest	Total
2020	\$ 29,133	\$ 2,040	\$ 31,173
2021	29,794	1,379	31,173
2022	30,478	695	31,173
	<u>\$ 89,405</u>	<u>\$ 4,114</u>	<u>\$ 93,519</u>

General Obligation Debt Certificates:

During 2012, the City issued \$7,000,000 Debt Certificates, Series 2011. This issuance is to finance various municipal improvements and to refund the outstanding balance on the 2009 debt certificate. Interest rates vary based on maturity and range from 3% to 4.625%. The debt service requirements on these debt certificates are as follows:

<u>Year Ending 4/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 370,000	\$ 228,586	\$ 598,586
2021	400,000	216,192	616,192
2022	425,000	201,792	626,792
2023	460,000	185,854	645,854
2024	495,000	167,684	662,684
2025	530,000	147,389	677,389
2026	605,000	124,864	729,864
2027	680,000	99,150	779,150
2028	730,000	70,252	800,252
2029	785,000	36,306	821,306
	<u>\$ 5,480,000</u>	<u>\$ 1,478,069</u>	<u>\$ 6,958,069</u>

Business-type Activities Long-term Debt:

The City's business-type activities long-term debt as of April 30, 2019, consisted of the following:

Illinois EPA Loan:

In connection with a waterworks and sewer system maintenance project the City borrowed \$3,012,062 on an Illinois EPA Construction loan, including \$84,002 of construction period interest. The loan is payable in semi-annual installments of \$104,543 including interest at a rate of 2.93%, due February 28 and August 28 of each year. The final payment is due August 28, 2022.

The debt service requirements to maturity, on this loan, are as follows:

<u>Year ending 4/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 190,383	\$ 18,703	\$ 209,086
2021	195,954	13,132	209,086
2022	201,688	7,398	209,086
2023	103,046	1,505	104,551
	<u>\$ 691,071</u>	<u>\$ 40,738</u>	<u>\$ 731,809</u>

General Obligations Bonds (Alternate Revenue Source):

The City issued \$12,810,000 in General Obligation Refunding Bonds Series 2012 and 2013 (Alternative Revenue Source) with an average interest rate of 2.1 percent to advance refund \$11,000,000 of outstanding 2005 Series bonds with an average interest rate of 5 percent. The net proceeds of \$12,543,108 (after payment of \$106,367 in underwriting fees, insurance, and other issuance costs) purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded 2005 Series bonds. As a result, \$11,000,000 of the 2005 Bond Series are considered to be defeased and the liability for those bonds has been removed from the financial statements.

As a result of the refunding, the City reduced its future cash outflows related to this debt by \$756,091 over the next 11 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$681,747. While the refunding reduced the future cash outflows, the total debt outstanding increased. This increase, net of bond issuance costs, of \$1,518,202 is recorded as a deferred charge and is being amortized on a straight-line basis over the life of the bonds. The amortized deferred charge on the bond issue was \$138,018 during 2019 and the accumulated amortization was \$828,110 at April 30, 2019.

On December 19, 2012, the City issued \$10,000,000 of General Obligation Refunding Bonds (alternate revenue source). Principal on the bonds is payable in annual installments ranging from \$165,000 to \$1,725,000 due December 1. Interest on the bonds is payable semi-annually on June 1 and December 1, at rates ranging from 0.7% to 2.55%. The bonds mature through December 1, 2023. The bonds were issued at a \$125,000 discount. This discount is being amortized on a straight-line basis over the life of the bonds. The amortized discount on the bond issue at April 30, 2019, was \$56,818.

On February 12, 2013, the City issued \$2,810,000 of General Obligation Refunding Bonds (alternate revenue source). Principal on the bonds is payable in annual installments ranging from \$50,000 to \$450,000 due December 1. Interest on the bonds is payable semi-annually on June 1 and December 1, at rates ranging from 0.85% to 2.50%. The bonds mature through December 1, 2023. The bonds were issued at a \$35,125 discount. This discount is being amortized on a straight-line basis over the life of the bonds. The amortized discount on the bond issue at April 30, 2019, was \$15,966.

The General Obligation Refunding Bonds and the General Obligation Bonds bond ordinances stipulate that monies held in the water and sewer fund shall be aggregated and restricted to separate reserve accounts, totaling \$2,213,780 in the priority indicated by the order of the following:

Account	Amount	Expenditures
System Improvements	G.O. Alternate Bond proceeds plus interest earned on invested proceeds net of allowable project costs.	Paying of costs of Water and Sewer plant and system improvements.
Operations and Maintenance	Monthly amounts sufficient to pay current operations and maintenance expenses.	Paying of operations and maintenance expenses.
Depreciation	Monthly deposits as deemed necessary.	Cost of extraordinary repairs and placements to the existing system.
Surplus	All remaining money after the deposits to the Operations and Depreciation accounts.	Paying of bond principal and interest maturities, repairs and replacements and deficiencies to accounts listed above.

Bond debt service requirements to maturity are as follows:

Year ending 4/30	Principal	Interest	Total
2020	\$ 1,990,000	\$ 210,485	\$ 2,200,485
2021	2,025,000	174,665	2,199,665
2022	2,065,000	133,950	2,198,950
2023	2,110,000	88,310	2,198,310
2024	1,485,000	37,670	1,522,670
	<u>\$ 9,675,000</u>	<u>\$ 645,080</u>	<u>\$ 10,320,080</u>

NOTE 6. DEFICIT FUND BALANCES

The following City funds have a deficit fund/equity balance as of April 30, 2019.

Civil Defense	\$ 66,231
Canton 2 TIF	221,258

NOTE 7.**DEFINED BENEFIT PENSION PLANS****Illinois Municipal Retirement Fund***Plan Description*

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section 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 <https://www.imrf.org/en/publications-and-archive/annual-financial-reports>.

Benefits Provided

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings.

Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	80
Inactive plan members entitled to but not yet receiving	33
Active plan members	<u>61</u>
Total	<u>174</u>

Contributions

As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2018 was 12.79%. For the fiscal year ended April 30, 2019, the City contributed \$411,803 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Police Pension Fund

Plan Description:

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan and which is administered by a board of trustees appointed by the Mayor and elected by pension members. The plan issues a stand-alone financial report that is filed with the Illinois Department of Insurance. A copy of the report may be obtained from the City. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40ILCS 5/3) and may be amended only by the Illinois legislature. The city accounts for the plan as a pension trust fund.

At May 1, 2018, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries currently Receiving Benefits	26
Terminated Employees Entitled to Benefits but not yet Receiving Them	<u>3</u>
	29
Current Employees	<u>19</u>
Total	<u>48</u>

Funding Policy:

The Recommended contribution is based on the Funding Policy for the Plan. A Funding Policy has three key numerical components:

1. The Actuarial Cost Method: The Actuarial Cost Method creates a contribution pattern for each year of an employee's working career ("Normal Cost" contributions). In addition, the Actuarial Cost Method can measure how well the funding is progressing to date.
2. Amortization Policy: When Plan funding is not where expected (according to plan), procedures are put into place to pay down any shortfall. This leads to a second piece of the cash contribution (the "Amortization Payment").
3. Actuarial Value of Assets: Fluctuations in the plans assets due to short-term gains and losses may be smoothed over some period of time to minimize long-term contribution volatility.

Actuarial Cost Method:

The Actuarial Cost Method under the Funding Policy is the Entry Age Normal (EAN) Cost Method (as a percent of payroll). The EAN method creates a pattern of contributions over employee working careers that are expected to be stable as a percent of payroll over time, creating equity over generations of taxpayers.

Amortization Policy:

The Funding Policy establishes that the unfunded liability (up to 90% of liability) as of 4/30/2018 will be amortized on a level dollar basis over 25 years. Future changes in unfunded will be handled separately.

The Police Pension Plan provides retirement benefits as well as death and disability benefits.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The city is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

Annual Pension Cost and Net Pension Obligation – The City obtained an actuarial valuation for the year ending May 1, 2018. The City based the current year contribution based on the actuarial valuation using the following assumptions:

The following methods have been prescribed in accordance with Section 3-125 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

Actuarial Assumptions

Interest rate	6.50%
Interest rate, prior fiscal year	6.50%
Healthy mortality rates - Male	RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Healthy mortality rates - Female	RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Disability mortality rates - Male	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Disability mortality rates - Female	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Decrements other than mortality	Experience tables
Rate of service-related deaths	10%
Rate of service-related disabilities	60%
Salary increases	Service-related table with rates grading from 11.00% to 3.50% at 33 years of service
Payroll growth	3.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

The Police Pension Fund's unfunded actuarial liability is being amortized as a level percentage of projected payroll. The remaining amortization period at May 1, 2018, is 22 years.

As of May 1, 2018, the most recent actuarial valuation date, the Police Pension Plan was 66% funded. The actuarial accrued liability for benefits was \$23,656,958 and the actuarial value of assets was \$15,692,495, resulting in an underfunded actuarial accrued liability (UAAL) of \$7,964,463.

Fire Pension Fund

Plan Description

Fire sworn personnel are covered by the Fire Pension Plan which is a defined benefit single-employer pension plan and which is administered by a board of trustees appointed by the Mayor and elected by pension members.

The Plan issues a stand-alone financial report that is filed with the Illinois Department of Insurance. A copy of the report may be obtained from the City. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (40ILCS 5/4) and may be amended only by the Illinois legislature.

The City accounts for the plan as pension trust fund. At May 1, 2018, the Fire Pension Plan membership consisted of:

Retirees and Beneficiaries currently	
Receiving Benefits	23
Terminated Employees Entitled to	
Benefits but not yet Receiving Them	-
	<hr/>
	23
Current Employees	15
Total	<hr/>
	38

The Fire Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977, shall be increases 3% annually.

Covered employees are required to contribute 9.455% of their salary to the Fire Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. The Fire Pension Fund's unfunded actuarial liability is being amortized as a level percentage of projected payroll. The remaining amortization period at May 1, 2018, is 22 years.

The City obtained an actuarial valuation for the year ending April 30, 2018. The City based the current year contribution using the entry age normal cost funding method. The City based the current year contribution based on the actuarial valuation using the following assumptions:

The following methods have been prescribed in accordance with Section 4-118 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

Actuarial Assumptions

Interest rate	6.00%
Interest rate, prior fiscal year	6.00%
Healthy mortality rates - Male	RP-2014 Healthy Annuitant, with Blue Collar Adjustment, males
Healthy mortality rates - Female	RP-2014 Healthy Annuitant, with Blue Collar Adjustment, females
Disability mortality rates - Male	115% of RP-2014 Healthy Annuitant, with Blue Collar Adjustment, males
Disability mortality rates - Female	115% of RP-2014 Healthy Annuitant, with Blue Collar Adjustment, females
Decrement other than mortality	Experience tables
Rate of service-related deaths	20%
Rate of service-related disabilities	80%
Salary increases	Service-related table with rates grading from 12.50% to 3.50% at 31 years of service
Payroll growth	3.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

As of May 1, 2018, the most recent actuarial valuation date, the Fire Pension Plan was 38% funded. The actuarial accrued liability for benefits was \$20,136,370 and the actuarial value of assets was \$7,609,926, the unfunded accrued liability was \$12,526,444.

Police and Fire Pension Funds

Summary of the Plan's Significant Accounting Policies and Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when dues and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported at fair value on the financial statements. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at a current exchange rates. For actuarial calculation purposes investments in the U.S. Government and Agency obligations are valued at amortized cost.

NOTE 8. INTERFUND BALANCES AND TRANSACTIONS

The following schedule reports interfund receivables and payables:

Amount	Due to:	Due from:
\$ 272,578	General Fund	Special Revenue Fund: Canton 2 TIF
92,934	General Fund	Special Revenue Fund: Canton 1 TIF
465,688	Special Revenue Fund: Working Cash	General Fund
169,000	Special Revenue Fund: Canton 1 TIF	Special Revenue Fund: Canton 2 TIF
66,231	General Fund	Civil Defense Fund

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. The balances will be repaid with the excess of revenues over expenditures in future years; therefore a significant majority of the balances will not be collected in the subsequent year.

Interfund transfers for the year ended April 30, 2019 were:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 91,767	\$ 86,473
Greenwood Cemetery Fund	85,364	9,079
Video Gaming Fund	-	120,642
Social Security Fund	30,000	-
IMRF Fund	20,000	-
Drug Prevention Fund	-	10,937

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. COMMITMENT/SUBSEQUENT EVENTS

As of April 30, 2019, the Canton 1 Tax Increment Fund has commitments with local businesses to refund a portion of the tax increment. These commitments are based on an agreed upon percentage of the total yearly increment and are capped at a maximum. The maximum commitments total approximately \$1,400,000. There are also agreements with other local taxing bodies to share a portion of the annual increment.

As of April 30, 2019, the Canton 2 Tax Increment Fund has commitments with local businesses to refund a portion of the tax increment. These commitments are based on an agreed upon percentage of the total yearly increment and are capped at a maximum. The maximum commitments total approximately \$635,000. There are also agreements with other local taxing bodies to share a portion of the annual increment.

As of April 30, 2019, the Canton 3 Tax Increment Fund has commitments with local businesses to refund a portion of the tax increment. These commitments are based on an agreed upon percentage of the total yearly increment and are capped at a maximum. This fund was started in the current year and no maximum commitment for this fund has been calculated as of April 30, 2019. There are also agreements with other local taxing bodies to share a portion of the annual increment.

At April 30, 2019, the City had entered one project in the proprietary funds which remained uncompleted. The City paid \$17,664 through April 30, 2019 towards a project to install a new boat slip at Canton Lake. The city is committed for a further \$32,804 on the new boat slip.

The City has evaluated subsequent events through December 20, 2019, the date which the financial statements were available to be issued.

NOTE 10. CONTINGENCIES

LITIGATION

The City is the defendant in several claims and lawsuits. Based on information of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 11. POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 8, the City provides post-retirement hospital, health, life, and dental insurance coverage to retired employees in accordance with personnel policy or union contract. The portion of insurance coverage paid by the City varies depending on whether the employee was union or nonunion, the personnel policy in effect at the date of retirement, and the retiree's length of service. Generally, the City pays 100% of the retiree's insurance and a portion or all of the retiree's dependent coverage until the retiree reaches age 65. At age 65, the insurance coverage is terminated and the retiree can then make application to Medicare at his own expense. Retired employees are eligible for this coverage only if they also qualify for pension benefits under the Police, Fire, or IMRF pension fund.

As of April 30, 2016, the most recent actuarial valuation date, the City's actuarial accrued liability (AAL) and the unfunded actuarial accrued liability (UAAL) for post-employment health care benefits equals \$8,887,900. The \$8,887,900 unfunded actuarial accrued liability (UAAL) is comprised of \$4,585,296 for active employees and \$4,302,604 for retirees. Because the City is on a pay-as-you-go basis and does not have a fund set aside in an irrevocable trust for post-employment health care benefits, the \$8,887,900 unfunded actuarial accrued liability (UAAL) is equal to the \$8,889,900 actuarial accrued liability (AAL) less no assets set aside in an irrevocable trust. Based on a 25-year amortization of the UAAL, the annual required contribution (ARC) needed to fully fund the UAAL equals \$881,776.

SUPPLEMENTARY INFORMATION

CITY OF CANTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND
Year Ended April 30, 2019

	Original Budget	Actual	Favorable (Unfavorable) Variance From Budget
<u>RESOURCES (INFLOWS):</u>			
Local Taxes:			
Property taxes	\$ 1,944,170	\$ 1,977,605	\$ 33,435
Utility tax	600,000	705,897	105,897
Telecommunications tax	180,000	174,444	(5,556)
Hotel/Motel taxes	64,850	63,662	(1,188)
	<u>2,789,020</u>	<u>2,921,608</u>	<u>132,588</u>
Total Local Taxes			
	<u>2,789,020</u>	<u>2,921,608</u>	<u>132,588</u>
Intergovernmental:			
Sales tax	3,337,620	3,396,906	59,286
Income tax	1,423,000	1,427,596	4,596
Replacement tax	187,000	71,495	(115,505)
State reimbursements & grants	36,800	60,682	23,882
Federal grants	1,750	-	(1,750)
	<u>4,986,170</u>	<u>4,956,679</u>	<u>(29,491)</u>
Total Intergovernmental			
	<u>4,986,170</u>	<u>4,956,679</u>	<u>(29,491)</u>
Other:			
License and permits	91,000	85,029	(5,971)
Franchise fees	290,000	289,777	(223)
Fines and forfeitures	80,000	92,566	12,566
Charges for services	927,700	933,749	6,049
Interest income	1,500	1,837	337
Miscellaneous	116,265	248,177	131,912
	<u>1,506,465</u>	<u>1,651,135</u>	<u>144,670</u>
Total Other			
	<u>1,506,465</u>	<u>1,651,135</u>	<u>144,670</u>
Total Resources	<u>9,281,655</u>	<u>9,529,422</u>	<u>247,767</u>

CITY OF CANTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
Year Ended April 30, 2019

	Original Budget	Actual	Favorable (Unfavorable) Variance From Budget
<u>CHARGES TO EXPENDITURES (OUTFLOWS):</u>			
General Government:			
Salaries and benefits	\$ 676,432	\$ 710,475	\$ (34,043)
Supplies	15,700	13,594	2,106
Contractual services	845,579	879,274	(33,695)
Other charges and services	106,950	71,391	35,559
	<hr/>	<hr/>	<hr/>
Total General Government	1,644,661	1,674,734	(30,073)
	<hr/>	<hr/>	<hr/>
Public Safety:			
Police:			
Salaries and benefits	3,087,563	3,125,824	(38,261)
Supplies	62,125	63,877	(1,752)
Contractual services	99,185	101,436	(2,251)
Capital outlay	42,300.00	42,431	(131)
	<hr/>	<hr/>	<hr/>
Total Police	3,291,173	3,333,568	(42,395)
	<hr/>	<hr/>	<hr/>
Fire:			
Salaries and benefits	2,386,578	2,406,697	(20,119)
Supplies	42,940	31,638	11,302
Contractual services	111,276	124,222	(12,946)
Capital outlay	5,000.00	89,512	(84,512)
	<hr/>	<hr/>	<hr/>
Total Fire	2,545,794	2,652,069	(106,275)
	<hr/>	<hr/>	<hr/>
Public Works/Transportation:			
Streets:			
Salaries and benefits	380,336	331,372	48,964
Supplies	161,771	194,025	(32,254)
Contractual services	245,610	150,820	94,790
Capital outlay	72,708	37,273	35,435
	<hr/>	<hr/>	<hr/>
Total Public Works/ Transportation	860,425	713,490	146,935
	<hr/>	<hr/>	<hr/>

CITY OF CANTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
Year Ended April 30, 2019

	Original Budget	Actual	Favorable (Unfavorable) Variance From Budget
Buildings and Grounds:			
Salaries and benefits	\$ 87,722	\$ 89,863	\$ (2,141)
Supplies	16,765	13,070	3,695
Contractual services	14,395	18,490	(4,095)
	<u>118,882</u>	<u>121,423</u>	<u>(2,541)</u>
Total Buildings and Grounds	<u>118,882</u>	<u>121,423</u>	<u>(2,541)</u>
Sanitation:			
Salaries and benefits	288,736	286,388	2,348
Supplies	64,115	42,781	21,334
Contractual services	180,632	212,143	(31,511)
Capital outlay	58,750	-	58,750
	<u>592,233</u>	<u>541,312</u>	<u>50,921</u>
Total Sanitation	<u>592,233</u>	<u>541,312</u>	<u>50,921</u>
Debt Service:			
Principal	-	28,484	(28,484)
Interest expense	-	2,689	(2,689)
	<u>-</u>	<u>31,173</u>	<u>(31,173)</u>
Total Debt Service	<u>-</u>	<u>31,173</u>	<u>(31,173)</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets	-	17,050	17,050
Operating transfers in	197,000	91,767	(105,233)
Operating transfers out	(351,569)	(86,473)	265,096
	<u>(154,569)</u>	<u>22,344</u>	<u>176,913</u>
Total Other Financing Sources (Uses)	<u>(154,569)</u>	<u>22,344</u>	<u>176,913</u>
Total Charges to Expenditures	<u>9,207,737</u>	<u>9,045,425</u>	<u>162,312</u>
CHANGE IN FUND BALANCE	<u><u>\$ 73,918</u></u>	<u><u>\$ 483,997</u></u>	<u><u>\$ 410,079</u></u>

CITY OF CANTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
CANTON 1 TAX INCREMENT FINANCING DISTRICT FUND
Year Ended April 30, 2019

	Original Budget	Actual	Favorable (Unfavorable) Variance From Budget
<u>RESOURCES (INFLOWS):</u>			
Local taxes	\$ 300,000	\$ 304,098	\$ 4,098
Interest	250	1,378	1,128
Other	15,217	1,250	(13,967)
	<u>315,467</u>	<u>306,726</u>	<u>(8,741)</u>
<u>CHARGES TO EXPENDITURES (OUTFLOWS):</u>			
Community development	189,679	459,716	(270,037)
Capital outlay	-	57,446	(57,446)
Debt service:			
Principal repayment	315,000	345,000	(30,000)
Interest	248,732	239,782	8,950
	<u>753,411</u>	<u>1,101,944</u>	<u>(348,533)</u>
Other Financing Sources (Uses):			
Operating transfers in	25,000	-	(25,000)
Operating transfers out	(50,000)	-	50,000
	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Total Charges to Expenditures	<u>778,411</u>	<u>1,101,944</u>	<u>(323,533)</u>
CHANGE IN FUND BALANCE	<u><u>\$ (462,944)</u></u>	<u><u>\$ (795,218)</u></u>	<u><u>\$ (332,274)</u></u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF CANTON, ILLNOIS
COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES -
MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Total Non-Major Special Revenue Funds	Total Non- Major Capital Project Funds	Total Non-Major Governmental Funds
<u>ASSETS</u>			
Cash	\$ 2,038,915	\$ 257,966	\$ 2,296,881
DCCA loans receivable	55,257	-	55,257
Due from other funds	465,688	-	465,688
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 2,559,860</u>	<u>\$ 257,966</u>	<u>\$ 2,817,826</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$ 507,809	\$ -	\$ 507,809
	<hr/>	<hr/>	<hr/>
Fund balances:			
Restricted	1,684,517	257,966	1,942,483
Assigned	655,023	-	655,023
Unassigned	(287,489)	-	(287,489)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>2,052,051</u>	<u>257,966</u>	<u>2,310,017</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	<u>\$ 2,559,860</u>	<u>\$ 257,966</u>	<u>\$ 2,817,826</u>

CITY OF CANTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
<u>REVENUES</u>			
Local taxes:			
Property taxes	\$ 1,283,732	\$ -	\$ 1,283,732
Intergovernmental:			
Motor fuel taxes	375,694	-	375,694
Other taxes	120,642	-	120,642
Fines and forfeitures	13,428	-	13,428
Interest	3,440	4,428	7,868
Other	6,500	-	6,500
	<hr/>	<hr/>	<hr/>
Total Revenues	1,803,436	4,428	1,807,864
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
General governmental	658,792	-	658,792
Public safety:			
Law enforcement	6,563	-	6,563
Capital outlay	9,900	-	9,900
Public works/transportation:			
Streets & sidewalks	52,503	-	52,503
Capital outlay	124,456	-	124,456
Community development:			
Other	244,706	600	245,306
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,096,920	600	1,097,520
	<hr/>	<hr/>	<hr/>
Revenue Received Over			
Expenditures	706,516	3,828	710,344
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Operating transfers in	50,000		50,000
Operating transfers out	(131,579)	-	(131,579)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(81,579)	-	(81,579)
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	624,937	3,828	628,765
	<hr/>	<hr/>	<hr/>
FUND BALANCES - BEGINNING	1,427,114	254,138	1,681,252
	<hr/>	<hr/>	<hr/>
FUND BALANCES - ENDING	\$ 2,052,051	\$ 257,966	\$ 2,310,017
	<hr/>	<hr/>	<hr/>

CITY OF CANTON, ILLINOIS
COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2019

	Working Cash	Civil Defense	Illinois Municipal Retirement Fund	Social Security	Motor Fuel Tax
<u>ASSETS</u>					
Cash	\$ 95,448	\$ -	\$ 855,992	\$ 140,067	\$ 651,151
DCCA loans receivable	-	-	-	-	-
Due from General fund	465,688	-	-	-	-
Total Assets	<u>\$ 561,136</u>	<u>\$ -</u>	<u>\$ 855,992</u>	<u>\$ 140,067</u>	<u>\$ 651,151</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Due to Canton 1 TIF	\$ -	\$ -	\$ -	\$ -	\$ -
Due to General fund	-	66,231	-	-	-
Total Liabilities	<u>-</u>	<u>66,231</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (deficit):					
Restricted	-	-	855,992	140,067	651,151
Assigned	561,136	-	-	-	-
Unassigned	-	(66,231)	-	-	-
Total Fund Balances (Deficit)	<u>561,136</u>	<u>(66,231)</u>	<u>855,992</u>	<u>140,067</u>	<u>651,151</u>
Total Liabilities & Fund Balances (Deficit)	<u>\$ 561,136</u>	<u>\$ -</u>	<u>\$ 855,992</u>	<u>\$ 140,067</u>	<u>\$ 651,151</u>

Canton 2 Tax Increment Financing District	Canton 3 Tax Increment Financing District	Audit	Drug Prevention	DUI Fund	DCCA Loan Fund	Total Non- Major Special Revenue Funds
\$ 220,320	\$ 6,387	\$ 14,434	\$ 11,822	\$ 4,664	38,630	\$ 2,038,915
-	-	-	-	-	55,257	55,257
-	-	-	-	-	-	465,688
\$ 220,320	\$ 6,387	\$ 14,434	\$ 11,822	\$ 4,664	\$ 93,887	\$ 2,559,860
\$ 169,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,000
272,578	-	-	-	-	-	338,809
441,578	-	-	-	-	-	507,809
-	6,387	14,434	11,822	4,664	-	1,684,517
-	-	-	-	-	93,887	655,023
(221,258)	-	-	-	-	-	(287,489)
(221,258)	6,387	14,434	11,822	4,664	93,887	2,052,051
\$ 220,320	\$ 6,387	\$ 14,434	\$ 11,822	\$ 4,664	\$ 93,887	\$ 2,559,860

CITY OF CANTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2019

	Working Cash	Civil Defense	Illinois Municipal Retirement Fund	Social Security	Motor Fuel Tax
<u>REVENUES</u>					
Property taxes	\$ -	\$ 3,677	\$ 457,410	\$ 396,492	\$ -
Intergovernmental:					
Motor fuel taxes	-	-	-	-	375,694
Other taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	1,081
Other	-	-	-	-	-
Total Revenues	-	3,677	457,410	396,492	376,775
<u>EXPENDITURES</u>					
General government	-	-	373,323	263,969	-
Public safety					
Law enforcement	-	-	-	-	-
Capital outlay	-	-	-	-	-
Public works/transportation:					
Streets and sidewalks	-	-	-	-	52,503
Capital outlay	-	-	-	-	106,956
Community development:					
Other	-	-	-	-	-
Total Expenditures	-	-	373,323	263,969	159,459
Revenue Received Over (Under) Expenditures	-	3,677	84,087	132,523	217,316
Other Financing Sources (Uses):					
Operating transfers in	-	-	20,000	30,000	-
Operating transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	20,000	30,000	-
Net changes in fund balances	-	3,677	104,087	162,523	217,316
FUND BALANCES (DEFICIT)					
- BEGINNING	561,136	(69,908)	751,905	(22,456)	433,835
FUND BALANCES (DEFICIT)					
- ENDING	\$ 561,136	\$ (66,231)	\$ 855,992	\$ 140,067	\$ 651,151

Canton 2 Tax Increment Financing District	Canton 3 Tax Increment Financing District	Audit	Drug Prevention	DUI Fund	Video Gaming	DCCA Loan Fund	Total Non- Major Special Revenue Funds
\$ 397,564	\$ 5,670	\$22,919	\$ -	\$ -	\$ -	\$ -	\$ 1,283,732
-	-	-	-	-	-	-	375,694
-	-	-	-	-	120,642	-	120,642
-	-	-	10,370	3,058	-	-	13,428
833	3	-	-	-	-	1,523	3,440
-	6,500	-	-	-	-	-	6,500
398,397	12,173	22,919	10,370	3,058	120,642	1,523	1,803,436
-	-	21,500	-	-	-	-	658,792
-	-	-	6,563	-	-	-	6,563
-	-	-	-	9,900	-	-	9,900
-	-	-	-	-	-	-	52,503
-	-	-	17,500	-	-	-	124,456
238,920	5,786	-	-	-	-	-	244,706
238,920	5,786	21,500	24,063	9,900	-	-	1,096,920
159,477	6,387	1,419	(13,693)	(6,842)	120,642	1,523	706,516
-	-	-	-	-	-	-	50,000
-	-	-	(10,937)	-	(120,642)	-	(131,579)
-	-	-	(10,937)	-	(120,642)	-	(81,579)
159,477	6,387	1,419	(24,630)	(6,842)	-	1,523	624,937
(380,735)	-	13,015	36,452	11,506	-	92,364	1,427,114
\$ (221,258)	\$ 6,387	\$14,434	\$ 11,822	\$ 4,664	\$ -	\$ 93,887	\$ 2,052,051

CITY OF CANTON, ILLINOIS
STATEMENT OF ASSETS, LIABILITES, AND FUND BALANCE -
MODIFIED CASH BASIS - NON-MAJOR CAPITAL PROJECTS FUND
Year Ended April 30, 2019

	IT&EC Environmental Escrow
<u>ASSETS</u>	
Cash	\$ 257,966
<u>LIABILITIES AND FUND BALANCE</u>	
Fund balance:	
Restricted	\$ 257,966

CITY OF CANTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS -
NON-MAJOR CAPITAL PROJECTS FUND
Year Ended April 30, 2019

	IT&EC Environmental Escrow
<u>REVENUES</u>	
Interest	\$ 4,428
<u>EXPENDITURES</u>	
Other	600
Revenue Received Over Expenditures	3,828
FUND BALANCE - BEGINNING	254,138
FUND BALANCE - ENDING	\$ 257,966

CITY OF CANTON, ILLINOIS
COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
NON-MAJOR ENTERPRISE FUNDS
Year Ended April 30, 2019

	<u>Lake Fund</u>	<u>Greenwood Cemetery</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 45,513	\$ 57,795	\$ 103,308
Investments - Restricted	-	489,431	489,431
	<u>45,513</u>	<u>547,226</u>	<u>592,739</u>
Capital Assets:			
Building and plant	253,845	46,234	300,079
Equipment and vehicles	-	173,355	173,355
Work in progress	<u>17,664</u>	<u>-</u>	<u>17,664</u>
	271,509	219,589	491,098
Less accumulated depreciation	<u>(125,200)</u>	<u>(162,082)</u>	<u>(287,282)</u>
Capital assets, net of accumulated depreciation	<u>146,309</u>	<u>57,507</u>	<u>203,816</u>
Total Assets	<u>\$ 191,822</u>	<u>\$ 604,733</u>	<u>\$ 796,555</u>
<u>LIABILITIES AND NET POSITION</u>			
Net Position:			
Invested in capital assets net of related debt	\$ 146,309	\$ 57,507	\$ 203,816
Restricted for:			
Perpetual care and maintenance	-	489,431	489,431
Unrestricted	<u>45,513</u>	<u>57,795</u>	<u>103,308</u>
Total Net Position	<u>\$ 191,822</u>	<u>\$ 604,733</u>	<u>\$ 796,555</u>

See Notes to Financial Statements.

CITY OF CANTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - NON MAJOR ENTERPRISE FUNDS
Year Ended April 30, 2019

	Enterprise Funds		
	Lake Fund	Greenwood Cemetery	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ -	\$ 51,213	\$ 51,213
Lot sales	-	18,300	18,300
Lot leases	8,529	-	8,529
Fees & permits	64,740	-	64,740
Miscellaneous income	1,272	9,961	11,233
Total Operating Revenues	74,541	79,474	154,015
<u>OPERATING EXPENSES</u>			
Personal services	8,740	109,807	118,547
Supplies	3,895	16,803	20,698
Contractual services	4,771	7,396	12,167
Maintenance	48,394	-	48,394
Utilities	13,753	-	13,753
Depreciation	16,254	7,138	23,392
Total Operating Expenses	95,807	141,144	236,951
Operating Loss	(21,266)	(61,670)	(82,936)
<u>NON-OPERATING REVENUES</u>			
Interest income	85	9,405	9,490
Net Loss Before Other Financing Sources (Uses)	(21,181)	(52,265)	(73,446)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	85,364	85,364
Transfers out	-	(9,079)	(9,079)
Loss on disposal of fixed assets	(6,112)	-	(6,112)
Total Other Financing Sources (Uses)	(6,112)	76,285	70,173
Change in net position	(27,293)	24,020	(3,273)
NET POSITION - BEGINNING	219,115	580,713	799,828
NET POSITION - ENDING	<u>\$ 191,822</u>	<u>\$ 604,733</u>	<u>\$ 796,555</u>

CITY OF CANTON, ILLINOIS
SCHEDULE OF OPERATING EXPENDITURES OTHER THAN DEPRECIATION -
WATER AND SEWER FUND
Year Ended April 30, 2019

	<u>General Administration</u>	<u>System Maintenance</u>	<u>Water</u>
Salaries and wages	\$ 108,813	\$ 389,385	\$ 643,306
Group insurance	61,735	77,775	126,737
Maintenance:			
System	-	-	5,192
Building	-	-	16,024
Equipment	1,631	6,642	71,850
Utilities	9,000	5,951	130,798
Travel and training	-	-	3,223
Fuel and oil	-	5,903	9,229
Services	63,653	12,219	157,511
Supplies:			
Office	55,771	-	1,044
Maintenance	-	22,710	29,508
Operating	-	12,712	349,545
Rentals	-	-	-
Other	2,204	-	8,232
	<u>2,204</u>	<u>-</u>	<u>8,232</u>
Total	<u>\$ 302,807</u>	<u>\$ 533,297</u>	<u>\$ 1,552,199</u>

Waste- Water	Meters	Total
\$ 442,049	\$ 105,658	\$ 1,689,211
104,521	28,195	398,963
100,445	-	105,637
10,429	-	26,453
84,358	133,995	298,476
204,124	1,589	351,462
2,220	-	5,443
9,353	2,163	26,648
10,666	642	244,691
769	-	57,584
12,054	4	64,276
41,302	1,532	405,091
23,162	-	23,162
-	-	10,436
<u>\$ 1,045,452</u>	<u>\$ 273,778</u>	<u>\$ 3,707,533</u>

CITY OF CANTON
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
(schedule to be built prospectively from 2015)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Calendar year ending December 31,				
Total pension liability:				
Service cost	\$ 313,186	\$ 376,522	\$ 348,093	\$ 368,920
Interest on the total pension liability	1,577,838	1,577,590	1,500,959	1,459,467
Difference between expected and actual experience	249,447	(264,894)	67,507	(400,914)
Assumption changes	667,896	(661,484)	(80,398)	25,883
Benefit payments and refunds	(1,028,287)	(957,235)	(860,774)	(861,971)
Net change in total pension liability	1,780,080	70,499	975,387	591,385
Total pension liability - beginning	21,395,391	21,324,892	20,349,505	19,758,120
Total pension liability - ending (a)	<u>\$ 23,175,471</u>	<u>\$ 21,395,391</u>	<u>\$ 21,324,892</u>	<u>\$ 20,349,505</u>
Plan fiduciary net position:				
Contributions - employer	\$ 420,725	\$ 459,296	\$ 456,127	\$ 447,344
Contributions - employee	148,002	151,744	152,381	156,338
Net investment income	(1,041,369)	3,048,837	1,176,473	85,483
Benefit payments and refunds	(1,028,287)	(957,235)	(860,774)	(861,971)
Other (net transfer)	300,844	(832,025)	85,245	(66,357)
Net change in plan fiduciary net position	(1,200,085)	1,870,617	1,009,452	(239,163)
Plan fiduciary net position - beginning	19,866,623	17,996,006	16,986,554	17,225,717
Plan fiduciary net position - ending (b)	18,666,538	19,866,623	17,996,006	16,986,554
City's net pension liability - ending (a) - (b)	<u>\$ 4,508,933</u>	<u>\$ 1,528,768</u>	<u>\$ 3,328,886</u>	<u>\$ 3,362,951</u>
Plan fiduciary net position as a percentage of the total pension liability	80.54%	92.85%	84.39%	83.47%
Covered - employee payroll	\$ 3,282,420	\$ 3,372,093	\$ 3,386,243	\$ 3,289,296
City's net position liability as a percentage of covered-employee payroll	137.37%	45.34%	98.31%	102.24%

**CITY OF CANTON
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Actuarial Valuation Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
IMRF					
12/31/2018	\$ 419,822 *	\$ 420,725	\$ (903)	3,282,420	12.82%
12/31/2017	432,977	459,296	(26,319)	3,372,093	13.62%
12/31/2016	456,127	456,127	-	3,386,243	13.47%
12/31/2015	447,344	447,344	-	3,289,296	13.60%

*Estimated based on contribution rate of 12.79% and covered valuation payroll of \$3,282,420.

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

CITY OF CANTON, ILLINOIS
SCHEDULE OF PROPERTY TAX LEVIES, RATES, EXTENSIONS,
COLLECTIONS, AND ASSESSED VALUATIONS

	2018 Tax Levy Year*					
	Levy	Rate	Extension	Collections	Levy	
<u>General Fund:</u>						
Fire Protection	\$ 120,000	0.1005	\$ 120,011	\$ -	\$ 120,000	
Police Protection	80,000	0.0670	80,007	-	80,000	
Liability Insurance	250,000	0.2094	250,053	-	282,000	
Workmen's						
Compensation	300,000	0.2513	300,087	-	312,170	
Unemployment Comp	22,500	0.0189	22,569	-	30,000	
<u>Special Revenue Funds:</u>						
Civil Defense	3,600	0.0031	3,702	-	3,600	
Social Security	350,000	0.2931	350,003	-	390,000	
I.M.R.F.	375,000	0.3141	375,080	-	450,000	
Audit	22,500	0.0189	22,569	-	22,500	
<u>Enterprise Fund:</u>						
Cemetery	29,000	0.0243	29,018	-	26,000	
<u>Pension Trust Funds:</u>						
Police Pension	487,500	0.4083	487,568	-	404,000	
Fire Pension	750,000	0.6281	750,040	-	630,000	
	\$ 2,790,100	2.3370	\$ 2,790,707	\$ -	\$ 2,750,270	

Assessed valuation	<u><u>\$ 119,414,060</u></u>
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2017 Tax Levy Year			2016 Tax Levy Year			
Rate	Extension	Collections	Levy	Rate	Extension	Collections
0.0996	\$ 120,109	\$ 122,367	\$ 110,000	0.0934	\$ 110,078	\$ 109,982
0.0664	80,073	81,368	70,000	0.0594	70,007	69,945
0.2339	282,064	286,948	302,500	0.2567	302,536	302,275
0.2589	312,212	317,321	335,000	0.2843	335,065	334,777
0.0249	30,027	30,519	31,940	0.0272	32,057	32,028
0.0030	3,618	3,677	3,600	0.0031	3,653	3,649
0.3235	390,114	396,492	400,000	0.3394	400,003	399,658
0.3732	450,049	457,410	440,000	0.3734	440,075	439,700
0.0187	22,551	22,919	22,500	0.0191	22,510	22,491
0.0216	26,048	26,469	22,500	0.0191	22,511	22,491
0.3351	404,103	410,643	385,000	0.3267	385,036	384,703
0.5225	630,092	640,289	600,000	0.5091	600,005	599,488
2.2813	\$ 2,751,060	\$ 2,796,422	\$ 2,723,040	2.3109	\$ 2,723,536	\$ 2,721,187
<u>\$ 120,591,782</u>			<u>\$ 117,856,074</u>			