

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 2 Property Taxes - (Continued)

The following are the tax rates applicable to the various levies per \$100.00 of assessed valuation:

		Actual	
	Limit	2019 Levy	2018 Levy
	-----	-----	-----
General Corporate	.2500	.25000	.25000
Police	.1500	.15000	.15000
IMRF	As Needed	.24909	.23849
Social Security	As Needed	.04448	.04259
Street Lighting	.0500	.05000	.05000
Audit	As Needed	.02669	.02556
Insurance	As Needed	.11682	.11185
Recreation	As Needed	.01380	.00000
		-----	-----
Total		.90088	.86849
		=====	=====

Note 3 Accrued Vacation/Leave

Due to the Village reporting on the modified cash basis of accounting, no accrual has been made for employees vacation/leave earned but not taken.

Note 4 Defined Benefit Pension Plan -**IMRF Plan Description**

The Village'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 Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund (agent multiple-employer plan). A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 4 Defined Benefit Pension Plan (Continued)**Benefits Provided - (Continued)**

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

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

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

Contributions

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2019 was 17.51%. For the fiscal year ended December 31, 2019, the Village contributed \$17,950 to the plan. The Village 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.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 4 Defined Benefit Pension Plan (Continued)**Net Pension Liability**

The Village's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. No amount has been recorded on these financial statements due to the Village reporting on the modified cash basis of accounting.

Note 5 Demand and Time Deposits

The Village maintains multiple checking, negotiable order of withdrawal (NOW), passbook, money market and certificate of deposit accounts to account for their various individual funds. Each fund's portion of these accounts is displayed on the appropriate Statement of Assets, Liabilities and Fund Balances - Governmental Funds - Modified Cash Basis or on the Statement of Fund Net Position - Proprietary Funds - Modified Cash Basis. The Village is allowed to invest in securities authorized by State statute, section 2 and 6 of the Public Funds Investment act (30 ILCS 235/2 and 6). The Village currently only invests in certificates of deposit, money market, NOW and passbook savings accounts at federally insured financial institutions.

The Village does not have policies regarding credit risk, custodial credit risk or concentration of credit risk.

Custodial credit risk for deposits and cash equivalents is the risk that in the event of a bank failure, the Village's deposits and cash equivalents may not be returned or the Village will not be able to recover collateral securities in the possession of an outside party. Demand deposits of the Village are federally insured up to \$250,000, and \$361,963 is collateralized by the pledging financial institution's trust department or as agent in favor of the Village. Time deposits of the Village are also federally insured up to \$250,000, and \$951,165 is collateralized by the pledging financial institution's trust department or as agent in favor of the Village.

As of April 30, 2020, the Village had the following deposits and cash equivalents:

Types of Deposits/ Cash Equivalents -----	Fair Value -----	Cost -----	Average Credit Quality Ratings (1) -----
Demand Deposits	\$ 611,963	\$ 611,963	N/A
NOW, Money Markets, and Passbook Deposits	1,097,004	1,097,004	N/A
Certificates of Deposit	104,161	104,161	N/A
	-----	-----	
Total	\$1,813,128	\$1,813,128	
	=====	=====	

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 5 Demand and Time Deposits (Continued)

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the Village's investing activities are managed by the Finance Committee.

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 Village uses the specific identification method of managing interest rate risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. External investment pools are excluded when assessing concentration of credit risk.

Note 6 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability to which the government has access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

As of April 30, 2020, the Village does not have any financial or nonfinancial assets or liabilities measured at fair market value on a recurring or non-recurring basis.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 7 Land, Property, Plant and Equipment and Depreciation - Governmental Activities

The breakdown of Land, Property, Plant and Equipment by type and the related accumulated depreciation for Governmental Activities is as follows:

	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Land	\$ 415,120			\$ 415,120
Building & Improvements - Admin.	32,420			32,420
Building & Improvements - Public Safety	57,229			57,229
Building & Improvements - Parks & Rec.	168,525			168,525
Equipment - Public Safety	79,653		\$ (55,365)	24,288
Equipment - Public Works	32,500			32,500
Infrastructure - Public Works	1,105,458	\$ 31,025		1,136,483
Infrastructure - Parks & Rec.	220,458			220,458
	-----	-----	-----	-----
	\$2,111,364	\$ 31,025	\$ (55,365)	\$2,087,023
	=====	=====	=====	=====
	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Accumulated Depreciation:				
Building & Improvements - Admin.	\$ 12,812	\$ 1,297		\$ 14,109
Building & Improvements - Police	29,889	2,289		32,178
Building & Improvements - Parks & Rec.	40,493	6,741		47,234
Equipment - Police	73,720	742	\$ (55,365)	19,097
Equipment - Public Works	27,315	1,995		29,310
Infrastructure - Public Works	222,931	30,896		253,827
Infrastructure - Parks & Rec.	31,985	6,527		38,512
	-----	-----	-----	-----
	\$ 439,145	\$ 50,487	\$ (55,365)	434,267
	=====	=====	=====	=====
Ending Book Value				\$1,652,756
				=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
 April 30, 2020
 (Continued)

Note 7 Land, Property, Plant and Equipment and Depreciation - Governmental Activities
 - (Continued)

Total depreciation for all governmental activities assets amounted to \$50,487 for the current year, of which \$1,297 was charged to Administration, \$3,031 was charged to Police, \$32,891 was charged to the Public Works Function, and \$13,268 was charged to Parks and Recreation. Land is a non-depreciating asset.

Note 8 Land, Property, Plant and Equipment and Depreciation - Business - type Activities

The breakdown of Land, Property, Plant and Equipment by type and the related accumulated depreciation for the Business-type Activities (Water and Sewer Fund) is as follows:

	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Land	\$ 30,135			\$ 30,135
Water System and Equipment	3,280,360			3,280,360
Sewer System and Equipment	2,345,598	\$ 24,598		2,370,196
	-----	-----	-----	-----
Total	\$5,656,093	\$ 24,598	\$ 0	\$5,680,691
	=====	=====	=====	=====
	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Accumulated Depreciation:				
Water System and Equipment	\$1,296,921	\$ 72,515		\$1,369,436
Sewer System and Equipment	1,861,519	51,140		1,912,659
	-----	-----	-----	-----
Total	\$3,158,440	\$ 123,655	\$ 0	3,282,095
	=====	=====	=====	-----
Ending Book Value				\$2,398,596
				=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 9 Long-Term Debt - Governmental Activities

The Village approved \$900,000 in Series 2011 General Obligation Bonds (Alternate Revenue Source) on January 17, 2011 to finance capital municipal improvements including but not limited to storm water and drainage projects.

The revenue bond ordinance requires pledged revenues will provide an amount not less than 1.25 times principal and interest on the bonds due in the next bond year. The Village has pledged utility and telecommunications tax for bond repayment. All bond principal issued, repayments, pledged revenues and project expenses are reported in the B & I (Bonds and Interest) Project and Repayment Fund.

Following is the maturity schedule of the Alternate Revenue Bond Ordinance as of April 30, 2020:

GENERAL OBLIGATION BONDS
(Alternate Revenue Source)
2011 Series

Date -----	Principal -----	Coupon -----	Interest -----
Jun 1, 2020		6.750%	15,610.00
Dec 1, 2020	45,000	6.750%	15,610.00
Jun 1, 2021		4.300%	14,091.25
Dec 1, 2021	45,000	4.300%	14,091.25
Jun 1, 2022		4.450%	13,123.75
Dec 1, 2022	50,000	4.450%	13,123.75
Jun 1, 2023		4.600%	12,011.25
Dec 1, 2023	50,000	4.600%	12,011.25
Jun 1, 2024		4.750%	10,861.25
Dec 1, 2024	55,000	4.750%	10,861.25
Jun 1, 2025		4.900%	9,555.00
Dec 1, 2025	55,000	4.900%	9,555.00
Jun 1, 2026		5.000%	8,207.50
Dec 1, 2026	55,000	5.000%	8,207.50
Jun 1, 2027		5.100%	6,832.50
Dec 1, 2027	60,000	5.100%	6,832.50
Jun 1, 2028		5.200%	5,302.50
Dec 1, 2028	65,000	5.200%	5,302.50
Jun 1, 2029		5.300%	3,612.50
Dec 1, 2029	65,000	5.300%	3,612.50
Jun 1, 2030		5.400%	1,890.00
Dec 1, 2030	70,000	5.400%	1,890.00
	-----		-----
	\$ 615,000		\$ 202,195.00
	=====		=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 9 Long-Term Debt - Governmental Activities (Continued)

Interest is due on bonds June 1 and December 1 of every year. Additionally, the bonds due on or after December 1, 2021 may be redeemed prior to maturity at the Village's option, either in whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the Village.

The Village abated its 2018 bond tax levy by ordinance and evaluates annually if the Village is financially capable of doing so.

The following is a summary of debt transactions for the current fiscal year, the details of which are contained in this report.

	Beginning Balance -----	Issued or (Retired) -----	Ending Balance -----
Alternate Revenue Bonds			
Series 2011	\$ 655,000	\$ (40,000)	\$ 615,000
	-----	-----	-----
Totals	\$ 655,000	\$ (40,000)	\$ 615,000
	=====	=====	=====

The annual debt service requirements to maturity, including principal and interest, for long term debt as of April 30, 2020 are as follows:

Year Ending April 30 -----	To be Paid by B & I Project and Repayment Fund -----
2021	76,220.00
2022	73,182.50
2023	76,247.50
2024	74,022.50
2025	76,722.50
2026-2030	367,020.00
2031	73,780.00

Total Principal and Interest	\$ 817,195.00
Less Interest	(202,195.00)

Liability as of April 30, 2020	\$ 615,000.00
	=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 10 Long-Term Debt - Business-type Activities

The Village issued \$790,000 of revenue bonds dated September 14, 2017, purchased by the United States Department of Agriculture (USDA), to fund water system improvements.

The revenue bond ordinance required the creation or continuance of the following accounts:

<u>Account</u>	<u>Amount</u>	<u>Authorized Expenditures</u>
a) Construction Account	All amounts as and when received in connection with the bonds	Applied to the acquisition, construction, extension and improvement of the system.
b) Operations and Maintenance Account	Amount sufficient to pay operation and maintenance costs for the current month.	Used to pay operation and maintenance costs.
c) Bond and Interest Account	A fractional amount of the interest becoming due on the next interest payment date and also a fractional amount of principal becoming due on the next maturity date of all the outstanding bonds.	Paying interest on and principal of outstanding bonds.
d) Reserve Account	\$244.00 each month until account accumulates \$29,280. After the account accumulates \$29,280, no further deposits are required unless to replace withdrawals.	Unanticipated emergency maintenance and repairs and to prevent or remedy a default in the payment of the interest or principal of any Village waterworks bonds.
e) Depreciation Account	\$2,101 per month.	Needful repairs or replacements to the system and to prevent or remedy a default in the payment of the interest or principal of any Village waterworks bonds.

After all the required payments into the accounts above have been made, then all monies remaining may be used for calling and redeeming and prepaying bonds or for any other lawful corporate purpose. The Bond and Interest account is required once the amount of the required payment is determined. The Reserve and Depreciation Accounts are required once the project is completed.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 10 Long-Term Debt - Business-type Activities (Continued)

Following is the maturity schedule of the Water System Revenue Bonds as of April 30, 2020:

Water System Revenue Bonds			
Date	Principal	Coupon	Interest
----	-----	-----	-----
May 1, 2020	15,000	1.875%	7,406.25
Nov 1, 2020			7,265.63
May 1, 2021	15,000	1.875%	7,265.63
Nov 1, 2021			7,125.00
May 1, 2022	15,000	1.875%	7,125.00
Nov 1, 2022			6,984.38
May 1, 2023	15,000	1.875%	6,984.38
Nov 1, 2023			6,843.75
May 1, 2024	15,000	1.875%	6,843.75
Nov 1, 2024			6,703.13
May 1, 2025	15,000	1.875%	6,703.13
Nov 1, 2025			6,562.50
May 1, 2026	15,000	1.875%	6,562.50
Nov 1, 2026			6,421.88
May 1, 2027	15,000	1.875%	6,421.88
Nov 1, 2027			6,281.25
May 1, 2028	15,000	1.875%	6,281.25
Nov 1, 2028			6,140.63
May 1, 2029	15,000	1.875%	6,140.63
Nov 1, 2029			6,000.00
May 1, 2030	15,000	1.875%	6,000.00
Nov 1, 2030			5,859.38
May 1, 2031	20,000	1.875%	5,859.38
Nov 1, 2031			5,671.88
May 1, 2032	20,000	1.875%	5,671.88
Nov 1, 2032			5,484.38
May 1, 2033	20,000	1.875%	5,484.38
Nov 1, 2033			5,296.88
May 1, 2034	20,000	1.875%	5,296.88
Nov 1, 2034			5,109.38
May 1, 2035	20,000	1.875%	5,109.38
Nov 1, 2035			4,921.88
May 1, 2036	20,000	1.875%	4,921.88
Nov 1, 2036			4,734.38
May 1, 2037	20,000	1.875%	4,734.38
Nov 1, 2037			4,546.88
May 1, 2038	20,000	1.875%	4,546.88

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 10 Long-Term Debt - Business-type Activities (Continued)

Water System Revenue Bonds (Continued)

Date -----	Principal -----	Coupon -----	Interest -----
Nov 1, 2038			4,359.38
May 1, 2039	20,000	1.875%	4,359.38
Nov 1, 2039			4,171.88
May 1, 2040	20,000	1.875%	4,171.88
Nov 1, 2040			3,984.38
May 1, 2041	20,000	1.875%	3,984.38
Nov 1, 2041			3,796.88
May 1, 2042	20,000	1.875%	3,796.88
Nov 1, 2042			3,609.38
May 1, 2043	20,000	1.875%	3,609.38
Nov 1, 2043			3,421.88
May 1, 2044	25,000	1.875%	3,421.88
Nov 1, 2044			3,187.50
May 1, 2045	25,000	1.875%	3,187.50
Nov 1, 2045			2,953.13
May 1, 2046	25,000	1.875%	2,953.13
Nov 1, 2046			2,718.75
May 1, 2047	25,000	1.875%	2,718.75
Nov 1, 2047			2,484.38
May 1, 2048	25,000	1.875%	2,484.38
Nov 1, 2048			2,250.00
May 1, 2049	25,000	1.875%	2,250.00
Nov 1, 2049			2,015.63
May 1, 2050	25,000	1.875%	2,015.63
Nov 1, 2050			1,781.25
May 1, 2051	25,000	1.875%	1,781.25
Nov 1, 2051			1,546.88
May 1, 2052	25,000	1.875%	1,546.88
Nov 1, 2052			1,312.50
May 1, 2053	25,000	1.875%	1,312.50
Nov 1, 2053			1,078.13
May 1, 2054	25,000	1.875%	1,078.13
Nov 1, 2054			843.75
May 1, 2055	30,000	1.875%	843.75
Nov 1, 2055			562.50
May 1, 2056	30,000	1.875%	562.50
Nov 1, 2056			281.25
May 1, 2057	30,000	1.875%	281.25
	-----		-----
	\$ 790,000		\$ 316,031.49
	=====		=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 10 Long-Term Debt - Business-type Activities (Continued)

Interest is due on bonds May 1 and November 1 of every year. Additionally, the bonds due on or after May 1, 2023 may be redeemed prior to maturity at the Village's option, either in whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the Village.

The following is a summary of debt transactions for the current fiscal year, the details of which are contained in this report.

	Beginning Balance -----	Issued or (Retired) -----	Ending Balance -----
Water System Revenue Bonds	\$ 790,000 -----		\$ 790,000 -----
Totals	\$ 790,000 =====	\$ 0 =====	\$ 790,000 =====

The annual debt service requirements to maturity, including principal and interest, for long term debt as of April 30, 2020 are as follows:

	Year Ending April 30 -----	Debt Service Requirement -----
	2021	29,672
	2022	29,391
	2023	29,109
	2024	28,828
	2025	28,547
	2026-2030	138,516
	2031-2035	150,734
	2036-2040	146,406
	2041-2045	141,984
	2046-2050	151,016
	2051-2055	139,297
	2056-2058	92,532

Total Principal and Interest		\$1,106,032
Less Interest		(316,032)

Total Bond Principle April 30, 2020		\$ 790,000 =====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 10 Long-Term Debt - Business-type Activities (Continued)

The water and sewer fund investments for bond requirements, as of April 30, 2020, are as follows:

Bond and Interest	\$ 23,617
Reserve	7,808
Depreciation	67,232

The Village has not yet established an Operations and Maintenance account in accordance with the Bond Ordinance. The Construction account does not have a reserve amount as construction related to this bond issue has been completed.

Note 11 Risks

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village joined other governmental units and became a member of the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for member governmental units. The Village pays an annual premium to IMLRMA for its general insurance coverage.

IMLRMA is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$7,000,000 for each insured event.

For the insured programs there have been no significant reductions in coverage. Settlement amounts have not exceeded insurance coverage for the current year or prior three years.

Note 12 Other Required Individual Fund Disclosures

A. Individual fund interfund loans. As of April 30, 2020, the Water Fund owes the General Fund \$14,373. This loan resulted from the General Fund paying engineering fees related to the water system improvements. The Village does not have a formal plan to repay these interfund balances.

B. Interfund transfers. The General Fund transferred \$3,600 to the B & I Project and Repayment Fund during the year ended April 30, 2020. The transfer was made to allocate certain utility franchise fees to be used by the B & I Project and Repayment Fund.

Note 13 Civic Center

The Village received the donation of the Cerro Gordo Community Ambulance Services building valued at \$148,000 on March 24, 2014. The building is now being operated by the Village as the Cerro Gordo Civic Center to promote community and recreational events.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(Continued)

Note 14 T.I.F. District

The Village's T.I.F. District was set up to encourage economic development within the Village limits. The T.I.F. Fund receives the property tax levies and pays out direct development costs. As of April 30, 2020 the Village has one agreement in place to pay 75% of property taxes received on property within the T.I.F. 1 District. Future remaining payments under this T.I.F. reimbursement agreement are capped at \$13,555 and are limited to actual reimbursable costs. The agreement will expire with the T.I.F. District in fiscal year 2030.

Note 15 Commitments and Contingencies

The Village and a previous contractor are in dispute regarding a previous construction project. The contractor is requesting \$120,524 for breach of contract, and the Village is countersuing for \$143,000 in liquidated damages and cost of repair of defects. As of the date of issuance of these financial statements, the likelihood of an adverse judgment against the Village is unknown.

The Village entered into an agreement with the Sheriff of Piatt County for the provision of police services. The agreement is for 40 hours per week of police services for a period of 48 months commencing May 1, 2019 upon the hiring of a full-time deputy by the Sheriff. The total amount to be paid over the term of the agreement is \$325,649, payable in 17 equal installments of \$19,156. 100% of all traffic fine monies generated by the Sheriff's contractual unit will be credited to the Village's amount due to the County. Overtime pay incurred for the Sheriff's contractual unit assigned on duty to the Village will be charged to the Village at a rate of \$32 per hour.

Note 16 Health Insurance Reimbursement Program

During the fiscal year ended April 30, 2017, the Village adopted its Health Insurance Reimbursement Program allowing employees to receive tax free reimbursement for amounts paid as premiums for individually owned health insurance expenses that meet the definition of medical care. This program is accounted for as part of the Village's General Fund.

Note 17 Subsequent Events

During the June 15, 2020 board meeting, the board authorized the purchase of up to \$30,000 of land. During the July 20, 2020 board meeting, a motion was made and approved to purchase \$30,000 of land.

SUPPLEMENTARY INFORMATION

VILLAGE OF CERRO GORDO, ILLINOIS

SCHEDULE OF EXPENDITURES DISBURSED

MODIFIED CASH BASIS

GENERAL FUND

Year Ended April 30, 2020

Administration		
Salaries and Wages-Administration	\$	42,520
Employer Social Security and Medicare		6,236
Employer IMRF Contribution		20,689
Maintenance		6,880
Telephone Service		2,690
Utilities - Building		9,895
Printing and Publications		1,075
Office Supplies		3,384
Dues and Subscriptions		2,204
Scout Hall		2,995
Donations		9,147
Professional Fees		131,016
Computer and Internet Service		11,298
Liability Insurance		17,503
Audit		3,615
Unemployment Insurance		590
Postage		942
		<hr/>
Total Administration		272,679
		<hr/>
Police Department		
Salaries and Wages		179
Maintenance and Repairs		1,927
Contracts and Services		69,912
		<hr/>
Total Police Department		72,018
		<hr/>

VILLAGE OF CERRO GORDO, ILLINOIS

SCHEDULE OF EXPENDITURES DISBURSED
 MODIFIED CASH BASIS
 GENERAL FUND
 Year Ended April 30, 2020
 (Continued)

Public Works	
Salaries and Wages	36,553
Group Insurance	16,028
Telephone	1,228
Maintenance and Repairs -	
Building	7,205
Operating and Equipment	2,913
Sidewalks	818
Utilities - Buildings	5,357
Street Lighting	13,517
Tree Trimming	19,010
Operating Supplies	1,737
Gasoline and Oil	2,891
Clothing Allowance	498
Drainage	8,001
Garbage Stickers	1,374
	<hr/>
Total Public Works	117,130
	<hr/>
Parks and Recreation	
Salaries and Wages	2,748
Park Maintenance & Supplies	6,012
Civic Center	3,748
	<hr/>
Total Parks and Recreation	12,508
	<hr/>
Capital Outlay	31,025
	<hr/>
Total Expenditures Disbursed	\$ <u>505,360</u>

VILLAGE OF CERRO GORDO, ILLINOIS

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
 AGGREGATE REMAINING NON-MAJOR FUNDS
 MODIFIED CASH BASIS

April 30, 2020

	Stormwater Management Fund	T.I.F. Fund	D.U.I. Fund	Vehicle Fund	Total Non- Major Funds
Cash in Bank	\$ 117,233	\$ 158,381	\$ 711	\$ 1,473	\$ 277,798
TOTAL ASSETS	\$ 117,233	\$ 158,381	\$ 711	\$ 1,473	\$ 277,798

LIABILITIES AND FUND BALANCES

Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances	117,233	158,381	711	1,473	277,798
TOTAL LIABILITIES AND FUND BALANCE	\$ 117,233	\$ 158,381	\$ 711	\$ 1,473	\$ 277,798

VILLAGE OF CERRO GORDO, ILLINOIS

COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES
 AGGREGATE REMAINING NON-MAJOR FUNDS
 MODIFIED CASH BASIS

Year Ended April 30, 2020

	Stormwater Management Fund	T.I.F. Fund	D.U.I. Fund	Vehicle Fund	Total Non- Major Funds
Revenues Received					
Property Taxes	\$ -	\$ 74,301	\$ -	\$ -	\$ 74,301
Interest Income	85	139	-	-	224
Stormwater Utility Fees	28,307	-	-	-	28,307
Other	-	-	-	27	27
Total Revenues Received	28,392	74,440	-	27	102,859
Expenditures Disbursed					
Current					
T.I.F.	-	40,951	-	-	40,951
Total Expenditures Disbursed	-	40,951	-	-	40,951
Net Change in Fund Balances	28,392	33,489	-	27	61,908
Fund Balances, May 1	88,841	124,892	711	1,446	215,890
Fund Balances, April 30	\$ 117,233	\$ 158,381	\$ 711	\$ 1,473	\$ 277,798

VILLAGE OF CERRO GORDO, ILLINOIS

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION
 MODIFIED CASH BASIS
 WATER AND SEWER FUND

April 30, 2020

<u>ASSETS</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Current Assets			
Cash	\$ 523,477	\$ 424,811	\$ 948,288
Cash-Meter Deposits	9,654	-	9,654
Certificates of Deposit- Meter Deposits	48,869	-	48,869
Total Current Assets	<u>582,000</u>	<u>424,811</u>	<u>1,006,811</u>
Property and Equipment			
Land	-	30,135	30,135
Water System	3,280,360	-	3,280,360
Sewer System	-	2,370,196	2,370,196
Total Property and Equipment	<u>3,280,360</u>	<u>2,400,331</u>	<u>5,680,691</u>
Less: Accumulated Depreciation	<u>(1,369,436)</u>	<u>(1,912,659)</u>	<u>(3,282,095)</u>
Net Property and Equipment	<u>1,910,924</u>	<u>487,672</u>	<u>2,398,596</u>
Total Assets	<u>\$ 2,492,924</u>	<u>\$ 912,483</u>	<u>\$ 3,405,407</u>
<u>LIABILITIES AND NET POSITION</u>			
Current Liabilities			
Meter Deposits	\$ 30,595	\$ -	\$ 30,595
Due to General Fund	14,373	-	14,373
USDA Agency Loan - Current	15,000	-	15,000
Total Current Liabilities	<u>59,968</u>	<u>-</u>	<u>59,968</u>
Long Term Liabilities			
USDA Agency Loan	<u>775,000</u>	<u>-</u>	<u>775,000</u>
Total Liabilities	<u>834,968</u>	<u>-</u>	<u>834,968</u>
Net Position	<u>1,657,956</u>	<u>912,483</u>	<u>2,570,439</u>
Total Liabilities and Net Position	<u>\$ 2,492,924</u>	<u>\$ 912,483</u>	<u>\$ 3,405,407</u>

VILLAGE OF CERRO GORDO, ILLINOIS

COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENSES AND CHANGES IN FUND NET POSITION
 MODIFIED CASH BASIS
 WATER AND SEWER FUND

For the Year Ended April 30, 2020

	Water Fund	Sewer Fund	Total
Operating Revenues			
Charges for Services - Water	\$ 223,987	\$ -	\$ 223,987
Charges for Services - Sewer	-	115,469	115,469
Total Operating Revenues	223,987	115,469	339,456
Operating Expenses			
Personal Services			
Salaries and Wages	\$ 51,031	\$ 46,920	\$ 97,951
Payroll Taxes	3,904	3,589	7,493
Group Health Insurance	16,033	-	16,033
Professional Fees	6,024	3,158	9,182
Total Personal Services	76,992	53,667	130,659
Maintenance, Operations and Contractual Services			
Chemicals	11,710	204	11,914
Postage	1,142	1,911	3,053
Telephone Service	981	444	1,425
Maintenance, Repairs and Supplies - Water and Sewer System, Salt and Softener Supplies	25,960	8,073	34,033
Equipment Maintenance and Repair	14,370	2,275	16,645
Small Equipment	382	1,303	1,685
Travel and Seminar	96	-	96
Liability Insurance	5,834	5,834	11,668
Utilities	23,048	3,011	26,059
Depreciation	72,515	51,140	123,655
Total Maintenance, Operations and Contractual Services	156,038	74,195	230,233
Materials and Supplies			
Office Supplies	1,104	171	1,275
Gasoline and Oil	2,891	3,887	6,778
Clothing Allowance	500	-	500
Total Materials and Supplies	4,495	4,058	8,553
Total Operating Expenses	237,525	131,920	369,445
Operating Income (Loss)	(13,538)	(16,451)	(29,989)
Non-Operating Revenues (Expenses)			
Interest Income	685	354	1,039
Interest Expense	(14,878)	-	(14,878)
Total Non-Operating Revenues (Expenses)	(14,193)	354	(13,839)
Change in Net Position	(27,731)	(16,097)	(43,828)
Total Net Position, May 1	1,685,687	928,580	2,614,267
Total Net Position, April 30	\$ 1,657,956	\$ 912,483	\$ 2,570,439

OTHER INFORMATION (UNAUDITED)

VILLAGE OF CERRO GORDO, ILLINOIS

OTHER INFORMATION (UNAUDITED)
 COMPARISON OF APPROPRIATIONS AND EXPENDITURES
 GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For the Year Ended April 30, 2020

	<u>Appropriations</u> <u>Ordinance</u>	<u>Expenditures</u>	<u>Unexpended</u> <u>Balance</u>
General Fund			
Current			
Administration	\$ 465,659	\$ 272,679	\$ 192,980
Police Department	101,100	72,018	29,082
Public Works	169,615	117,130	52,485
Parks and Recreation	15,812	12,508	3,304
Capital Outlay	<u>315,743</u>	<u>31,025</u>	<u>284,718</u>
Total General Fund	<u>1,067,929</u>	<u>505,360</u>	<u>562,569</u>
Special Revenue Funds			
Motor Fuel Tax Fund	132,294	11,080	121,214
B & I Project & Repayment Fund	-	74,420	(74,420)
Business District Fund	-	25,000	(25,000)
Stormwater Management Fund	-	-	-
T.I.F. Fund	47,250	40,951	6,299
D.U.I. Fund	-	-	-
Vehicle Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u>\$ 1,247,473</u>	<u>\$ 656,811</u>	<u>\$ 590,662</u>

VILLAGE OF CERRO GORDO, ILLINOIS

OTHER INFORMATION (UNAUDITED)
TAX RATES, EXTENSIONS AND COLLECTIONS
TAX LEVY YEARS 2019, 2018, 2017 AND 2016

	Tax Levy Years			
	2019	2018	2017	2016
Assessed Valuation				
Piatt County	\$ <u>12,393,270</u>	\$ <u>12,327,842</u>	\$ <u>11,639,329</u>	\$ <u>11,124,736</u>
Tax Rates:				
General Corporate Fund	0.25000	0.25000	0.25000	0.25000
Police	0.15000	0.15000	0.15000	0.15000
IMRF	0.24909	0.23849	0.25260	0.25170
Social Security	0.04448	0.04259	0.04511	0.04495
Street Lighting	0.05000	0.05000	0.05000	0.05000
Audit	0.02669	0.02556	0.02708	0.02697
Unemployment Insurance	0.00000	0.00000	0.00000	0.00000
Insurance	0.11682	0.11185	0.11847	0.11804
Recreation	0.01380	0.00000	0.00000	0.00000
	0.90088	0.86849	0.89326	0.89166
Tax Extensions:				
General Corporate Fund	\$ 30,983	\$ 30,820	\$ 29,098	\$ 27,812
Police	18,590	18,492	17,459	16,687
IMRF	30,870	29,401	29,401	28,001
Social Security	5,513	5,250	5,251	5,001
Street Lighting	6,197	6,164	5,820	5,562
Audit	3,308	3,151	3,152	3,000
Unemployment Insurance	0	0	0	0
Insurance	14,478	13,789	13,789	13,132
Recreation	1,710	0	0	0
	\$ <u>111,649</u>	\$ <u>107,066</u>	\$ <u>103,969</u>	\$ <u>99,195</u>
Collections:				
General Corporate Fund		\$ 30,768	\$ 28,949	\$ 27,637
Police		18,457	17,347	16,582
IMRF		29,345	29,212	27,824
Social Security		5,240	5,217	4,969
Street Lighting		6,152	5,782	5,527
Audit		3,145	3,132	2,981
Unemployment Insurance		0	0	0
Insurance		13,762	13,701	13,049
Playground and Recreation		0	0	0
Subtotal		<u>106,869</u>	<u>103,340</u>	<u>98,569</u>
Road and Bridge		<u>29,227</u>	<u>28,906</u>	<u>28,856</u>
Total		\$ <u>136,096</u>	\$ <u>132,246</u>	\$ <u>127,425</u>
Tax Increment Financing District (T.I.F.):				
Assessed Valuation	\$ <u>905,952</u>	\$ <u>888,297</u>	\$ <u>984,406</u>	\$ <u>591,371</u>
Tax Extensions	\$ <u>77,132</u>	\$ <u>75,233</u>	\$ <u>85,034</u>	\$ <u>48,672</u>
Collections		\$ <u>74,301</u>	\$ <u>61,515</u>	\$ <u>48,672</u>

VILLAGE OF CERRO GORDO, ILLINOIS

OTHER INFORMATION (UNAUDITED)
VILLAGE OFFICIALS AND TRUSTEES

April 30, 2020

President:	Tim Allen
Clerk:	Tina McCarty
Treasurer:	Stacy Henderson
Trustees:	Mike Martin
	Beth Medlen
	Jeff Powers
	Aaron Weldy
	Linda Ash