



**CITY OF TRENTON, ILLINOIS**

FINANCIAL STATEMENTS,  
OTHER INFORMATION, AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDING  
APRIL 30, 2020

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**CITY OF TRENTON, ILLINOIS**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the Board of Aldermen  
City of Trenton, Illinois:

We have audited the accompanying financial statements of the City of Trenton, Illinois as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **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, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Trenton, Illinois, as of April 30, 2020, and the respective changes in modified cash basis 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 1.

### ***Prior Period Restatement***

As discussed in Note 14 to the financial statements, in 2020 the City restated beginning balances to fully reflect capital assets for the governmental activities and the business-type activities.

## **Basis of Accounting**

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

## **Other Matters**

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Trenton, Illinois' basic financial statements. The budgetary comparison information (pages 30 to 35), and the schedules of pension funding information (pages 36 to 37), which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

### Supplementary Information

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

The combining nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*C. J. Schlosser & Co. LLC*

Certified Public Accountants  
Alton, Illinois  
August 14, 2020

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF NET POSITION  
(MODIFIED CASH BASIS)  
APRIL 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Library
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,116,089	\$ 134,955	\$ 2,251,044	\$ 119,206
Investments	198,231	160,200	358,431	-
Capital Assets:				
Land	1,344,602	190,200	1,534,802	3,000
Land Improvements	187,452	-	187,452	-
Buildings	2,875,493	49,540	2,925,033	925,133
Vehicles and Equipment	912,665	291,121	1,203,786	-
Plant and Distribution Systems	-	9,227,947	9,227,947	-
Infrastructure	130,785	-	130,785	-
Accumulated Depreciation	(3,114,310)	(3,230,729)	(6,345,039)	(925,133)
Total Assets	<u>\$ 4,651,007</u>	<u>\$ 6,823,234</u>	<u>\$ 11,474,241</u>	<u>\$ 122,206</u>
<u>Liabilities</u>				
Customer Deposits	\$ -	\$ 19,775	\$ 19,775	\$ -
Noncurrent Liabilities:				
Due Within One Year	32,335	288,935	321,270	-
Due In More Than One Year	<u>94,297</u>	<u>4,544,260</u>	<u>4,638,557</u>	-
Total Liabilities	<u>126,632</u>	<u>4,852,970</u>	<u>4,979,602</u>	-
<u>Net Position</u>				
Net Investment in Capital Assets	2,210,055	1,694,884	3,904,939	3,000
Restricted	822,012	-	822,012	-
Unrestricted	<u>1,492,308</u>	<u>275,380</u>	<u>1,767,688</u>	<u>119,206</u>
Total Net Position	<u>\$ 4,524,375</u>	<u>\$ 1,970,264</u>	<u>\$ 6,494,639</u>	<u>\$ 122,206</u>

The notes to the financial statements are an integral part of this statement

**CITY OF TRENTON, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**(MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED APRIL 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 561,886	\$ 35,644	\$ -	\$ -	\$ (526,242)		\$ (526,242)	
Public Safety	451,006	33,845	10,947	-	(406,214)		(406,214)	
Highways and Streets	346,504	-	-	-	(346,504)		(346,504)	
Culture and Recreation	181,480	65,820	-	-	(115,660)		(115,660)	
Sanitation	271,499	267,091	-	-	(4,408)		(4,408)	
Economic Development	239,240	-	-	-	(239,240)		(239,240)	
Interest on Long-Term Debt	4,334	-	-	-	(4,334)		(4,334)	
<b>Total Governmental Activities</b>	<b>2,055,949</b>	<b>402,400</b>	<b>10,947</b>	<b>-</b>	<b>(1,642,602)</b>		<b>(1,642,602)</b>	
<b>Business-type Activities:</b>								
Water	519,107	496,011	-	-		\$ (23,096)	(23,096)	
Sewer	622,944	583,003	-	-		(39,941)	(39,941)	
<b>Total Business-type Activities</b>	<b>1,142,051</b>	<b>1,079,014</b>	<b>-</b>	<b>-</b>		<b>(63,037)</b>	<b>(63,037)</b>	
<b>Total Primary Government</b>	<b>\$ 3,198,000</b>	<b>\$ 1,481,414</b>	<b>\$ 10,947</b>	<b>\$ -</b>	<b>(1,642,602)</b>	<b>(63,037)</b>	<b>(1,705,639)</b>	
<b>Component Unit:</b>								
Library	\$ 91,563	\$ 3,485	\$ 3,718	\$ -				\$ (84,360)
<b>General Revenues:</b>								
Property Tax, Levied for General Purposes					624,055	-	624,055	65,345
Sales and Use Tax					629,919	-	629,919	-
Corporate Replacement Tax					14,094	-	14,094	-
State Income Tax					294,263	-	294,263	-
Motor Fuel Tax					98,145	-	98,145	-
Telecommunications Tax					31,726	-	31,726	-
Video Gaming Tax					20,998	-	20,998	-
Utility Tax					71,188	-	71,188	-
Franchise Fees					34,469	-	34,469	-
Unrestricted Investment Earnings					20,269	4,246	24,515	184
Miscellaneous					36,006	-	36,006	-
Transfers					(106,208)	106,208	-	-
<b>Total General Revenues</b>					<b>1,768,924</b>	<b>110,454</b>	<b>1,879,378</b>	<b>65,529</b>
<b>Change in Net Position</b>					<b>126,322</b>	<b>47,417</b>	<b>173,739</b>	<b>(18,831)</b>
<b>Net Position - Beginning, As Restated</b>					<b>4,398,053</b>	<b>1,922,847</b>	<b>6,320,900</b>	<b>141,037</b>
<b>Net Position - Ending</b>					<b>\$ 4,524,375</b>	<b>\$ 1,970,264</b>	<b>\$ 6,494,639</b>	<b>\$ 122,206</b>

The notes to the financial statements are an integral part of this statement

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
GOVERNMENTAL FUNDS  
APRIL 30, 2020

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents	\$ 492,099	\$ 383,403	\$ 768,770	\$ 471,817	\$ 2,116,089
Investments	198,231	-	-	-	198,231
Due from Other Funds	<u>3,763</u>	<u>-</u>	<u>-</u>	<u>103</u>	<u>3,866</u>
Total Assets	<u>\$ 694,093</u>	<u>\$ 383,403</u>	<u>\$ 768,770</u>	<u>\$ 471,920</u>	<u>\$ 2,318,186</u>
<b><u>Liabilities and Fund Balance</u></b>					
Liabilities:					
Due to Other Funds	\$ -	\$ 2,230	\$ -	\$ 1,636	\$ 3,866
Total Liabilities	<u>-</u>	<u>2,230</u>	<u>-</u>	<u>1,636</u>	<u>3,866</u>
Fund Balance:					
Restricted	44,741	381,173	-	396,098	822,012
Committed	-	-	768,770	75,719	844,489
Unassigned	<u>649,352</u>	<u>-</u>	<u>-</u>	<u>(1,533)</u>	<u>647,819</u>
Total Fund Balance	<u>694,093</u>	<u>381,173</u>	<u>768,770</u>	<u>470,284</u>	<u>2,314,320</u>
Total Liabilities and Fund Balance	<u>\$ 694,093</u>	<u>\$ 383,403</u>	<u>\$ 768,770</u>	<u>\$ 471,920</u>	<u>\$ 2,318,186</u>

The notes to the financial statements are an integral part of this statement



CITY OF TRENTON, ILLINOIS

RECONCILIATION OF THE STATEMENT OF ASSETS,  
LIABILITIES AND FUND BALANCES ARISING FROM MODIFIED  
CASH BASIS TRANSACTIONS TO THE STATEMENT OF NET POSITION  
APRIL 30, 2020

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 2,314,320
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	2,336,687
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	<u>(126,632)</u>
Net position of governmental activities	<u>\$ 4,524,375</u>

The notes to the financial statements are an integral part of this statement

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF REVENUES AND EXPENDITURES  
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property Tax	\$ 225,154	\$ 276,519	-	\$ 122,382	\$ 624,055
Intergovernmental:					
Replacement Tax	14,094	-	-	-	14,094
Sales Tax	462,577	-	-	73,659	536,236
State Income Tax	294,263	-	-	-	294,263
Local Use Tax	93,683	-	-	-	93,683
Motor Fuel Tax	-	-	-	98,145	98,145
Telecommunications Tax	-	-	31,726	-	31,726
Video Gaming Tax	-	-	-	20,998	20,998
Utility Tax	35,594	-	-	35,594	71,188
Licenses and Permits	21,924	-	-	-	21,924
Charges for Services	280,686	-	-	65,945	346,631
Fines and Penalties	23,121	-	-	10,724	33,845
Franchise Fees	34,469	-	-	-	34,469
Investment Earnings	15,964	-	-	4,305	20,269
Contributions	10,947	-	-	-	10,947
Miscellaneous	34,180	-	-	1,826	36,006
Total Revenues	<u>1,546,656</u>	<u>276,519</u>	<u>31,726</u>	<u>433,578</u>	<u>2,288,479</u>
Expenditures:					
Current:					
General Government	452,631	-	-	95,604	548,235
Public Safety	423,411	-	-	1,020	424,431
Highways and Streets	292,785	-	31,821	11,091	335,697
Culture and Recreation	-	-	-	161,621	161,621
Sanitation	271,499	-	-	-	271,499
Economic Development	-	239,240	-	-	239,240
Capital Outlay	51,502	130,785	19,844	48,070	250,201
Debt Service:					
Principal	30,592	-	-	17,554	48,146
Interest	3,321	-	-	1,013	4,334
Total Expenditures	<u>1,525,741</u>	<u>370,025</u>	<u>51,665</u>	<u>335,973</u>	<u>2,283,404</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,915</u>	<u>(93,506)</u>	<u>(19,939)</u>	<u>97,605</u>	<u>5,075</u>
Other Financing Sources (Uses):					
Proceeds From Debt	-	-	-	30,000	30,000
Transfers In (Out)	344	-	-	(106,552)	(106,208)
Total Other Financing Sources (Uses)	<u>344</u>	<u>-</u>	<u>-</u>	<u>(76,552)</u>	<u>(76,208)</u>
Net Change in Fund Balances	21,259	(93,506)	(19,939)	21,053	(71,133)
Fund Balance, Beginning of Year	<u>672,834</u>	<u>474,679</u>	<u>788,709</u>	<u>449,231</u>	<u>2,385,453</u>
Fund Balance, End of Year	<u>\$ 694,093</u>	<u>\$ 381,173</u>	<u>\$ 768,770</u>	<u>\$ 470,284</u>	<u>\$ 2,314,320</u>

The notes to the financial statements are an integral part of this statement

CITY OF TRENTON, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES AND  
EXPENDITURES ARISING FROM MODIFIED CASH BASIS  
TRANSACTIONS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ (71,133)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$250,201) exceeded depreciation expense (\$70,892) in the current year. 179,309

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items. 18,146

Change in net position of governmental activities \$ 126,322

The notes to the financial statements are an integral part of this statement

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
(MODIFIED CASH BASIS)  
APRIL 30, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 204,936	\$ 204,936
Investments	112,353	47,847	160,200
Total Current Assets	<u>112,353</u>	<u>252,783</u>	<u>365,136</u>
Noncurrent Assets:			
Property, Plant and Equipment:			
Land	56,000	134,200	190,200
Buildings	49,540	-	49,540
Vehicles and Equipment	151,900	139,221	291,121
Plant and Distribution Systems	3,405,297	5,822,650	9,227,947
	<u>3,662,737</u>	<u>6,096,071</u>	<u>9,758,808</u>
Less - Accumulated Depreciation	2,603,122	627,607	3,230,729
Net Property, Plant and Equipment	<u>1,059,615</u>	<u>5,468,464</u>	<u>6,528,079</u>
Total Assets	<u>1,171,968</u>	<u>5,721,247</u>	<u>6,893,215</u>
<u>Liabilities</u>			
Current Liabilities:			
Deficit Cash	69,981	-	69,981
Customer Deposits	19,775	-	19,775
Current Portion of Debt	69,910	219,025	288,935
Total Current Liabilities	<u>159,666</u>	<u>219,025</u>	<u>378,691</u>
Noncurrent Liabilities:			
Long Term Debt (Net of Current Portion)	172,792	4,371,468	4,544,260
Total Noncurrent Liabilities	<u>172,792</u>	<u>4,371,468</u>	<u>4,544,260</u>
Total Liabilities	<u>332,458</u>	<u>4,590,493</u>	<u>4,922,951</u>
<u>Net Position</u>			
Net Investment in Capital Assets	816,913	877,971	1,694,884
Unrestricted	22,597	252,783	275,380
Total Net Position	<u>\$ 839,510</u>	<u>\$ 1,130,754</u>	<u>\$ 1,970,264</u>

The notes to the financial statements are an integral part of this statement

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
(MODIFIED CASH BASIS)  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenue:			
Charges for Services	\$ 494,169	\$ 574,368	\$ 1,068,537
Meters	400	-	400
Miscellaneous	1,442	8,635	10,077
Total Operating Revenue	<u>496,011</u>	<u>583,003</u>	<u>1,079,014</u>
Operating Expenses:			
Personal Services	220,468	218,819	439,287
Contractual Services and Other	53,325	99,700	153,025
Supplies and Materials	14,390	14,942	29,332
Water Purchased	146,144	-	146,144
Heat, Light and Power	6,629	49,468	56,097
Depreciation	70,333	156,920	227,253
Total Operating Expenses	<u>511,289</u>	<u>539,849</u>	<u>1,051,138</u>
Operating Income (Loss)	<u>(15,278)</u>	<u>43,154</u>	<u>27,876</u>
Nonoperating Revenues (Expenses):			
Interest Income	3,035	1,211	4,246
Interest Expense	<u>(7,818)</u>	<u>(83,095)</u>	<u>(90,913)</u>
Total Nonoperating Revenues (Expenses)	<u>(4,783)</u>	<u>(81,884)</u>	<u>(86,667)</u>
Income (Loss) Before Transfers and Contributions	(20,061)	(38,730)	(58,791)
Transfers and Contributions:			
Transfers:	<u>88,864</u>	<u>17,344</u>	<u>106,208</u>
Total Transfers and Contributions	<u>88,864</u>	<u>17,344</u>	<u>106,208</u>
Change in Net Position	68,803	(21,386)	47,417
Net Position, Beginning of Year, As Restated	<u>770,707</u>	<u>1,152,140</u>	<u>1,922,847</u>
Net Position, End of Year	<u>\$ 839,510</u>	<u>\$ 1,130,754</u>	<u>\$ 1,970,264</u>

The notes to the financial statements are an integral part of this statement

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
(MODIFIED CASH BASIS)  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 496,011	\$ 583,003	\$ 1,079,014
Payments to Suppliers	(273,115)	(216,736)	(489,851)
Payments to Employees	<u>(167,841)</u>	<u>(166,193)</u>	<u>(334,034)</u>
Net Cash Provided by Operating Activities	<u>55,055</u>	<u>200,074</u>	<u>255,129</u>
Cash Flows from Capital Financing Activities:			
Purchase of Fixed Assets	(93,864)	(20,969)	(114,833)
Payment of Debt Principal	(67,761)	(213,534)	(281,295)
Payment of Debt Interest	(7,818)	(83,095)	(90,913)
Proceeds from Loan	<u>-</u>	<u>602</u>	<u>602</u>
Net Cash Provided (Used) by Capital Financing Activities	<u>(169,443)</u>	<u>(316,996)</u>	<u>(486,439)</u>
Cash Flows from Investing Activities:			
Sale (Purchase) of Investments	(2,616)	(1,208)	(3,824)
Interest Income	<u>3,035</u>	<u>1,211</u>	<u>4,246</u>
Net Cash Provided by Investing Activities	<u>419</u>	<u>3</u>	<u>422</u>
Cash Flows from Non-Capital Financing Activities:			
Transfer From (To) Other Funds	88,864	17,344	106,208
Customer Deposits	<u>75</u>	<u>-</u>	<u>75</u>
Net Cash Provided By Non-Capital Financing Activities	<u>88,939</u>	<u>17,344</u>	<u>106,283</u>
Net Change in Cash and Cash Equivalents	(25,030)	(99,575)	(124,605)
Cash and Cash Equivalents, Beginning of Year	<u>(44,951)</u>	<u>304,511</u>	<u>259,560</u>
Cash and Cash Equivalents, End of Year	<u>\$ (69,981)</u>	<u>\$ 204,936</u>	<u>\$ 134,955</u>

The notes to the financial statements are an integral part of this statement

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES  
(MODIFIED CASH BASIS)  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Income (Loss)	\$ (15,278)	\$ 43,154	\$ 27,876
Adjustments to Reconcile Net Income			
Net Cash Provided by Operating Activities:			
Depreciation	70,333	156,920	227,253
(Increase) Decrease in Assets:			
None	-	-	-
Increase (Decrease) in Liabilities:			
None	-	-	-
Net Cash Provided by Operating Activities	<u>\$ 55,055</u>	<u>\$ 200,074</u>	<u>\$ 255,129</u>

The notes to the financial statements are an integral part of this statement

# CITY OF TRENTON, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT POLICIES

The City of Trenton (“City”) operates on a Mayor-Board form of government and provides the following services as authorized by its charter: general administrative functions, public safety, streets and highways, culture and recreation, and sanitation. The City also provides utility services in the form of water and sewer. The financial statements of the City have been prepared in conformity with the modified cash basis of accounting as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

(a) The financial reporting entity

The City is a political subdivision of the State of Illinois. These financial statements present the government and all component units. Component units are legally separate entities for which the City is financially accountable. Component units, although legally separate entities, are part of the City’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Trenton Public Library

The Trenton Public Library (Library) is governed by a separate Board of Directors. The Library provides services to residents within the geographic boundaries of the City. The City oversees the budget and levies taxes for the Library. The Library does not prepare separate financial statements.

(b) 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 primary government. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific



**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

function or segment. Program receipts 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program receipts are reported instead as general receipts.

Separate financial statements are provided for the governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

The government reports the following major governmental funds:

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

The Tax Increment Financing Fund accounts for the taxes received and the disbursements related to the operations of the tax increment financing area.

The Capital Improvements Fund is used to account for the funding and acquisition of major capital purchases not associated with the enterprise funds.

The government reports the following major proprietary funds:

The Water and Sewer Funds account for all activities related to the billing, administration, distribution and collection processes of the water and sewer utilities.

(c) Measurement focus, basis of accounting and financial statement presentation

The City maintains its government-wide financial statements and its fund financial statements on the modified cash basis of accounting. Accordingly, receipts are recorded when cash is received and disbursements are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. Property taxes are recognized when they are received.

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating receipts of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating receipts the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating disbursements for enterprise funds include the cost of sales and services, administrative disbursements and depreciation on capital assets. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

(d) Assets, liabilities and net assets or equity

Deposits and investments

The City's cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity date of three months or less of the date issued.

The City is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America, the Illinois Funds and repurchase agreements of government securities. The pension trust funds also invest limited percentages of their monies in mutual funds, corporate and municipal bonds, and equity securities. Investment income is recognized when received.

Deposits and investments are valued at fair market.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Capital assets

The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects when constructed.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	10 - 20
Buildings	15 - 40
Vehicles and Equipment	5 - 20
Plant and Distribution Systems	15 - 40
Infrastructure	30

Compensated absences

Sick leave is earned by City employees at the rate of 3 days per year (30 maximum). Employees are compensated for sick leave, upon retirement, at 50% of the accumulated amount. Terminated employees are not paid for accumulated sick leave. Personal days and vacation days are earned and eligible for use each January 1. The City requires that employees take their vacation annually on a calendar basis. Any liability related to compensated absences are not reported in the financial statements due to the City reporting on the modified cash basis of accounting.

Long-term obligations

All long-term debt of the City is reported as liabilities in the government-wide statements.

Long-term debt arising from transactions of the governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds are reported as other financing sources and the payment of principal and interest is reported as disbursements.

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Net position classification

Government-wide statements

Net position is displayed as three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Remaining balance of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund financial statements

Governmental fund balance is classified upon the following criteria:

Nonspendable - balances that are not in "spendable" form and are not expected to be converted to cash. This category also includes funds required to be retained in perpetuity.

Restricted - balances with restrictions that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed - balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the City Council, the government's highest level of decision-making authority.

Assigned - balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - the residual classification of the City's fund balance.

When expenditures are incurred for which the City has both restricted and unrestricted funds available, the City spends any restricted funds before using unrestricted sources. Likewise, the City uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available.

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

The following details the description and amount of all constraints recorded by the City in the fund financial statements:

<u>Governmental Funds</u>	
Restricted:	
Dare Funds	\$ 44,741
Tax Increment Financing	381,173
Retirement Funds	93,088
Motor Fuel Tax	286,992
Police Funds	16,018
	<u>\$ 822,012</u>
Committed:	
Capital Improvements	<u>\$ 844,489</u>

(e) Appropriation accounting

The appropriation for all funds is prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between appropriated and actual amounts. The appropriation was passed on June 29, 2019.

**NOTE 2: DEPOSITS AND INVESTMENTS**

As of April 30, 2020, the carrying amount of the City's deposits and investments was \$1,756,133 and the respective bank balances totaled \$1,833,876. The deposits were comprised of checking and interest checking accounts and certificates of deposits.

At April 30, 2020, the City had the following deposits and investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Illinois Funds	--	\$ 853,242
Petty Cash		100
Deposits as reported above		<u>1,756,133</u>
Total deposits and investments		<u>\$ 2,609,475</u>
As Reported in the Statement of Net Position:		
Cash and Cash Equivalents		\$ 2,251,044
Investments		<u>358,431</u>
		<u>\$ 2,609,475</u>

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the City's name.

Interest Rate Risk. The City's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. As of April 30, 2020, the City did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2020, the City did not have foreign currency risk.

The Illinois Funds are pooled investments that are operated by the State of Illinois as a not-for-profit common law trust and are not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The goals of the funds are to provide liquidity and to maintain balances that are equal to the par value of the invested shares with no loss to market fluctuations. The fair value of the City's position in the pool is the same as the value of the pool shares. The Illinois Funds have an investment rating of AAAM by Standards and Poor as of April 30, 2020.

**NOTE 3: LONG-TERM DEBT**

Notes Payable

The City has the following notes payable as of April 30, 2020:

\$255,000 promissory note dated December 20, 2012 with Community Bank of Trenton to purchase a building. The note is to be repaid in 120 monthly installments of \$2,439 through December 19, 2022, including interest at 2.80%. This loan is being retired by the General Fund. The loan is unsecured. The amount of the loan outstanding as of April 30, 2020 is \$75,112.

\$50,650 promissory note dated January 23, 2018 with Community Bank of Trenton to purchase a plot of land. The note is to be repaid in 120 monthly installments of \$481 through January 23, 2028, including interest at 2.65%. This loan is being retired by the Community Development Fund. The loan is unsecured. The amount of the loan outstanding as of April 30, 2020 is \$37,990.

\$65,000 promissory note dated June 21, 2019 with Community Bank of Trenton to purchase equipment. The note is to be repaid in one payment on June 21, 2021, including interest at 3.61%. This loan is being retired by the Equipment Fund. The loan is unsecured. The amount of the loan outstanding as of April 30, 2020 is \$13,530.

The City has also entered into a line of credit with the Community Bank of Trenton for \$50,000. The terms of the line of credit extend through April 24, 2021 and include interest on draws at the rate of 3.125%. The City did not make

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

any draws on the line of credit or have any balance on the line of credit as of April 30, 2020.

\$458,568 Drinking Water Project Loan dated July 30, 2002 with the Illinois EPA to provide for a new water storage tank and a new water distribution system. The loan will be repaid in semi-annual installments of \$15,484 through January 18, 2021, including interest at 2.905%. The note is being repaid by the Water Fund. The amount of the note outstanding as of April 30, 2020 is \$59,751.

\$694,229 Drinking Water Project Loan dated June 10, 2003 with the Illinois EPA to provide for the replacement of an existing watermain. The loan will be repaid in semi-annual installments of \$22,305 through June 15, 2024, including interest at 2.57%. The note is being repaid by the Water Fund. The amount of the note outstanding as of April 30, 2020 is \$182,951.

\$4,975,365 Wastewater Project Loan dated November 11, 2016 with the Illinois EPA to provide for the construction of a new wastewater treatment plant. The loan will be repaid in estimated semi-annual installments of \$148,390 through January 17, 2038, including interest at 1.75%. The note is being repaid by the Sewer Fund. The amount of the note outstanding as of April 30, 2020 is \$4,590,493.

In the event of default on any of the loans with the bank, the loan is subject to immediate collection of principal and any interest. In the event of default on any of the IEPA loans, the state has the ability to use any constitutional right to ensure collection.

The annual requirements to retire outstanding notes payable are as follows:

Fiscal Year Ended April 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 32,335	\$ 2,702	\$ 288,635	\$ 85,350
2022	46,774	2,353	294,386	79,599
2023	24,390	891	269,062	73,952
2024	5,219	552	274,141	68,873
2025	5,361	411	250,783	63,775
2026 - 2030	12,553	391	1,237,555	254,466
2031 - 2035	-	-	1,350,208	141,815
2036 - 2038	-	-	868,425	26,789
	<u>\$ 126,632</u>	<u>\$ 7,300</u>	<u>\$ 4,833,195</u>	<u>\$ 794,619</u>

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

The following is a summary of changes in long-term liabilities for the year ended April 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b><u>Government Activities:</u></b>					
Notes from direct borrowings	\$ 144,778	\$ 30,000	\$ 48,146	\$ 126,632	\$ 32,335
<b><u>Business-type Activities:</u></b>					
Notes from direct borrowings	\$ 5,113,888	\$ 602	\$ 281,295	\$ 4,833,195	\$ 288,635

**NOTE 4: LEGAL DEBT MARGIN**

The computation of legal debt margin at April 30, 2020 is as follows:

Bonded Debt Limit*	\$ 3,989,656
Bonded Indebtedness	<u>126,632</u>
Legal Debt Margin	<u>\$ 3,863,024</u>

\* The bonded indebtedness of the City is limited by Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes to 8.625% of the assessed valuation of taxable tangible property.

**NOTE 5: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have not been any significant reductions in coverage from the prior year and claims have not exceeded coverages in the past three years.

**NOTE 6: INTERFUND TRANSFERS**

The City made the following interfund transfers during the year ended April 30, 2020:

General Fund Transfer From (To):	
Water Fund	\$ 5,000
MFT Fund	(5,211)
Sewer Fund	555
Infrastructure Fund Transfer From (To):	
Water Fund	(93,864)
Sewer Fund	(17,899)

Transfers between the governmental and business-type funds were made to provide sufficient funds to pay for expenses incurred in funds with related purposes.



**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 7: PROPERTY TAXES**

The City's property tax is levied each year on all taxable real property located in the City prior to or on the second Tuesday in December. The board passed the 2019 levy on December 9, 2019. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments. The County has not mailed 2019 tax levy tax bills as of April 30, 2020. Past mailing practices of the County have generally been subsequent to May 31 of each year. The City receives significant distributions of tax receipts beginning in July through September of each year.

	Maximum Rate	Tax Levy Year		
		2019	2018	2017
Assessed Valuation		\$ 46,256,882	\$ 46,140,068	\$ 44,679,162
Rates:				
General	0.2500	0.25000	0.25000	0.24423
IMRF		0.09728	0.09753	0.05595
Police Protection	0.0750	0.07134	0.07500	0.07327
Sewerage	0.0200	-	-	0.01954
Audit		-	-	0.01902
Liability Insurance		0.11890	0.10457	0.06715
Street and Bridge	0.1000	0.01081	-	-
Street Lighting	0.0500	-	0.01084	0.04476
Playground & Recreation	0.0900	0.06918	0.06502	0.08792
Civil Defense	0.0500	-	-	0.00244
Social Security		0.09728	0.10295	0.07834
Crossing Guard	0.0200	-	-	0.01119
Total		<u>0.71479</u>	<u>0.70591</u>	<u>0.70381</u>
Extensions:				
General		\$ 115,642	\$ 115,350	\$ 109,120
IMRF		44,999	45,000	24,998
Police Protection		33,000	34,605	32,736
Sewerage		-	-	8,730
Audit		-	-	8,498
Liability Insurance		54,999	48,249	30,002
Street and Bridge		5,000	-	-
Street Lighting		-	5,002	19,998
Playground & Recreation		32,001	30,000	39,282
Civil Defense		-	-	1,090
Social Security		44,999	47,501	35,002
Crossing Guard		-	-	5,000
Total		<u>\$ 330,640</u>	<u>\$ 325,707</u>	<u>\$ 314,456</u>
Collections - Year Ended:				
April 30, 2019		\$ -	\$ -	\$ 314,148
April 30, 2020		-	325,441	-
Total		<u>\$ -</u>	<u>\$ 325,441</u>	<u>\$ 314,148</u>
Percent of Extension Collected		<u>0.00%</u>	<u>99.92%</u>	<u>99.90%</u>

The property taxes reported as revenue in the April 30, 2020 financial statements are from the 2018 levy.

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 8: RETIREMENT AND PENSION FUND COMMITMENTS**

**1. Illinois Municipal Retirement Fund**

*Plan Description.* The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2019 was 8.90 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Covered Employees.* The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	17
Inactive, non-Retired Members	15
Active Members	<u>17</u>
Total	<u>49</u>

*Discount Rate.* GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and the resulting single discount rate is 7.25%.

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Actuarial Valuation Date	12/31/19
Measurement Date of the Net Pension Liability	12/31/19
Fiscal Year End	04/30/20

Development of the Single Discount Rate as of December 31, 2019	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	2.75%
Last year ending December 31 in the 2020 to 2119 projection period for which projected benefit payments are fully funded	2119
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate calculated using December 31, 2018 Measurement Date	7.25%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2019.

*Actuarial Assumptions.* The following are the actuarial assumptions used in the calculation of the net pension liability.

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10 year rolling period Taxing bodies: 24 year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014. The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table.

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*Net Pension Liability.* The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

<b>Total pension liability</b>	
Service Cost	\$ 98,289
Interest on the Total Pension Liability	354,076
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(39,773)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(305,321)</u>
Net change in total pension liability	\$ 107,271
Total pension liability - beginning	<u>4,987,319</u>
Total pension liability - ending	<u>\$ 5,094,590</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 83,358
Contributions - employee	42,147
Net investment income	800,952
Benefit payments, including refunds of employee contributions	(305,321)
Other	<u>56,508</u>
Net change in plan fiduciary net position	\$ 677,644
Plan fiduciary net position - beginning	<u>4,216,512</u>
Plan fiduciary net position - ending	<u>\$ 4,894,156</u>
<b>Net pension liability/(asset)</b>	<u>\$ 200,434</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	96.07%
<b>Covered valuation payroll</b>	\$ 936,607
<b>Net pension liability as a percentage of covered valuation payroll</b>	21.40%

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 5,657,880	\$ 5,094,590	\$ 4,622,045
Plan Fiduciary Net Position	<u>4,894,156</u>	<u>4,894,156</u>	<u>4,894,156</u>
Net Pension Liability/(Asset)	<u>\$ 763,724</u>	<u>\$ 200,434</u>	<u>\$ (272,111)</u>

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 126,331	\$ 55,376
Changes in assumptions	49,042	53,006
Contributions subsequent to valuation date	31,868	-
Net difference between projected and actual earnings on pension plan investments	<u>357,752</u>	<u>553,562</u>
Total	<u>\$ 564,993</u>	<u>\$ 661,944</u>

Year Ending December 31,	Net Deferred Inflows of Resources
2020	\$ 21,689
2021	(31,665)
2022	12,970
2023	(99,945)
2024	<u>-</u>
	<u>\$ (96,951)</u>

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 9: CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Deletions</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,321,600	\$ 23,002	\$ -	\$ 1,344,602
Capital assets, being depreciated:				
Land improvements	187,452	-	-	187,452
Buildings and improvements	2,875,493	-	-	2,875,493
Vehicles and equipment	816,251	96,414	-	912,665
Infrastructure	-	130,785	-	130,785
Total capital assets being depreciated	<u>3,879,196</u>	<u>227,199</u>	<u>-</u>	<u>4,106,395</u>
Less accumulated depreciation for:				
Land improvements	96,312	10,064	-	106,376
Buildings and improvements	2,275,773	27,315	-	2,303,088
Vehicles and equipment	671,333	33,513	-	704,846
Infrastructure	-	-	-	-
Total accumulated depreciation	<u>3,043,418</u>	<u>70,892</u>	<u>-</u>	<u>3,114,310</u>
Total capital assets, being depreciated, net	<u>835,778</u>	<u>156,307</u>	<u>-</u>	<u>992,085</u>
Governmental activities capital assets, net	<u>\$ 2,157,378</u>	<u>\$ 179,309</u>	<u>\$ -</u>	<u>\$ 2,336,687</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 190,200	\$ -	\$ -	\$ 190,200
Capital assets, being depreciated:				
Buildings and improvements	49,540	-	-	49,540
Vehicles and equipment	288,051	3,070	-	291,121
Plant and distribution system	9,116,184	111,763	-	9,227,947
Total capital assets, being depreciated	<u>9,453,775</u>	<u>114,833</u>	<u>-</u>	<u>9,568,608</u>
Less accumulated depreciation for:				
Buildings and improvements	18,009	1,218	-	19,227
Vehicles and equipment	198,425	11,098	-	209,523
Plant and distribution system	2,787,042	214,937	-	3,001,979
Total accumulated depreciation	<u>3,003,476</u>	<u>227,253</u>	<u>-</u>	<u>3,230,729</u>
Total capital assets, being depreciated, net	<u>6,450,299</u>	<u>(112,420)</u>	<u>-</u>	<u>6,337,879</u>
Business-type activities capital assets, net	<u>\$ 6,640,499</u>	<u>\$ (112,420)</u>	<u>\$ -</u>	<u>\$ 6,528,079</u>

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 13,651
Public safety	26,575
Streets and highways, including depreciation of general infrastructure assets	10,807
Cultural and recreational	19,859
Total depreciation expense - governmental activities	<u>\$ 70,892</u>
Business-type activities:	
Water	\$ 70,333
Sewer	156,920
	<u>\$ 227,253</u>

**NOTE 10: INTERFUND RECEIVABLES/PAYABLES**

Individual fund interfund receivable and payable balances as of April 30, 2020 are as follows:

General Fund Due from:	
Tax Increment Financing Fund	\$ 2,230
Recreation Fund	1,533
Retirement Fund Due from:	
Motor Fuel Tax Fund	103
	<u>\$ 3,866</u>

The interfund receivables/payables are short term in nature and are expected to be repaid in the subsequent year.

**NOTE 11: TAX INCREMENT FINANCING DISTRICT**

In 2002, the City established a Tax Increment Financing (TIF) District. Provisions for the establishment and operations of a TIF District are prescribed in the Illinois Compiled Statutes, Chapter 65, Act 5, Article 11-74.4. The objectives of the District are defined in a redevelopment plan adopted by the City and dated February 11, 2002.

Tax Incremental Financing (TIF) Funds have been established to account for the portion of taxes attributable to the increase in the current equalized assessed valuation of property within the TIF areas. Tax receipts are deposited into the TIF Funds to be used for paying the debt service on obligations incurred on project costs and for current expenditures for area improvements.

The City has entered into several property tax abatement agreements with local businesses as part of the TIF development. For the year ended April 30, 2020, the City paid property tax abatements of \$30,531. In addition, the City made payments of \$111,048 towards renovation costs for businesses within the TIF area.

**CITY OF TRENTON, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 12: ACTUAL EXPENDITURES IN EXCESS OF BUDGET**

The actual expenditures for the Tax Increment Financing Fund of \$370,025 exceeded the budgeted amount of \$291,250 for the year ended April 30, 2020.

**NOTE 13: SUBSEQUENT EVENTS**

The City has evaluated events occurring after the financial statement date through August 14, 2020 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

**NOTE 14: PRIOR PERIOD RESTATEMENT**

The City has restated the beginning balances of the financial statements to properly report capital asset balances as of April 30, 2019.

As a result of this restatement, the governmental activities beginning balance increased by \$2,157,378 to report the beginning net capital asset balances.

In addition, the enterprise funds and the business-type activities reported an increase in beginning balances to reflect net capital assets of \$475,904.



**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts:			
Property Tax			\$ 225,154
Intergovernmental:			
Replacement Tax			14,094
Sales Tax			462,577
State Income Tax			294,263
Local Use Tax			93,683
Utility Tax			35,594
Licenses and Permits			21,924
Charges for Services			280,686
Fines and Penalties			23,121
Franchise Fees			34,469
Investment Earnings			15,964
Contributions			10,947
Miscellaneous Receipts			34,180
Total Receipts			<u>1,546,656</u>
Disbursements:			
Administration:			
Salaries	157,000	157,000	158,050
Health Insurance	28,000	28,000	48,283
Training, Travel, and Dues	5,800	5,800	6,156
Annuity	1,800	1,800	1,799
Legal	15,000	15,000	17,077
Office Equipment	3,000	3,000	217
Office Supplies and Postage	2,200	2,200	2,804
Planning and Zoning	40,700	40,700	66,271
Printing and Publishing	2,200	2,200	1,742
Telephone	5,150	5,150	5,004
Internet Expense	1,500	1,500	1,380
Christmas Expense	100	100	-
Contingency	10,000	10,000	8,081
Auto Gas, Oil, Repairs	1,250	1,250	385
Comprehensive Plan	5,000	5,000	-
Code Update	1,500	1,500	2,389
Miscellaneous	3,000	3,000	-
Court Cases	10,000	10,000	-
Water/Sewer	2,300	2,300	1,907
Debt Service	5,300	5,300	4,647

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Disbursements (continued):			
Engineering	500	500	375
Land	-	-	23,002
Sales Tax Rebates	500	500	-
Total Administration	<u>301,800</u>	<u>301,800</u>	<u>349,569</u>
Liability Insurance	<u>76,000</u>	<u>76,000</u>	<u>95,896</u>
Audit	<u>7,500</u>	<u>7,500</u>	<u>6,055</u>
TEMS (Trenton Emergency Management Service):			
New Equipment	-	-	45
Contingency	1,000	1,000	(43)
Emergency Sirens Maintenance	1,000	1,000	6,834
Emergency Notification System	2,250	2,250	595
Telephone	1,500	1,500	930
Total TEMS	<u>5,750</u>	<u>5,750</u>	<u>8,361</u>
Health Department:			
Postage	2,500	2,500	2,332
Salaries	2,000	2,000	1,016
Insect Spraying	1,000	1,000	735
Equipment Purchases & Repairs	500	500	-
Miscellaneous	500	500	-
Contingency	1,000	1,000	-
Refuse Collections	262,000	262,000	267,416
Weed Spraying	500	500	-
Spring Clean Up	200	200	-
Total Health Department	<u>270,200</u>	<u>270,200</u>	<u>271,499</u>
Police:			
Salaries	355,100	355,100	336,896
Health Insurance	35,000	35,000	25,621
Training, Travel, and Dues	4,000	4,000	6,969
Auto Operation and Maintenance	24,000	24,000	22,629
Legal	1,750	1,750	536
Radio & Radar Maintenance	1,500	1,500	627
Telephone	4,200	4,200	4,308

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Disbursements (continued):			
Gun, Camera, Batteries	860	860	993
Office Supplies and Postage	1,000	1,000	950
Uniform Allowance	3,500	3,500	2,131
Internet Expense	2,750	2,750	2,562
Computer Updates/Repairs	1,150	1,150	1,603
Equipment	2,000	2,000	3,548
Operations & Maintenance	1,500	1,500	735
Miscellaneous	1,000	1,000	-
Contingency	10,000	10,000	-
Total Police	<u>449,310</u>	<u>449,310</u>	<u>410,108</u>
Police Dare:			
Salaries	1,750	1,750	-
Training, Travel, and Dues	100	100	-
Supplies	3,200	3,200	2,842
Fundraising Expenses	3,500	3,500	2,100
Miscellaneous	500	500	-
Total Police Dare	<u>9,050</u>	<u>9,050</u>	<u>4,942</u>
Public Buildings:			
Salaries	6,500	6,500	3,940
Repairs and Maintenance	5,000	5,000	6,808
Loan Principal and Interest	30,000	30,000	29,266
Utilities	18,500	18,500	14,543
Supplies and Materials	2,500	2,500	3,469
Boiler Insurance	100	100	-
Miscellaneous	1,000	1,000	-
Contingency	5,000	5,000	-
Total Public Buildings	<u>68,600</u>	<u>68,600</u>	<u>58,026</u>
Street:			
Salaries	131,000	131,000	130,711
Health Insurance	20,000	20,000	18,910
Training, Travel, and Dues	100	100	3,739
Annuity	1,700	1,700	1,643
Legal	1,000	1,000	-
Engineering	1,750	1,750	4,875
Operations and Maintenance	20,500	20,500	50,081

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Disbursements (continued):			
Computer Updates/Internet	900	900	649
Supplies	3,100	3,100	3,232
Gas and Oil	9,000	9,000	8,455
Maintenance and Repairs	23,500	23,500	23,865
Equipment	2,500	2,500	38,444
Street Lighting & Signals	34,500	34,500	22,645
Construction Projects	5,000	5,000	10,347
Telephone	350	350	315
Motor Fuel Tax	110,000	110,000	-
Tools	1,000	1,000	2,334
Stickers	225	225	175
Contingency	20,500	20,500	657
Uniforms	1,000	1,000	208
Bridge Repair	10,000	10,000	-
Total Street	<u>397,625</u>	<u>397,625</u>	<u>321,285</u>
Net Transfers	<u>-</u>	<u>-</u>	<u>(344)</u>
Total Disbursements	<u>\$ 1,585,835</u>	<u>\$ 1,585,835</u>	<u>\$ 1,525,397</u>
Excess of Receipts Over Disbursements			<u>\$ 21,259</u>

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
TAX INCREMENT FINANCING FUND  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Property Tax			\$ 276,519
Total Receipts			<u>276,519</u>
Disbursements:			
Economic Development:			
Salaries	\$ 10,000	\$ 10,000	9,756
Infrastructure Improvements	30,000	30,000	152,540
Real Estate Tax Reimbursement	200,000	200,000	141,580
Attorney	1,000	1,000	400
Engineering	40,000	40,000	49,894
Office Supplies	250	250	118
Consulting Contract	<u>10,000</u>	<u>10,000</u>	<u>15,737</u>
Total Economic Development	<u>291,250</u>	<u>291,250</u>	<u>370,025</u>
Total Disbursements	<u>\$ 291,250</u>	<u>\$ 291,250</u>	<u>\$ 370,025</u>
Excess (Deficiency) of Receipts Over Disbursements			<u>\$ (93,506)</u>

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Receipts:			
Telecommunications Tax			\$ 31,726
Total Receipts			<u>31,726</u>
Disbursements:			
Highways and Streets:			
Improvement Projects	\$ 60,000	\$ 60,000	50,982
Engineering	10,000	10,000	683
Contingency	<u>20,000</u>	<u>20,000</u>	-
Total Highways and Streets	<u>90,000</u>	<u>90,000</u>	<u>51,665</u>
Total Disbursements	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 51,665</u>
Excess (Deficiency) of Receipts Over Disbursements			<u>\$ (19,939)</u>

**CITY OF TRENTON, ILLINOIS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
APRIL 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:					
Service Cost	\$ 98,289	\$ 83,453	\$ 99,603	\$ 83,512	\$ 78,943
Interest	354,076	335,665	319,848	322,559	300,707
Difference between expected and actual experience	(39,773)	141,654	168,967	(234,941)	117,439
Assumption changes	-	119,612	(129,860)	(4,836)	5,003
Benefit payments, including refunds	<u>(305,321)</u>	<u>(253,734)</u>	<u>(225,468)</u>	<u>(206,985)</u>	<u>(207,544)</u>
Net change in total pension liability	107,271	426,650	233,090	(40,691)	294,548
Total pension liability - beginning	<u>4,987,319</u>	<u>4,560,669</u>	<u>4,327,579</u>	<u>4,368,270</u>	<u>4,073,722</u>
Total pension liability - ending	<u>\$ 5,094,590</u>	<u>\$ 4,987,319</u>	<u>\$ 4,560,669</u>	<u>\$ 4,327,579</u>	<u>\$ 4,368,270</u>
Plan Fiduciary Net Position					
Contributions - employer	83,358	84,999	88,040	89,112	84,669
Contributions - employee	42,147	45,875	38,167	37,653	34,637
Net investment income	800,952	(256,842)	675,314	276,203	19,856
Benefit payments, including refunds	(305,321)	(253,734)	(225,468)	(206,985)	(207,544)
Other	<u>56,508</u>	<u>102,659</u>	<u>(20,410)</u>	<u>(213,903)</u>	<u>8,959</u>
Net change in plan fiduciary net position	677,644	(277,043)	555,643	(17,920)	(59,423)
Plan fiduciary net position - beginning	<u>4,216,512</u>	<u>4,493,555</u>	<u>3,937,912</u>	<u>3,955,832</u>	<u>4,015,255</u>
Plan fiduciary net position - ending	<u>\$ 4,894,156</u>	<u>\$ 4,216,512</u>	<u>\$ 4,493,555</u>	<u>\$ 3,937,912</u>	<u>\$ 3,955,832</u>
Net Pension Liability	<u>\$ 200,434</u>	<u>\$ 770,807</u>	<u>\$ 67,114</u>	<u>\$ 389,667</u>	<u>\$ 412,438</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.07%</u>	<u>84.54%</u>	<u>98.53%</u>	<u>91.00%</u>	<u>90.56%</u>
Covered-employee Payroll	<u>\$ 936,607</u>	<u>\$ 881,726</u>	<u>\$ 848,160</u>	<u>\$ 836,738</u>	<u>\$ 769,717</u>
Net pension liability as a percentage of covered-employee payroll	<u>21.40%</u>	<u>87.42%</u>	<u>7.91%</u>	<u>46.57%</u>	<u>53.58%</u>

CITY OF TRENTON, ILLINOIS

SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
APRIL 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 83,358	\$ 84,998	\$ 88,039	\$ 89,113	\$ 84,669
Contributions in relation to actuarial determined contribution	<u>83,358</u>	<u>84,999</u>	<u>88,040</u>	<u>89,112</u>	<u>84,669</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>
Covered-employee Payroll	<u>\$ 936,607</u>	<u>\$ 881,726</u>	<u>\$ 848,160</u>	<u>\$ 836,738</u>	<u>\$ 769,717</u>
Contributions as a percentage of covered-employee payroll	<u>8.90%</u>	<u>9.64%</u>	<u>10.38%</u>	<u>10.65%</u>	<u>11.00%</u>

Actuarial valuation date for above is December 31, 2019.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	24 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate (current and prior)	7.50%
Wage Growth	3.25%
Price Inflation	2.50%



**CITY OF TRENTON, ILLINOIS**

COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2020

	Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds	
	Recreation Fund	Social Security Fund	Retirement Fund	Motor Fuel Tax Fund	Capital Improvement Fund	Community Development Fund	Equipment Fund	Police Equipment Fund	Infrastructure Fund	
<u>Assets</u>										
Cash and Cash Equivalents	\$ -	\$ 46,808	\$ 46,177	\$ 287,095	\$ 8,072	\$ -	\$ 8,683	\$ 16,018	\$ 58,964	\$ 471,817
Due from Other Funds	-	-	103	-	-	-	-	-	-	103
Total Assets	<u>-</u>	<u>46,808</u>	<u>46,280</u>	<u>287,095</u>	<u>8,072</u>	<u>-</u>	<u>8,683</u>	<u>16,018</u>	<u>58,964</u>	<u>471,920</u>
<u>Liabilities and Fund Balance</u>										
Liabilities:										
Due To Other Funds	<u>1,533</u>	-	-	<u>103</u>	-	-	-	-	-	<u>1,636</u>
Total Liabilities	<u>1,533</u>	-	-	<u>103</u>	-	-	-	-	-	<u>1,636</u>
Fund Balance:										
Committed	-	-	-	-	8,072	-	8,683	-	58,964	75,719
Restricted	-	46,808	46,280	286,992	-	-	-	16,018	-	396,098
Unassigned	<u>(1,533)</u>	-	-	-	-	-	-	-	-	<u>(1,533)</u>
Total Fund Balance	<u>(1,533)</u>	<u>46,808</u>	<u>46,280</u>	<u>286,992</u>	<u>8,072</u>	<u>-</u>	<u>8,683</u>	<u>16,018</u>	<u>58,964</u>	<u>470,284</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 46,808</u>	<u>\$ 46,280</u>	<u>\$ 287,095</u>	<u>\$ 8,072</u>	<u>\$ -</u>	<u>\$ 8,683</u>	<u>\$ 16,018</u>	<u>\$ 58,964</u>	<u>\$ 471,920</u>

**CITY OF TRENTON, ILLINOIS**

COMBINING STATEMENT OF REVENUES AND EXPENDITURES  
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2020

	Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds	
	Recreation Fund	Social Security Fund	Retirement Fund	Motor Fuel Tax Fund	Capital Improvement Fund	Community Development Fund	Equipment Fund	Police Equipment Fund	Infrastructure Fund	
Revenues:										
Property Tax	\$ 29,978	\$ 47,451	\$ 44,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,382
Intergovernmental:										
Sales Tax	-	-	-	-	-	-	-	-	73,659	73,659
Motor Fuel Tax	-	-	-	98,145	-	-	-	-	-	98,145
Video Gaming Tax	-	-	-	-	-	-	20,998	-	-	20,998
Utility Tax	17,797	-	-	-	17,797	-	-	-	-	35,594
Fines	-	-	-	-	-	-	-	10,724	-	10,724
Charges for Services	65,820	-	-	-	-	-	125	-	-	65,945
Investment Earnings	-	-	-	4,273	-	2	-	30	-	4,305
Miscellaneous	1,200	-	-	-	-	626	-	-	-	1,826
Total Revenues	<u>114,795</u>	<u>47,451</u>	<u>44,953</u>	<u>102,418</u>	<u>17,797</u>	<u>628</u>	<u>21,123</u>	<u>10,754</u>	<u>73,659</u>	<u>433,578</u>
Expenditures:										
Current:										
General Government	-	47,595	48,009	-	-	-	-	-	-	95,604
Public Safety	-	-	-	-	-	-	-	1,020	-	1,020
Highways and Streets	-	-	-	11,061	-	-	-	-	30	11,091
Culture and Recreation	147,857	-	-	-	13,764	-	-	-	-	161,621
Capital Outlay	3,070	-	-	-	10,000	-	30,000	5,000	-	48,070
Debt Service:										
Principal	-	-	-	-	-	1,084	16,470	-	-	17,554
Interest	-	-	-	-	-	334	679	-	-	1,013
Total Expenditures	<u>150,927</u>	<u>47,595</u>	<u>48,009</u>	<u>11,061</u>	<u>23,764</u>	<u>1,418</u>	<u>47,149</u>	<u>6,020</u>	<u>30</u>	<u>335,973</u>
Excess (Deficiency) of Revenues Over Expenditures	(36,132)	(144)	(3,056)	91,357	(5,967)	(790)	(26,026)	4,734	73,629	97,605
Other Financing Sources (Uses):										
Proceeds from Debt	-	-	-	-	-	-	30,000	-	-	30,000
Transfers In (Out)	-	-	-	5,211	-	-	-	-	(111,763)	(106,552)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,211</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>(111,763)</u>	<u>(76,552)</u>
Net Change in Fund Balances	(36,132)	(144)	(3,056)	96,568	(5,967)	(790)	3,974	4,734	(38,134)	21,053
Fund Balance, Beginning of Year	<u>34,599</u>	<u>46,952</u>	<u>49,336</u>	<u>190,424</u>	<u>14,039</u>	<u>790</u>	<u>4,709</u>	<u>11,284</u>	<u>97,098</u>	<u>449,231</u>
Fund Balance, End of Year	<u>\$ (1,533)</u>	<u>\$ 46,808</u>	<u>\$ 46,280</u>	<u>\$ 286,992</u>	<u>\$ 8,072</u>	<u>\$ -</u>	<u>\$ 8,683</u>	<u>\$ 16,018</u>	<u>\$ 58,964</u>	<u>\$ 470,284</u>

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH TAX INCREMENT FINANCING ACT**

To the Honorable Mayor and  
Members of the Board of Aldermen  
City of Trenton, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the of the City of Trenton, Illinois as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

*Other Matters*

The management of the City of Trenton, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the City of Trenton, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the City of Trenton, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

*C. J. Schlosser & Company LLC*

Certified Public Accountants  
Alton, Illinois  
August 14, 2020