



## **CITY OF BEARDSTOWN, ILLINOIS**

ANNUAL FINANCIAL REPORT

**For the Year Ended April 30, 2021**

**SIKICH.COM**

**CITY OF BEARDSTOWN, ILLINOIS**  
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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor  
Members of the City Council  
City of Beardstown  
Beardstown, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Beardstown, Illinois (the City) as of and for the year ended April 30, 2021, and the related notes to financial statements, which collectively comprise the City's basic modified cash basis 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 1d; 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 error or fraud.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Beardstown Houston Memorial Public Library and Lincoln Courtroom and Museum, both discretely presented component units, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Beardstown, Illinois, as of April 30, 2021, and the respective changes in modified cash basis and financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1d.

## **Basis of Accounting**

We draw attention to Note 1d of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

## **Change in Accounting Principle**

The City adopted GASB Statement No. 84, *Fiduciary Activities*, which changed the reporting of certain fiduciary funds during the current fiscal year. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Prior Period Adjustment*

As part of our audit of the 2021 financial statements, we also audited the adjustments described in Note 14 that were applied to restate the 2020 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2020 financial statements of the City other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2020 financial statements as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
June 6, 2022

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**INDEPENDENT AUDITOR'S 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**

The Honorable Mayor  
Members of the City Council  
City of Beardstown  
Beardstown, 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 modified cash financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Beardstown, Illinois (the City) as of and for the year ended April 30, 2021, and the related notes to financial statements, which collectively comprise the City's basic modified cash basis financial statements, and have issued our report thereon dated June 6, 2022. The financial statements of both the Beardstown Houston Memorial Library and Lincoln Courtroom and Museum, discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Beardstown Houston Memorial Library and Lincoln Courtroom and Museum.

**Internal Control over Financial Reporting**

In planning and performing our audit of the modified cash basis financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the modified cash basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 modified cash basis financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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's modified cash basis 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 modified cash basis financial statements. 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sikich LLP*

Naperville, Illinois  
June 6, 2022

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**CITY OF BEARDSTOWN, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

April 30, 2021

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>	
				<b>Library</b>	<b>Museum</b>
<b>ASSETS</b>					
Cash	\$ 3,058,192	\$ 1,981,063	\$ 5,039,255	\$ 540,046	\$ 18,724
Investments	257,059	153,005	410,064	-	-
Capital assets (net of accumulated depreciation)	-	13,765,429	13,765,429	662,999	-
<b>Total assets</b>	<b>3,315,251</b>	<b>15,899,497</b>	<b>19,214,748</b>	<b>1,203,045</b>	<b>18,724</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
None	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Noncurrent liabilities					
Due within one year	-	434,498	434,498	-	-
Due within more than one year	-	3,369,328	3,369,328	-	-
<b>Total liabilities</b>	<b>-</b>	<b>3,803,826</b>	<b>3,803,826</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
None	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	-	9,961,603	9,961,603	662,999	-
Restricted for					
Public safety	225,205	-	225,205	-	-
Public works	511,515	-	511,515	-	-
Workers' compensation	112,516	-	112,516	-	-
Social Security	65,923	-	65,923	-	-
Retirement	103,907	-	103,907	-	-
Economic development	713,303	-	713,303	-	-
Specific purpose	371,347	-	371,347	27,283	-
Unrestricted	1,211,535	2,134,068	3,345,603	512,763	18,724
<b>TOTAL NET POSITION</b>	<b>\$ 3,315,251</b>	<b>\$ 12,095,671</b>	<b>\$ 15,410,922</b>	<b>\$ 1,203,045</b>	<b>\$ 18,724</b>

See accompanying notes to financial statements.

**CITY OF BEARDSTOWN, ILLINOIS**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For the Year Ended April 30, 2021

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<b>FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental Activities				
General government	\$ 1,732,803	\$ 408,681	\$ -	\$ -
Public safety	2,606,053	484,784	288,294	-
Public works	889,822	-	228,358	376,765
Economic development	720,571	-	-	-
Interest	-	-	-	-
Total governmental activities	<u>5,949,249</u>	<u>893,465</u>	<u>516,652</u>	<u>376,765</u>
Business-Type Activities				
Water	926,079	1,078,793	-	-
Sewer	552,116	320,604	-	241,871
Total business-type activities	<u>1,478,195</u>	<u>1,399,397</u>	<u>-</u>	<u>241,871</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 7,427,444</b>	<b>\$ 2,292,862</b>	<b>\$ 516,652</b>	<b>\$ 618,636</b>
COMPONENT UNITS				
Library	\$ 130,320	\$ 3,529	\$ 13,459	\$ -
Museum	<u>\$ 8,460</u>	<u>\$ 140</u>	<u>\$ -</u>	<u>\$ -</u>

Net (Expense) Revenue and Change in Net Position					
Primary Government			Component Unit		
Governmental Activities	Business-Type Activities	Total	Library	Museum	
\$ (1,324,122)	\$ -	\$ (1,324,122)	\$ -	\$ -	-
(1,832,975)	-	(1,832,975)	-	-	-
(284,699)	-	(284,699)	-	-	-
(720,571)	-	(720,571)	-	-	-
-	-	-	-	-	-
(4,162,367)	-	(4,162,367)	-	-	-
-	152,714	152,714	-	-	-
-	10,359	10,359	-	-	-
-	163,073	163,073	-	-	-
(4,162,367)	163,073	(3,999,294)	-	-	-
-	-	-	(113,332)	-	-
-	-	-	-	-	(8,320)

  

General Revenues					
Taxes					
Property	1,599,869	-	1,599,869	49,423	-
Sales and use	1,166,946	-	1,166,946	-	-
Utility	605,709	-	605,709	-	-
Other	107,784	-	107,784	-	-
Intergovernmental					
State income tax	701,924	-	701,924	-	-
Personal property replacement tax	172,935	-	172,935	-	-
Investment income	6,213	3,694	9,907	10,714	15
Miscellaneous	627,790	42,200	669,990	36,378	13,553
Total	4,989,170	45,894	5,035,064	96,515	13,568
CHANGE IN NET POSITION					
	826,803	208,967	1,035,770	(16,817)	5,248
NET POSITION, MAY 1	2,488,448	11,886,704	14,375,152	1,677,102	13,476
Prior period adjustment	-	-	-	(457,240)	-
NET POSITION, MAY 1, RESTATED	2,488,448	11,886,704	14,375,152	1,219,862	13,476
<b>NET POSITION, APRIL 30</b>	<b>\$ 3,315,251</b>	<b>\$ 12,095,671</b>	<b>\$ 15,410,922</b>	<b>\$ 1,203,045</b>	<b>\$ 18,724</b>

See accompanying notes to financial statements.

**CITY OF BEARDSTOWN, ILLINOIS**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
ARISING FROM MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS**

April 30, 2021

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	<b>General</b>	<b>Tax Increment Financing #1</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>ASSETS</b>				
Cash	\$ 936,948	\$ 690,508	\$ 1,430,736	\$ 3,058,192
Investments	-	-	257,059	257,059
<b>TOTAL ASSETS</b>				
	<b>\$ 936,948</b>	<b>\$ 690,508</b>	<b>\$ 1,687,795</b>	<b>\$ 3,315,251</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<b>FUND BALANCES</b>				
Restricted				
Public safety	-	-	225,205	225,205
Public works	-	-	511,515	511,515
Workers' compensation	-	-	112,516	112,516
Social Security	-	-	65,923	65,923
Retirement	-	-	103,907	103,907
Economic devleopment	-	690,508	22,795	713,303
Specific purpose	-	-	371,347	371,347
Assigned				
Capital projects	-	-	274,587	274,587
Unrestricted				
Unassigned	936,948			936,948
Total fund balances	936,948	690,508	1,687,795	3,315,251
<b>TOTAL LIABILITIES AND FUND BALANCES</b>				
	<b>\$ 936,948</b>	<b>\$ 690,508</b>	<b>\$ 1,687,795</b>	<b>\$ 3,315,251</b>

See accompanying notes to financial statements.

**CITY OF BEARDSTOWN, ILLINOIS**

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2021

---

	General	Tax Increment Financing #1	Nonmajor Governmental	Total
<b>REVENUES COLLECTED</b>				
Property taxes	\$ 375,604	\$ 496,040	\$ 728,225	\$ 1,599,869
Other taxes	1,859,442	-	20,998	1,880,440
Charges for services	113,104	-	780,360	893,464
Intergovernmental	1,068,824	175,000	524,452	1,768,276
Investment income	825	1,015	4,373	6,213
Miscellaneous income	346,290	-	281,500	627,790
Total revenues collected	3,764,089	672,055	2,339,908	6,776,052
<b>EXPENDITURES PAID</b>				
Current				
General government	895,045	-	714,918	1,609,963
Public safety	1,673,717	-	905,202	2,578,919
Public works	621,983	-	67,469	689,452
Economic development	-	73,532	-	73,532
Capital outlay	116,671	81,119	799,593	997,383
Total expenditures paid	3,307,416	154,651	2,487,182	5,949,249
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>				
	456,673	517,404	(147,274)	826,803
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	658,235	658,235
Transfers (out)	(92,315)	(565,920)	-	(658,235)
Total other financing sources (uses)	(92,315)	(565,920)	658,235	-
<b>NET CHANGE IN FUND BALANCES</b>				
	364,358	(48,516)	510,961	826,803
<b>FUND BALANCES, MAY 1</b>				
	572,590	739,024	1,176,834	2,488,448
<b>FUND BALANCES, APRIL 30</b>				
	\$ 936,948	\$ 690,508	\$ 1,687,795	\$ 3,315,251

See accompanying notes to financial statements.

# **CITY OF BEARDSTOWN, ILLINOIS**

## **STATEMENT OF ASSETS, LIABILITIES AND NET POSITION ARISING FROM MODIFIED CASH BASIS PROPRIETARY FUNDS**

April 30, 2021

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	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,709,922	\$ 271,141	\$ 1,981,063
Investments	107,000	46,005	153,005
Capital assets (net of accumulated depreciation)	9,125,359	4,640,070	13,765,429
 Total assets	 10,942,281	 4,957,216	 15,899,497
<b>LIABILITIES</b>			
Noncurrent liabilities			
Due within one year	354,498	80,000	434,498
Due in greater than one year	2,944,328	425,000	3,369,328
 Total liabilities	 3,298,826	 505,000	 3,803,826
<b>NET POSITION</b>			
Net investment in capital assets	5,826,533	4,135,070	9,961,603
Unrestricted	1,816,922	317,146	2,134,068
 <b>TOTAL NET POSITION</b>	 \$ 7,643,455	 \$ 4,452,216	 \$ 12,095,671

See accompanying notes to financial statements.

**CITY OF BEARDSTOWN, ILLINOIS**

**STATEMENT OF REVENUES COLLECTED, EXPENSES PAID AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2021

---

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,078,793	\$ 320,604	\$ 1,399,397
Total operating revenues	1,078,793	320,604	1,399,397
<b>OPERATING EXPENSES</b>			
Operations	583,800	306,582	890,382
Total operating expenses	583,800	306,582	890,382
<b>OPERATING INCOME BEFORE DEPRECIATION</b>			
	494,993	14,022	509,015
Depreciation	288,276	162,732	451,008
<b>OPERATING INCOME (LOSS)</b>	<b>206,717</b>	<b>(148,710)</b>	<b>58,007</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	3,202	492	3,694
Miscellaneous	35,639	6,561	42,200
Interest expense	(54,003)	(82,802)	(136,805)
Total non-operating revenues (expenses)	(15,162)	(75,749)	(90,911)
<b>INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS</b>			
	191,555	(224,459)	(32,904)
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	<b>-</b>	<b>241,871</b>	<b>241,871</b>
<b>CHANGE IN NET POSITION</b>	<b>191,555</b>	<b>17,412</b>	<b>208,967</b>
<b>NET POSITION, MAY 1</b>	<b>7,451,900</b>	<b>4,434,804</b>	<b>11,886,704</b>
<b>NET POSITION, APRIL 30</b>	<b>\$ 7,643,455</b>	<b>\$ 4,452,216</b>	<b>\$ 12,095,671</b>

See accompanying notes to financial statements.

**CITY OF BEARDSTOWN, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2021

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	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,078,793	\$ 320,604	\$ 1,399,397
Receipts from miscellaneous	35,639	6,561	42,200
Payments to suppliers	(333,898)	(216,166)	(550,064)
Payments to employees	(249,902)	(90,416)	(340,318)
Net cash from operating activities	<u>530,632</u>	<u>20,583</u>	<u>551,215</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital assets purchased	-	(241,871)	(241,871)
Capital grants and contributions received	-	241,871	241,871
Principal payments on long-term debt	(354,498)	(80,000)	(434,498)
Interest payments on long-term debt	(6,218)	(14,126)	(20,344)
Net cash from capital and related financing activities	<u>(360,716)</u>	<u>(94,126)</u>	<u>(454,842)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	3,202	492	3,694
Net cash from investing activities	<u>3,202</u>	<u>492</u>	<u>3,694</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	173,118	(73,051)	100,067
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,536,804</u>	<u>344,192</u>	<u>1,880,996</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b><u>\$ 1,709,922</u></b>	<b><u>\$ 271,141</u></b>	<b><u>\$ 1,981,063</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 206,717	\$ (148,710)	\$ 58,007
Adjustments to reconcile operating income (loss) to net cash from operating activities	35,639	6,561	42,200
Receipts from miscellaneous	288,276	162,732	451,008
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>\$ 530,632</u></b>	<b><u>\$ 20,583</u></b>	<b><u>\$ 551,215</u></b>

See accompanying notes to financial statements.

**CITY OF BEARDSTOWN, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
FIDUCIARY FUNDS**

April 30, 2021

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	<b>Pension Trust Funds</b>	<b>Custodial Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 70,725	\$ 105,279
Investments		
U.S. Government and		
U.S. agency obligations	1,629,649	-
Municipal bonds	389,890	-
Equity mutual funds	348,030	-
Corporate bonds	387,148	-
Negotiable certificates of deposits	159,099	-
Total assets	2,984,541	105,279
<b>LIABILITIES</b>		
None	-	-
Total liabilities	-	-
<b>NET POSITION</b>		
Restricted for other governments	-	105,279
Restricted for pensions	2,984,541	-
<b>TOTAL NET POSITION</b>	<b>\$ 2,984,541</b>	<b>\$ 105,279</b>

See accompanying notes to financial statements.

**CITY OF BEARDSTOWN, ILLINOIS**

**STATEMENT OF CHANGES IN NET POSITION - MODIFIED CASH BASIS  
FIDUCIARY FUNDS**

For the Year Ended April 30, 2021

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	<b>Pension Trust Funds</b>	<b>Custodial Fund</b>
<b>ADDITIONS</b>		
Contributions - employer	\$ 281,345	\$ -
Contributions - employee	48,780	-
Contributions - residents	-	1,291,927
 Total contributions	 330,125	 1,291,927
 Investment income		
Net appreciation (depreciation) in fair value of investments	70,219	-
Interest earned on investments	45,879	99
 Total investment income	 116,098	 99
 Less investment expense	 (8,120)	 -
 Net investment income	 107,978	 99
 Total additions	 438,103	 1,292,026
 <b>DEDUCTIONS</b>		
Benefits and refunds		
Retirement pension	135,988	-
Disability pension	27,652	-
Surviving spouse pension	68,592	-
Refund of contributions	52,525	-
Administrative	28,799	-
Contractual services		
Sewer treatment fees disbursed	-	1,291,194
 Total deductions	 313,556	 1,291,194
 CHANGE IN NET POSITION	 124,547	 832
 <b>NET POSITION</b>		
May 1, as restated	2,859,994	104,447
April 30	 \$ 2,984,541	 \$ 105,279

See accompanying notes to financial statements.

# CITY OF BEARDSTOWN, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Beardstown, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)), except as described in Note 1d. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

The City operates under a Mayoral-Council form of government and provides the following services as authorized by statute: public safety (Police and Fire), streets, library, water and sewer utility, public improvements, building and zoning, financial and general administrative services.

#### a. Reporting Entity

The City is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and 34*, since its council is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the City is financially accountable. Additionally, management has determined that there are two fiduciary component units that are required to be included in the financial statements of the City as pension trust funds.

The City had determined that the Beardstown Houston Library (the Library) meets the requirements of GASB Statement No. 14 as amended by GASB Statement Nos. 39 and 61, because the Library is fiscally dependent on the City as the City appoints the Library Council, levies its taxes, and must approve its budget and debt issuances. This has resulted in the Library being reported as a discretely presented component unit of the City as it is legally separate from the City.

The City had determined that the Old Lincoln Courtroom and Museum (the Museum) meets the requirements of GASB Statement No. 14 as amended by GASB Statement Nos. 39 and 61, because the Museum is fiscally dependent on the City as the City appoints the Museum Board of Commissions, and must approve its budget and debt issuances. This has resulted in the Museum being reported as a discretely presented component unit of the City as it is legally separate from the City.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Reporting Entity (Continued)

**Police Pension Employees Retirement System**

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's President, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and a fiduciary component unit of the City. PPERS does not issue a stand-alone financial report.

**Firefighters' Pension Employees Retirement System**

The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected firefighters' employees constitute the pension board. The City and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the FPERS is fiscally dependent on the City. PPERS is reported as a pension trust fund, a fiduciary component unit. PPERS does not issue a stand-alone financial report.

b. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Fund Accounting (Continued)**

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for fiduciary activities that meet the definition contained in GASB Statement No. 84, *Fiduciary Activities*. The City utilizes a pension trust fund (for its Police and Firefighters' Pension Fund) and a custodial fund (for its Sanitary District Billings Fund), which is generally used to account for assets that the City holds in a fiduciary capacity for the Beardstown Sanitary District.

**c. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

The Tax Increment Financing #1 Fund accounts for the restricted property taxes for the redevelopment activities within a defined area of the community in order to eliminate blighted conditions in that area.

The City reports the following major proprietary funds:

The Water Fund accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The Sewer Fund accounts for the provision of wastewater services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The City reports pension trust funds as fiduciary component units to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the City reports the Sanitary District Billings Fund as a custodial fund.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary and fiduciary financial statements are reported using the economic resources measurement focus and using the modified cash basis of accounting which is a comprehensive basis of accounting other than GAAP. Only in the business-type activities and propriety funds, the City reports capital assets and liabilities issued to acquire capital assets (excluding capital leases), not long-term operating liabilities. Revenues are recorded at the time of receipt by the City. Expenses are recorded when the funds are disbursed. Depreciation of capital assets has also been shown on the government-wide financial statements for business-type activities only.

Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting which is a comprehensive basis of accounting other than GAAP. Revenues are recorded at the time of receipt by the City. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

e. Cash and Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

g. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$5,000 (except for land which has no threshold) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized. Donated capital assets are recorded at acquisition value at the date of donation.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium.

i. Fund Balance/Net Position

In the fund financial statements, governmental funds can report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Administrator; however, this has not been authorized through a formal policy. Any residual fund balance in the General Fund and any deficit fund balance in other governmental funds are reported as unassigned.

The City's flow of funds assumption specified 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. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

j. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the City has delayed the implementation of GASB Statement No. 87, *Leases*, to April 30, 2023.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

l. Use of Estimates

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

**2. DEPOSITS AND INVESTMENTS**

The City and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City's invests in interest-bearing savings and money market accounts (also interest-bearing time deposits if FDIC insured and credit if main office is located in Illinois) and interest-bearing certificates of deposit.

The City investments its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds using "good judgment and care" for managing the overall portfolio. The primary objective is safety (preservation of capital and protection of investment principal), liquidity and yield.

The City maintains a cash pool that is available for use by all funds. In addition, cash and investments are separately held by several of the City's funds.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City's investment policy does not address this risk. At April 30, 2021, the City had bank balances of \$153,028 that were not insured and collateralized.

City Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not address this risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. The City's investment policy does not address this risk.

Concentration of credit risk is the risk that the City has too high a percentage of their investments invested in one type of investment. The City's investment policy does not address this risk.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The City's investment policy does not address this risk.

The City did not have any investments requiring fair value measurement as of April 30, 2021.

**3. PROPERTY TAX CALENDAR**

The following information gives significant dates on the property tax calendar of the City.

- The property tax lien date is January 1;
- Property taxes are due to the County Collector in two installments, June 1 and September 1; and
- Property taxes for 2020 were levied in December 2020 and are normally received monthly beginning in June and generally ending by December 2021.

**CITY OF BEARDSTOWN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**4. CAPITAL ASSETS**

**Business-Type Activities**

Business-type capital asset activity for the year ended April 30, 2021 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Waterworks system	\$ 13,158,584	\$ -	\$ -	\$ 13,158,584
Sewerage system	7,280,737	241,871	-	7,522,608
Total capital assets being depreciated	20,439,321	241,871	-	20,681,192
Less accumulated depreciation for				
Waterworks system	3,744,948	288,276	-	4,033,224
Sewerage system	2,719,807	162,732	-	2,882,539
Total accumulated depreciation	6,464,755	451,008	-	6,915,763
Total capital assets being depreciated, net	13,974,566	(209,137)	-	13,765,429
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 13,974,566</b>	<b>\$ (209,137)</b>	<b>\$ -</b>	<b>\$ 13,765,429</b>

**5. LONG-TERM DEBT**

A summary of long-term debt of the City for the year ended April 30, 2021 consisted of the following:

The City has issued general obligation alternate revenue bonds where the City has pledged sewer revenues for the payment of bond principal and interest. Alternate revenue bonds are direct obligations and pledge the full faith and credit of the City. Alternate revenue bonds currently outstanding are as follows:

a. General Obligation Alternate Revenue Source Bonds

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refunding	Balances April 30	Current Portion
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2016A, are due in annual installments ranging from \$30,000 to \$35,000 through March 1, 2027, interest rate of 2% are due semiannually on September 1 and March 1.	Water	\$ 235,000	\$ -	\$ 35,000	\$ 200,000	\$ 35,000

**CITY OF BEARDSTOWN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**5. LONG-TERM DEBT**

a. General Obligation Alternate Revenue Source Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refunding	Balances April 30	Current Portion
General Obligation (Alternate Revenue Source)						
Refunding Bonds, Series 2016B, are due in annual installments ranging from \$80,000 to \$90,000 through March 1, 2027, interest rate of 2% and payments are due semiannually on September 1 and March 1.	Sewer	\$ 585,000	\$ -	\$ 80,000	\$ 505,000	\$ 80,000
TOTAL		\$ 820,000	\$ -	\$ 115,000	\$ 705,000	\$ 115,000

b. Illinois Environmental Protection Agency Loans

The City, through the Illinois Environmental Protection Agency (IEPA), received interest-free loans for the construction of water and sewer facilities. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refunding	Balances April 30	Current Portion
IEPA Water Series of 2008 due in annual installments of \$96,154, interest free, through February 23, 2030.						
	Water	\$ 961,540	\$ -	\$ 96,154	\$ 865,386	\$ 96,154
IEPA Water Series of 2009 due in annual installments of \$223,344, interest free, through February 6, 2031	Water	\$ 2,456,784	\$ -	\$ 223,344	\$ 2,233,440	\$ 223,344
TOTAL		\$ 3,418,324	\$ -	\$ 319,498	\$ 3,098,826	\$ 319,498

c. Long-Term Liabilities Summarized

Transactions for the year ended April 30, 2021 are summarized as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-Type Activities					
General obligation bonds (alternate revenue source)	\$ 820,000	\$ -	\$ 115,000	\$ 705,000	\$ 115,000
IEPA loans payable	<u>\$ 3,418,324</u>	<u>\$ -</u>	<u>\$ 319,498</u>	<u>\$ 3,098,826</u>	<u>\$ 319,498</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 4,238,324</b>	<b>\$ -</b>	<b>\$ 434,498</b>	<b>\$ 3,803,826</b>	<b>\$ 434,498</b>

**CITY OF BEARDSTOWN, ILLINOIS**  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. LONG-TERM DEBT (Continued)**

d. Debt Service to Maturity

The annual requirements to amortize all debt outstanding of the City as of April 30, 2021 are as follows:

General Obligation Alternate Revenue Source Bonds

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 115,000	\$ 17,260	\$ 132,260
2023	110,000	14,845	124,845
2024	115,000	12,535	127,535
2025	120,000	9,642	129,642
2026	120,000	6,615	126,615
2027	125,000	3,375	128,375
<b>TOTAL</b>	<b>\$ 705,000</b>	<b>\$ 64,272</b>	<b>\$ 769,272</b>

Illinois Environmental Protection Agency Loans

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 319,498	\$ -	\$ 319,498
2023	319,498	-	319,498
2024	319,498	-	319,498
2025	319,498	-	319,498
2026	319,498	-	319,498
2027- 2031	1,501,336	-	1,501,336
<b>TOTAL</b>	<b>\$ 3,098,826</b>	<b>\$ -</b>	<b>\$ 3,098,826</b>

e. Alternate Revenue Bonds

The City has pledged future water service revenues to repay the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2016A. The bonds are payable from the water service revenues and are payable through fiscal year 2027. The total principal and interest remaining to be paid is \$218,600 for the Series 2016A bonds. Total water service revenues were \$1,051,603. The current year principal and interest of \$40,745 was 3.87% of the pledged revenue.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. LONG-TERM DEBT (Continued)**

e. Alternate Revenue Bonds (Continued)

The City has pledged future wastewater service revenues to repay the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2016B. The bonds are payable from the wastewater service revenues and are payable through fiscal year 2027. The total principal and interest remaining to be paid is \$550,672 for the Series 2016B bonds. Total water service revenues were \$318,044. The current year principal and interest of \$93,650 was 29.45% of the pledged revenue.

f. Legal Debt Margin

The City is subject to a debt limitation of 8.625% of its assessed valuation of \$32,857,534. As of April 30, 2021, the City had \$2,833,962 of remaining legal debt margin.

**6. INTERFUND ACTIVITY**

Interfund transfers during the year ended April 30, 2021 consisted of the following:

	Transfer In	Transfer Out
General Fund	\$ -	\$ 92,315
Nonmajor Governmental Funds (Cemetery Fund)	92,315	-
Nonmajor Governmental Funds (TIF #1 Fund)	-	565,920
Nonmajor Governmental Funds (TIF #3 Fund)	<u>565,920</u>	-
 TOTAL	 <u>\$ 658,235</u>	 <u>\$ 658,235</u>

Significant transfers between funds for the year ended April 30, 2021 consist of the following:

- \$92,315 transferred to the Nonmajor Governmental Funds (Cemetery Fund) from the General Fund to support cemetery operations. This transfer will not be repaid.
- \$565,920 transferred to TIF #3 Fund from the TIF #1 Fund for capital projects. This transfer will not be repaid.

**7. RISK MANAGEMENT**

The City purchases property, auto, general liability, public officials bonds and health, dental, vision and life insurance from various insurance brokers for the benefit of its employees. Losses have not exceeded coverage in the current year or the preceding three years.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. COMMITMENTS AND CONTINGENCIES**

a. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**9. EMPLOYEE RETIREMENT SYSTEMS**

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF - City) and the Sheriff's Law Enforcement Personnel (SLEP) (also administered by IMRF) which are an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all four plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The Police and Firefighters' Pension Plans do not issue separate reports.

a. Plan Descriptions

Illinois Municipal Retirement Fund - City and SLEP

*Plan Administration*

All employees (other than those covered by the SLEP Plan, Police and Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. EMPLOYEE RETIREMENT SYSTEMS**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

*Plan Membership*

At December 31, 2020 (most recent measurement date), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	13
Active employees	<u>28</u>
 <b>TOTAL</b>	 <u>99</u>

At December 31, 2020 (most recent measurement date), SLEP membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>-</u>
 <b>TOTAL</b>	 <u>2</u>

*Benefits Provided*

City

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service.

Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

*Benefits Provided (Continued)*

City (Continued)

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

SLEP

SLEP having accumulated at least 20 years of service and terminating IMRF participation or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. SLEP members meeting the two qualifications described in the first sentence of this paragraph are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

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 members who retire at age 55 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. The pension for participating members who retire between age 50 and 55 will be reduced by 1/2% for each month under age 55. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by ILCS.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

*Contributions*

City

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended April 30, 2021 was 9.88% of covered payroll.

SLEP

Participating members are required to contribute 7.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer contribution for the year ended April 30, 2021 was 0.00% of covered payroll.

The net pension liability, deferred outflows of resources and deferred inflows of resources are not reported on the City's financial statements as the City reports on the modified cash basis of accounting as discussed in Note 1d.

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Council. Two members of the Council are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At April 30, 2021, membership consisted of:

Inactive plan members currently receiving benefits	6
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	
Nonvested	8
 <b>TOTAL</b>	 14

*Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the policeman during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Employees are required by ILCS 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 and the administrative costs as actuarially determined by an enrolled actuary.

*Investment Policy*

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and requires the Fund's Council to adopt an investment policy which can be amended by a majority vote of the Council. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. The investment policy was not modified during the year ended April 30, 2021.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy* (Continued)

The Fund's investment policy, in accordance with ILCS, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	7.00%	5.70%
Small Cap Domestic Equity	2.00%	7.50%
International Equity	1.00%	7.00%
Fixed income	90.00%	1.30%

The long-term expected real rates of return are net of a 2.30% factor for inflation and investment expense. ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using the Asset Management and Trust Division of the investment management consultant's proprietary research and analytical tools in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2021 are listed in the table above.

*Investment Concentrations*

There were no investments (other than United States Government guaranteed obligations) in any one organization that represented 5% or more of Fund's investments as of April 30, 2021.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Rate of Return*

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2021:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury	\$ 95,248	\$ -	\$ 90,060	\$ 5,188	\$ -
U.S. agency securities	863,019	-	217,654	645,365	-
Corporate bonds	221,233	119,749	61,384	40,100	-
Municipal bonds	212,566	10,101	108,746	93,719	-
Negotiable CDs	99,025	15,248	83,777	-	-
<b>TOTAL</b>	<b>\$ 1,491,091</b>	<b>\$ 145,098</b>	<b>\$ 561,621</b>	<b>\$ 784,372</b>	<b>\$ -</b>

The Fund has the following recurring fair value measurements as of April 30, 2021, the equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Treasury obligations, U.S. agency obligations, corporate bonds, municipal bonds, and negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk* (Continued)

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency as well as investment-grade corporate bonds rated in the top three classes by a national rating agency. The U.S. Treasury obligations are rated AAA, the U.S. agency obligations are rated AA+ - AAA, the corporate bonds are rated A - AA+, the municipal bonds are rated AA - AAA, and the negotiable CDs are not rated.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party.

To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

The Police Pension Fund net pension liability and deferred outflows and inflows of resources are not reported on the City's financial statements as the City reports on the modified cash basis of accounting as discussed in Note 1d.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

*Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the City Council are appointed by the City Mayor, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

*Plan Membership*

At April 30, 2021, membership consisted of:

Inactive plan members currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>3</u>
 <b>TOTAL</b>	 <u>6</u>

*Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary.

*Investment Policy*

ILCS limits the Firefighters' Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government, investment grade corporate bonds, pooled accounts of the Illinois Metropolitan Investment Funds, and The Illinois Funds. The Fund may also invest in Illinois municipal corporations tax anticipation warrants, obligations of the State of Illinois and its political subdivisions, direct obligations of the State of Israel, Illinois insurance company general and separate accounts, mutual funds, corporate bonds rated as investment grade by one of the two largest rating services, and corporate equity securities. The investment policy was not modified during the year ended April 30, 2021.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large cap domestic equity	7.00%	5.70%
Small cap domestic equity	2.00%	7.50%
International equity	1.00%	7.00%
Fixed income	90.00%	1.30%

The long-term expected real rates of return are net of a 2.30% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2021, are listed in the table above.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

*Rate of Return*

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 86,269	\$ 10,017	\$ 76,252	\$ -	\$ -
U.S. agency obligations	585,113	-	139,050	446,063	-
Corporate bonds	165,915	82,049	48,610	35,256	-
Municipal bonds	177,324	10,101	93,166	74,057	-
Negotiable CDs	60,074	-	40,302	19,772	-
<b>TOTAL</b>	<b>\$ 1,074,695</b>	<b>\$ 102,167</b>	<b>\$ 397,380</b>	<b>\$ 575,148</b>	<b>\$ -</b>

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

*Interest Rate Risk (Continued)*

The Fund has the following recurring fair value measurements as of April 30, 2021, the equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Treasury obligations, U.S. agency obligations, municipal bonds, corporate bonds and negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The U.S. Treasury obligations are rated AAA, the U.S. agency obligations are rated AA+ - AAA, the corporate bonds are rated A - AA+, the municipal bonds are rated AA - AAA, and the negotiable CDs are not rated.

*Custodial Credit Risk*

To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

The Firefighters' Pension Fund net pension liability and deferred outflows and inflows of resources are not reported on the City's financial statements as the City reports on the modified cash basis of accounting as discussed in Note 1d.

**CITY OF BEARDSTOWN, ILLINOIS**  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Net Position

Police Pension Plan and Firefighters' Pension Plan

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and short-term investments	\$ 37,351	\$ 33,374	\$ 70,725
Investments at fair value			
U.S. Treasury obligations and			
U.S. agency obligations	958,267	671,382	1,629,649
Municipal bonds	212,566	177,324	389,890
Equity mutual bonds	204,094	143,936	348,030
Corporate bonds	221,233	165,915	387,148
Negotiable certificate of deposit	99,025	60,074	159,099
Total assets	<u>1,732,536</u>	<u>1,252,005</u>	<u>2,984,541</u>
<b>LIABILITIES</b>			
None	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION RESTRICTED FOR PENSION</b>			
	<u>\$ 1,732,536</u>	<u>\$ 1,252,005</u>	<u>\$ 2,984,541</u>

**CITY OF BEARDSTOWN, ILLINOIS**  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

b. Changes in Plan Net Position

Police Pension Plan and Firefighters' Pension Plan

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 187,921	\$ 93,424	\$ 281,345
Employee	<u>35,666</u>	<u>13,114</u>	<u>48,780</u>
 Total Contributions	 <u>223,587</u>	 <u>106,538</u>	 <u>330,125</u>
 <b>Investment Income</b>			
Net Appreciation			
in Fair Value of Investments	39,532	30,687	70,219
Interest	<u>26,653</u>	<u>19,226</u>	<u>45,879</u>
 Total Investment Income	 <u>66,185</u>	 <u>49,913</u>	 <u>116,098</u>
 Less Investment Expense	 <u>(4,759)</u>	 <u>(3,361)</u>	 <u>(8,120)</u>
 Net Investment Income	 <u>61,426</u>	 <u>46,552</u>	 <u>107,978</u>
 Total Additions	 <u>285,013</u>	 <u>153,090</u>	 <u>438,103</u>
 <b>DEDUCTIONS</b>			
Pension Benefits	160,881	123,876	284,757
Administrative Expenses	<u>17,485</u>	<u>11,314</u>	<u>28,799</u>
 Total Deductions	 <u>178,366</u>	 <u>135,190</u>	 <u>313,556</u>
 <b>NET INCREASE</b>	 <u>106,647</u>	 <u>17,900</u>	 <u>124,547</u>
 <b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1	<u>1,625,889</u>	<u>1,234,105</u>	<u>2,859,994</u>
April 30	<u>\$ 1,732,536</u>	<u>\$ 1,252,005</u>	<u>\$ 2,984,541</u>

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS**

The City's other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources would not be reported on the City's financial statements as the City reports on the modified cash basis of accounting as discussed in Note 1d. Therefore, the City has not recorded any postemployment benefit liability as of April 30, 2021.

**11. CAPITAL LEASES**

The City has entered into multiple capital lease arrangements. These arrangements are for purchases of vehicles, buildings and equipment. Obligations of governmental activities and business-type activities under capital leases, typically paid from the General Fund, Water Fund and Sewer Fund at April 30, 2021 is as follows:

Fiscal Year Ending <u>April 30,</u>	Capital Leases
2022	\$ 136,235
2023	50,427
2024	50,718
2025	11,180
2026	8,124
TOTAL LEASE PAYMENTS	<u>\$ 256,684</u>

**12. DISCRETELY PRESENTED COMPONENT UNIT - BEARDSTOWN HOUSTON MEMORIAL PUBLIC LIBRARY**

a. Financial Information

No separate financial statements are available for the Beardstown Houston Public Library (the Library).

b. Deposits and Investments

Library Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy does not address this risk.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**12. DISCRETELY PRESENTED COMPONENT UNIT - BEARDSTOWN HOUSTON  
MEMORIAL PUBLIC LIBRARY (Continued)**

b. Deposits and Investments (Continued)

Library Investments

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

The Library does not have any investments requirement fair value measurements as of April 30, 2021.

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. The Library's investment policy does not address this risk.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Library's investment policy does not address this risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. The Library's investment policy does not address this risk.

Concentration of credit risk is the risk that the Library has a high percentage of their investments invested in one type of investment. The Library's investment policy does not address this risk.

c. Property Tax Calendar

The following information gives significant dates on the property tax calendar of the Library:

- The property tax lien date is January 1;
- Property taxes are due to the County Collector in two installments, June 1 and September 1; and
- Property taxes for 2020 were levied in December 2020 and are normally received monthly beginning in June and generally ending by December 2021.

**CITY OF BEARDSTOWN, ILLINOIS**  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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**12. DISCRETELY PRESENTED COMPONENT UNIT - BEARDSTOWN HOUSTON  
 MEMORIAL PUBLIC LIBRARY (Continued)**

d. Capital Assets

The following is a summary of the capital asset activity for the year ended April 30, 2021:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Buildings and improvements	\$ 1,143,101	\$ -	\$ -	\$ 1,143,101
Total capital assets being depreciated	<u>1,143,101</u>	<u>-</u>	<u>-</u>	<u>1,143,101</u>
Less accumulated depreciation for				
Buildings and improvements	457,240	22,862	-	480,102
Total accumulated depreciation	<u>457,240</u>	<u>22,862</u>	<u>-</u>	<u>480,102</u>
Total capital assets being depreciated, net	<u>685,861</u>	<u>(22,862)</u>	<u>-</u>	<u>662,999</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 685,861</u>	<u>\$ (22,862)</u>	<u>\$ -</u>	<u>\$ 662,999</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES		
Culture and Recreation		\$ 22,862
<b>TOTAL DEPRECIATION EXPENSE -</b>		
GOVERNMENTAL ACTIVITIES		<u>\$ 22,862</u>

**13. DISCRETELY PRESENTED COMPONENT UNIT - LINCOLN COURTROOM AND MUSEUM**

a. Financial Information

No separate financial statements are available for the Lincoln Courtroom and Museum (the Museum).

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**13. DISCRETELY PRESENTED COMPONENT UNIT - LINCOLN COURTROOM  
AND MUSEUM (Continued)**

b. Deposits and Investments

Museum Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Museum's deposits may not be returned to it. The Museum's investment policy does not address this risk.

Museum Investments

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

The Museum does not have any investments requirement fair value measurements as of April 30, 2021.

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. The Museum's investment policy does not address this risk.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Museum's investment policy does not address this risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Museum will not be able to recover the value of its investments that are in possession of an outside party. The Museum's investment policy does not address this risk.

Concentration of credit risk is the risk that the Museum has a high percentage of their investments invested in one type of investment. The Museum's investment policy does not address this risk.

**CITY OF BEARDSTOWN, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**14. PRIOR PERIOD ADJUSTMENT**

The following prior period adjustment was recorded for the City's discretely presented component unit (the Library) to record accumulated depreciation as of May 1, 2020.

	Component Unit
NET POSITION/FUND BALANCE - MAY 1, 2020 (AS REPORTED)	\$ 1,690,578
To record accumulated depreciation for the Library's capital assets	<u>(457,240)</u>
NET POSITION/FUND BALANCE - MAY 1, 2020 (AS RESTATED)	<u>\$ 1,233,338</u>

**15. CHANGE IN ACCOUNTING PRINCIPLE**

For the fiscal year ended April 30, 2021, the City implemented GASB Statement No. 84, *Fiduciary Activities*. With the implementation, the City is required to record the beginning net position of custodial funds. The beginning net position of the fiduciary funds has been restated to reflect the new guidance as follows:

**FIDUCIARY FUNDS - CUSTODIAL FUND STATEMENTS**

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ _____ -
Record net position of Custodial Funds	<u>104,447</u>
Total restatement	<u>104,447</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 104,447</u>

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **MAJOR GOVERNMENTAL FUNDS**

**CITY OF BEARDSTOWN, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS  
GENERAL FUND**

For the Year Ended April 30, 2021

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES COLLECTED</b>			
Property taxes	\$ 93,799	\$ 93,799	\$ 375,604
Other taxes	1,730,640	1,730,640	1,859,442
Charges for services	115,100	115,100	113,104
Intergovernmental	891,920	891,920	1,068,824
Investment income	1,200	1,200	825
Miscellaneous income	596,392	596,392	346,290
 Total revenues collected	 3,429,051	 3,429,051	 3,764,089
<b>EXPENDITURES PAID</b>			
Current			
General government	1,420,740	1,420,740	895,045
Public safety	1,467,356	1,467,356	1,673,717
Public works	759,512	759,512	621,983
Capital outlay	142,000	142,000	116,671
 Total expenditures paid	 3,789,608	 3,789,608	 3,307,416
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID			
	(360,557)	(360,557)	456,673
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(154,562)	(154,562)	(92,315)
 NET CHANGE IN FUND BALANCE	 \$ (515,119)	 \$ (515,119)	 364,358
 FUND BALANCE, MAY 1			 572,590
 <b>FUND BALANCE, APRIL 30</b>			 \$ 936,948

(See independent auditor's report.)

**CITY OF BEARDSTOWN, ILLINOIS**

**DETAILED SCHEDULE OF EXPENDITURES PAID -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS  
GENERAL FUND**

For the Year Ended April 30, 2021

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>EXPENDITURES PAID</b>			
General government			
Administration			
Personal services	\$ 625,120	\$ 625,120	\$ 551,110
Contractual services	236,500	236,500	195,994
Commodities	399,092	399,092	100,803
Total administration	<u>1,260,712</u>	<u>1,260,712</u>	<u>847,907</u>
Golden age center			
Contractual services	2,000	2,000	1,218
Commodities	12,000	12,000	3,249
Total golden age center	<u>14,000</u>	<u>14,000</u>	<u>4,467</u>
Airport			
Contractual services	5,000	5,000	2,772
Commodities	141,028	141,028	39,899
Total airport	<u>146,028</u>	<u>146,028</u>	<u>42,671</u>
Total general government	<u>1,420,740</u>	<u>1,420,740</u>	<u>895,045</u>
Capital outlay	<u>7,000</u>	<u>7,000</u>	<u>584</u>
Public safety			
Police			
Personal services	680,831	680,831	876,499
Contractual services	233,800	233,800	182,642
Commodities	166,000	166,000	130,018
Total police	<u>1,080,631</u>	<u>1,080,631</u>	<u>1,189,159</u>
Fire			
Personal services	224,350	224,350	356,815
Contractual services	55,175	55,175	55,717
Commodities	98,500	98,500	66,355
Total fire	<u>378,025</u>	<u>378,025</u>	<u>478,887</u>

(This schedule is continued on the following page.)

**CITY OF BEARDSTOWN, ILLINOIS**

**DETAILED SCHEDULE OF EXPENDITURES PAID -  
BUDGET AND ACTUAL - CASH BASIS (Continued)  
GENERAL FUND**

For the Year Ended April 30, 2021

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>EXPENDITURES PAID (Continued)</b>			
Public safety (Continued)			
Police and fire commission			
Commodities	\$ 8,700	\$ 8,700	\$ 5,671
Total police and fire commission	8,700	8,700	5,671
Total public safety	1,467,356	1,467,356	1,673,717
Capital outlay	95,000	95,000	81,169
Public works			
Building and grounds			
Personal services	77,250	77,250	74,753
Commodities	61,500	61,500	45,059
Total building and grounds	138,750	138,750	119,812
Public works			
Street and alley			
Personal services	331,712	331,712	330,037
Contractual services	58,150	58,150	24,599
Commodities	230,900	230,900	147,535
Total building and grounds	620,762	620,762	502,171
Total public works	759,512	759,512	621,983
Capital outlay	40,000	40,000	34,918
<b>TOTAL EXPENDITURES PAID</b>	<b>\$ 3,789,608</b>	<b>\$ 3,789,608</b>	<b>\$ 3,307,416</b>

(See independent auditor's report.)

**CITY OF BEARDSTOWN, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS  
TAX INCREMENT FINANCING #1 FUND**

For the Year Ended April 30, 2021

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES COLLECTED</b>			
Property taxes	\$ 498,400	\$ 498,400	\$ 496,040
Intergovernmental	175,000	175,000	175,000
Investment income	1,000	1,000	1,015
 Total revenues collected	 674,400	 674,400	 672,055
<b>EXPENDITURES PAID</b>			
Current			
Economic development	488,255	488,255	73,532
Capital outlay	947,147	947,147	81,119
 Total expenditures paid	 1,435,402	 1,435,402	 154,651
 <b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>	 (761,002)	 (761,002)	 517,404
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	-	<u>(565,920)</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ (761,002)	 \$ (761,002)	 (48,516)
 <b>FUND BALANCE, MAY 1</b>			 <u>739,024</u>
 <b>FUND BALANCE, APRIL 30</b>			 <u>\$ 690,508</u>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF BEARDSTOWN, ILLINOIS**

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
ARISING FROM MODIFIED CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2021

---

	Special Revenue			
	Project Tiger Pride	Christmas Food Basket	Canine	DUI
<b>ASSETS</b>				
Cash	\$ 12,018	\$ 3,569	\$ 121	\$ 5,392
Investments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 12,018</b>	<b>\$ 3,569</b>	<b>\$ 121</b>	<b>\$ 5,392</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<b>FUND BALANCES</b>				
Restricted				
Public safety	-	-	121	5,392
Public works	-	-	-	-
Workers' compensation	-	-	-	-
Social Security	-	-	-	-
Retirement	-	-	-	-
Economic development	-	-	-	-
Specific purpose	12,018	3,569	-	-
Assigned				
Capital projects	-	-	-	-
Total fund balances	12,018	3,569	121	5,392
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,018</b>	<b>\$ 3,569</b>	<b>\$ 121</b>	<b>\$ 5,392</b>

Special Revenue						
Drug Enforcement	Ambulance WCC	Ambulance ECC	Motor Fuel Tax	Workers Compensation	Garbage Surplus	
\$ 3,714	\$ 116,632	\$ 99,346	\$ 511,515	\$ 112,516	\$ 28,676	
-	-	-	-	-	-	
\$ 3,714	\$ 116,632	\$ 99,346	\$ 511,515	\$ 112,516	\$ 28,676	
<hr/>						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
3,714	116,632	99,346	-	-	-	
-	-	-	511,515	-	-	
-	-	-	-	112,516	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	28,676	
<hr/>						
3,714	116,632	99,346	511,515	112,516	28,676	
<hr/>						
\$ 3,714	\$ 116,632	\$ 99,346	\$ 511,515	\$ 112,516	\$ 28,676	

(This statement is continued on the following pages.)

**CITY OF BEARDSTOWN, ILLINOIS**

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
ARISING FROM MODIFIED CASH BASIS (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2021

---

	<b>Special Revenue</b>			
	<b>Social Security</b>	<b>IMRF</b>	<b>Tax Increment Financing #3</b>	<b>Tax Increment Financing #4</b>
<b>ASSETS</b>				
Cash	\$ 65,923	\$ 103,907	\$ -	\$ 22,795
Investments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 65,923</b>	<b>\$ 103,907</b>	<b>\$ -</b>	<b>\$ 22,795</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<b>FUND BALANCES</b>				
Restricted				
Public safety	-	-	-	-
Public works	-	-	-	-
Workers' compensation	-	-	-	-
Social Security	65,923	-	-	-
Retirement	-	103,907	-	-
Economic development	-	-	-	22,795
Specific purpose	-	-	-	-
Assigned				
Capital projects	-	-	-	-
Total fund balances	65,923	103,907	-	22,795
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 65,923</b>	<b>\$ 103,907</b>	<b>\$ -</b>	<b>\$ 22,795</b>

Special Revenue		Capital Projects				
Cemetery	Tourism	Harbor Development	Police Vehicle	OSLAD Grant	Total	
\$ 48,826	\$ 21,199	\$ 274,546	\$ 41	\$ -	\$ 1,430,736	
257,059	-	-	-	-	257,059	
<b>\$ 305,885</b>	<b>\$ 21,199</b>	<b>\$ 274,546</b>	<b>\$ 41</b>	<b>\$ -</b>	<b>\$ 1,687,795</b>	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	225,205	
-	-	-	-	-	511,515	
-	-	-	-	-	112,516	
-	-	-	-	-	65,923	
-	-	-	-	-	103,907	
-	-	-	-	-	22,795	
<b>305,885</b>	<b>21,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>371,347</b>	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
-	-	<b>274,546</b>	<b>41</b>	<b>-</b>	<b>274,587</b>	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
<b>305,885</b>	<b>21,199</b>	<b>274,546</b>	<b>41</b>	<b>-</b>	<b>1,687,795</b>	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
<b>\$ 305,885</b>	<b>\$ 21,199</b>	<b>\$ 274,546</b>	<b>\$ 41</b>	<b>\$ -</b>	<b>\$ 1,687,795</b>	

(See independent auditor's report.)

**CITY OF BEARDSTOWN, ILLINOIS**

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2021

---

	<b>Special Revenue</b>			
	<b>Project Tiger Pride</b>	<b>Christmas Food Basket</b>	<b>Canine</b>	<b>DUI</b>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Charges for services	-	-	-	4,105
Intergovernmental	-	-	-	2,142
Investment income	13	4	1	3
Miscellaneous income	-	6,885	787	-
Total revenues collected	13	6,889	788	6,250
<b>EXPENDITURES PAID</b>				
Current				
General government	327	5,865	-	-
Public safety	-	-	1,833	-
Public works	-	-	-	-
Capital outlay	-	-	-	3,000
Total expenditures paid	327	5,865	1,833	3,000
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>				
	(314)	1,024	(1,045)	3,250
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(314)	1,024	(1,045)	3,250
FUND BALANCES, MAY 1	12,332	2,545	1,166	2,142
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 12,018</b>	<b>\$ 3,569</b>	<b>\$ 121</b>	<b>\$ 5,392</b>

Special Revenue						
Drug Enforcement	Ambulance WCC	Ambulance ECC	Motor Fuel Tax	Workers Compensation	Garbage Surplus	
\$ - \$ 224,119	\$ 206,879	\$ -	\$ 78,212	\$ -	\$ -	
- -	- -	- -	- -	- -	- -	
52 284,169	158,249	-	-	-	291,464	
- 46,058	36,441	430,123	-	-	-	
4 108	95	379	109	19	-	
- 2,020	2,000	-	-	-	-	
<b>56 556,474</b>	<b>403,664</b>	<b>430,502</b>	<b>78,321</b>	<b>291,483</b>		
 - -	 - -	 - -	 73,316	 282,571		
- 551,408	351,961	-	-	-	-	
- -	- -	67,469	-	-	-	
- 1,544	2,000	-	-	-	-	
 - 552,952	 353,961	 67,469	 73,316	 282,571		
 <b>56 3,522</b>	 <b>49,703</b>	 <b>363,033</b>	 <b>5,005</b>	 <b>8,912</b>		
 - -	 - -	 - -	 - -	 - -	 - -	
 - -	 - -	 - -	 - -	 - -	 - -	
 <b>56 3,522</b>	 <b>49,703</b>	 <b>363,033</b>	 <b>5,005</b>	 <b>8,912</b>		
 <b>3,658 113,110</b>	 <b>49,643</b>	 <b>148,482</b>	 <b>107,511</b>	 <b>19,764</b>		
 <b>\$ 3,714 \$ 116,632</b>	 <b>\$ 99,346</b>	 <b>\$ 511,515</b>	 <b>\$ 112,516</b>	 <b>\$ 28,676</b>		

(This statement is continued on the following pages.)

**CITY OF BEARDSTOWN, ILLINOIS**

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2021

---

	Special Revenue			
	Social Security	IMRF	Tax Increment Financing #3	Tax Increment Financing #4
<b>REVENUES COLLECTED</b>				
Property taxes	\$ 96,764	\$ 100,273	\$ -	\$ 21,978
Other taxes	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	85	115	-	18
Miscellaneous income	-	-	-	-
 Total revenues collected	96,849	100,388	-	21,996
<b>EXPENDITURES PAID</b>				
Current				
General government	86,912	79,007	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	565,920	-
 Total expenditures paid	86,912	79,007	565,920	-
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>				
	9,937	21,381	(565,920)	21,996
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	565,920	-
Transfers (out)	-	-	-	-
 Total other financing sources (uses)	-	-	565,920	-
<b>NET CHANGE IN FUND BALANCES</b>				
	9,937	21,381	-	21,996
<b>FUND BALANCES, MAY 1</b>				
	55,986	82,526	-	799
<b>FUND BALANCES, APRIL 30</b>				
	\$ 65,923	\$ 103,907	\$ -	\$ 22,795

Special Revenue			Capital Projects			
Cemetery	Tourism	Harbor Development	Police Vehicle	OSLAD Grant	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728,225	
		20,998	-	-	20,998	
42,100	-	-	221	-	780,360	
-	-	-	9,688	-	524,452	
3,275	15	-	4	126	4,373	
10,200	-	258,408	1,200	-	281,500	
<b>55,575</b>	<b>21,013</b>	<b>258,408</b>	<b>11,113</b>	<b>126</b>	<b>2,339,908</b>	
 147,063	 10,691	 29,166	 -	 -	 714,918	
-	-	-	-	-	905,202	
-	-	-	-	-	67,469	
<b>6,169</b>	<b>-</b>	<b>-</b>	<b>20,590</b>	<b>200,370</b>	<b>799,593</b>	
 <b>153,232</b>	 <b>10,691</b>	 <b>29,166</b>	 <b>20,590</b>	 <b>200,370</b>	 <b>2,487,182</b>	
 (97,657)	 10,322	 229,242	 (9,477)	 (200,244)	 (147,274)	
 92,315	 -	 -	 -	 -	 658,235	
-	-	-	-	-	-	
 <b>92,315</b>	 <b>-</b>	 <b>-</b>	 <b>-</b>	 <b>-</b>	 <b>658,235</b>	
 (5,342)	 10,322	 229,242	 (9,477)	 (200,244)	 510,961	
 <b>311,227</b>	 <b>10,877</b>	 <b>45,304</b>	 <b>9,518</b>	 <b>200,244</b>	 <b>1,176,834</b>	
 <b>\$ 305,885</b>	 <b>\$ 21,199</b>	 <b>\$ 274,546</b>	 <b>\$ 41</b>	 <b>\$ -</b>	 <b>\$ 1,687,795</b>	

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**CITY OF BEARDSTOWN, ILLINOIS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS  
PENSION TRUST FUNDS**

For the Year Ended April 30, 2021

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	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and short term investments	\$ 37,351	\$ 33,374	\$ 70,725
Investments, at fair value			
U.S. Government and			
U.S. agency obligations	958,267	671,382	1,629,649
Municipal bonds	212,566	177,324	389,890
Equity mutual funds	204,094	143,936	348,030
Corporate bonds	221,233	165,915	387,148
Negotiable certificates of deposits	99,025	60,074	159,099
 Total assets	 1,732,536	 1,252,005	 2,984,541
<b>LIABILITIES</b>			
None	-	-	-
 Total liabilities	 -	 -	 -
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
	<u>\$ 1,732,536</u>	<u>\$ 1,252,005</u>	<u>\$ 2,984,541</u>

(See independent auditor's report.)

**CITY OF BEARDSTOWN, ILLINOIS**

**COMBINING STATEMENT OF CHANGES IN PLAN FIDUCIARY NET POSITION -  
MODIFIED CASH BASIS  
PENSION TRUST FUNDS**

For the Year Ended April 30, 2021

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	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions - employer	\$ 187,921	\$ 93,424	\$ 281,345
Contributions - employee	35,666	13,114	48,780
 Total contributions	 223,587	 106,538	 330,125
Investment income			
Net appreciation in fair value of investments	39,532	30,687	70,219
Interest earned on investments	26,653	19,226	45,879
 Total investment income	 66,185	 49,913	 116,098
Less investment expense	(4,759)	(3,361)	(8,120)
 Net investment income	 61,426	 46,552	 107,978
 Total additions	 285,013	 153,090	 438,103
<b>DEDUCTIONS</b>			
Benefits and refunds			
Retirement pension	64,637	71,351	135,988
Disability pension	27,652	-	27,652
Surviving spouse pension	68,592	-	68,592
Refund of contributions	-	52,525	52,525
Administrative	17,485	11,314	28,799
 Total deductions	 178,366	 135,190	 313,556
 NET INCREASE	 106,647	 17,900	 124,547
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1	1,625,889	1,234,105	2,859,994
 April 30	 \$ 1,732,536	 \$ 1,252,005	 \$ 2,984,541

(See independent auditor's report.)

## **COMPONENT UNITS**

**CITY OF BEARDSTOWN, ILLINOIS**  
**COMPONENT UNIT - BEARDSTOWN HOUSTON MEMORIAL PUBLIC LIBRARY**

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET - MODIFIED CASH BASIS

April 30, 2021

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	General	Capital Projects	Grant
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 447,408	\$ 65,355	\$ 27,283
Total current assets	<u>447,408</u>	<u>65,355</u>	<u>27,283</u>
<b>NONCURRENT ASSETS</b>			
Capital assets	-	-	-
Not depreciated	-	-	-
Depreciated (net of accumulated depreciation)	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>447,408</u>	<u>65,355</u>	<u>27,283</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 447,408</u>	<u>\$ 65,355</u>	<u>\$ 27,283</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/NET POSITION</b>			
<b>LIABILITIES</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES/NET POSITION</b>			
Net investment in capital assets	-	-	-
Assigned	-	65,355	-
Restricted	-	-	27,283
Unassigned/Unrestricted	<u>447,408</u>	<u>-</u>	<u>-</u>
Total fund balances/net position	<u>447,408</u>	<u>65,355</u>	<u>27,283</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/NET POSITION</b>	<u>\$ 447,408</u>	<u>\$ 65,355</u>	<u>\$ 27,283</u>

Total	Adjustments	Statement of Net Position
\$ 540,046	\$ -	\$ 540,046
540,046	-	540,046
-	1,143,101	1,143,101
-	(480,102)	(480,102)
-	662,999	662,999
540,046	662,999	1,203,045
-	-	-
-	-	-
-	-	-
\$ 540,046	\$ 662,999	\$ 1,203,045
-	-	-
-	-	-
-	-	-
65,355	662,999	662,999
27,283	(65,355)	-
447,408	-	27,283
	65,355	512,763
540,046	662,999	1,203,045
\$ 540,046	\$ 662,999	\$ 1,203,045

(See independent auditor's report.)

**CITY OF BEARDSTOWN, ILLINOIS**  
**COMPONENT UNIT - BEARDSTOWN HOUSTON MEMORIAL PUBLIC LIBRARY**

STATEMENT OF ACTIVITIES AND COMBINING STATEMENT OF  
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/NET POSITION  
 MODIFIED CASH BASIS

For the Year Ended April 30, 2021

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	General	Capital Projects	Grant
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 49,423	\$ -	\$ -
Intergovernmental	10,414	-	3,045
Charges for services	3,529	-	-
Investment income	9,953	761	-
Miscellaneous	35,508	-	870
Total revenues	<u>108,827</u>	<u>761</u>	<u>3,915</u>
<b>EXPENDITURES</b>			
Current			
Culture and recreation	<u>94,199</u>	<u>-</u>	<u>13,259</u>
Total expenditures	<u>94,199</u>	<u>-</u>	<u>13,259</u>
NET CHANGE IN FUND BALANCES/ NET POSITION	14,628	761	(9,344)
FUND BALANCES/ NET POSITION, JANUARY 1	<u>432,780</u>	<u>64,594</u>	<u>36,627</u>
Prior period adjustment	-	-	-
FUND BALANCES/ NET POSITION, JANUARY 1, RESTATED	<u>432,780</u>	<u>64,594</u>	<u>36,627</u>
<b>FUND BALANCES/ NET POSITION, DECEMBER 31</b>	<b>\$ 447,408</b>	<b>\$ 65,355</b>	<b>\$ 27,283</b>

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<b>Total</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
\$ 49,423	\$ -	\$ 49,423
13,459	-	13,459
3,529	-	3,529
10,714	-	10,714
36,378	-	36,378
<hr/>	<hr/>	<hr/>
113,503	-	113,503
<hr/>	<hr/>	<hr/>
107,458	22,862	130,320
<hr/>	<hr/>	<hr/>
107,458	22,862	130,320
<hr/>	<hr/>	<hr/>
6,045	(22,862)	(16,817)
<hr/>	<hr/>	<hr/>
534,001	1,143,101	1,677,102
<hr/>	<hr/>	<hr/>
-	(457,240)	(457,240)
<hr/>	<hr/>	<hr/>
534,001	685,861	1,219,862
<hr/>	<hr/>	<hr/>
\$ 540,046	\$ 662,999	\$ 1,203,045
<hr/>	<hr/>	<hr/>

(See independent auditor's report.)

**CITY OF BEARDSTOWN, ILLINOIS**  
**COMPONENT UNIT - LINCOLN COURTROOM AND MUSEUM**

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET - MODIFIED CASH BASIS

April 30, 2021

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	General	Total	Adjustments	Statement of Net Position
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 18,724	\$ 18,724	\$ -	\$ 18,724
Total current assets	<u>18,724</u>	<u>18,724</u>	<u>-</u>	<u>18,724</u>
<b>NONCURRENT ASSETS</b>				
None	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	<u>18,724</u>	<u>18,724</u>	<u>-</u>	<u>18,724</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 18,724</b>	<b>\$ 18,724</b>	<b>\$ -</b>	<b>\$ 18,724</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION</b>				
<b>LIABILITIES</b>				
None	-	-	-	-
Total liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
None	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	-	-
<b>FUND BALANCES/NET POSITION</b>				
Unassigned/Unrestricted	18,724	18,724	-	18,724
Total fund balances/net position	<u>18,724</u>	<u>18,724</u>	<u>-</u>	<u>18,724</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION</b>	<b>\$ 18,724</b>	<b>\$ 18,724</b>	<b>\$ -</b>	<b>\$ 18,724</b>

(See independent auditor's report.)

**CITY OF BEARDSTOWN, ILLINOIS**  
**COMPONENT UNIT - LINCOLN COURTROOM AND MUSEUM**

**STATEMENT OF ACTIVITIES AND COMBINING STATEMENT OF  
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/NET POSITION  
 MODIFIED CASH BASIS**

For the Year Ended April 30, 2021

---

	<b>General</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>REVENUES</b>				
Charges for services	\$ 140	\$ 140	\$ -	\$ 140
Investment income	15	15	-	15
Miscellaneous	13,553	13,553	-	13,553
 Total revenues	 13,708	 13,708	 -	 13,708
<b>EXPENDITURES</b>				
Current				
Culture and recreation	8,460	8,460	-	8,460
 Total expenditures	 8,460	 8,460	 -	 8,460
 NET CHANGE IN FUND BALANCES/ NET POSITION	 5,248	 5,248	 -	 5,248
 FUND BALANCES/ NET POSITION, JANUARY 1	 13,476	 13,476	 -	 13,476
 <b>FUND BALANCES/ NET POSITION, DECEMBER 31</b>	 \$ 18,724	 \$ 18,724	 \$ -	 \$ 18,724

(See independent auditor's report.)

**SUPPLEMENTARY DATA**

**CITY OF BEARDSTOWN, ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended April 30, 2021

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<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
420-00-1798	Establishing Access to the Illinois River 2019 DCEO Grant Management Initiative	\$ 125,000	\$ -	\$ -	\$ 125,000
420-00-1809	Construction of a Public Marina	50,000	-	-	50,000
420-00-2433	Local CURE & Economic Support Payments	-	252,592	-	252,592
420-75-1632	Community Development Block Grants Public Infrastructure	-	241,871	-	241,871
422-11-0970	Open Space Land Acquisition & Development	200,370	-	-	200,370
494-00-1488	Motor Fuel Tax Program	67,469	-	-	67,469
494-00-2356	Local REBUILD ILLINOIS Bond Program	-	-	-	-
494-10-0343	State and Community Highway Safety/National Priority Safety Programs	-	18,492	-	18,492
	Other grant programs and activities	-	17,210	-	17,210
	All other costs not allocated	-	-	6,454,440	6,454,440
<b>TOTALS</b>		<b>\$ 442,839</b>	<b>\$ 530,165</b>	<b>\$ 6,454,440</b>	<b>\$ 7,427,444</b>

(See independent auditor's report.)