

**CITY OF TRENTON, ILLINOIS**

FINANCIAL STATEMENTS,  
OTHER INFORMATION, AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDING  
APRIL 30, 2021

**CITY OF TRENTON, ILLINOIS**

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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:

### **Report on the Financial Statements**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **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.



## **Opinion**

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

## **Prior Basis of Accounting**

The City of Trenton has kept its accounting records and has prepared its financial statements for previous years on the modified cash basis of accounting. As described in Note 14 to the financial statements, the City has adopted accounting principles generally accepted in the United States of America as of the beginning of the current year. Although appropriate adjustments have been made to fund balances as of that date, it was not practicable to determine what adjustments would be necessary in the financial statements of the preceding year to retrospectively adjust the results of operations to conform with the accounting principles used in the current year.

## **Other Matters**

### *Required Supplementary Information/Other Information*

Accounting principles generally accepted in the United States of America require that budgetary comparison information (pages 32 to 39) and schedules of funding progress and pension related information (pages 40 to 41) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

Other 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 and individual nonmajor fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Certified Public Accountants  
Alton, Illinois  
August 13, 2020

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF NET POSITION  
APRIL 30, 2021

	Governmental Activities	Business-type Activities	Total	Component Unit Library
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 2,422,908	\$ (12,861)	\$ 2,410,047	\$ 113,637
Investments	74,057	161,553	235,610	-
Receivables (Net of allowance for uncollectibles):	912,200	95,085	1,007,285	65,399
Prepaid Items	35,912	12,965	48,877	-
Net Pension Asset	142,635	68,687	211,322	7,885
Capital Assets:				
Land	1,344,602	190,200	1,534,802	3,000
Land Improvements	216,723	-	216,723	-
Buildings	2,875,493	49,540	2,925,033	925,133
Vehicles and Equipment	957,705	291,121	1,248,826	-
Plant and Distribution Systems	-	9,059,382	9,059,382	-
Infrastructure	193,098	-	193,098	-
Accumulated Depreciation	(3,196,157)	(3,350,452)	(6,546,609)	(925,133)
Total Assets	<u>5,979,176</u>	<u>6,565,220</u>	<u>12,544,396</u>	<u>189,921</u>
<b><u>Deferred Outflows of Resources</u></b>				
Future Pension Expense	<u>241,247</u>	<u>116,173</u>	<u>357,420</u>	<u>13,337</u>
<b><u>Liabilities</u></b>				
Accounts Payable	189,621	18,208	207,829	210
Accrued Wages and Benefits	56,169	17,871	74,040	729
Accrued Interest Payable	-	24,019	24,019	-
Customer Deposits	-	20,600	20,600	-
Noncurrent Liabilities:				
Due Within One Year	4,951	294,386	299,337	-
Due in More Than One Year	<u>28,217</u>	<u>4,250,174</u>	<u>4,278,391</u>	<u>-</u>
Total Liabilities	<u>278,958</u>	<u>4,625,258</u>	<u>4,904,216</u>	<u>939</u>
<b><u>Deferred Inflows of Resources</u></b>				
Future Pension Expense	476,509	229,464	705,973	26,343
Deferred Property Taxes	<u>609,811</u>	<u>-</u>	<u>609,811</u>	<u>65,399</u>
Total Deferred Inflows of Resources	<u>1,086,320</u>	<u>229,464</u>	<u>1,315,784</u>	<u>91,742</u>
<b><u>Net Position</u></b>				
Net Investment in Capital Assets	2,174,741	1,695,231	3,869,972	3,000
Restricted	878,124	-	878,124	-
Unrestricted	<u>1,802,280</u>	<u>131,440</u>	<u>1,933,720</u>	<u>107,577</u>
Total Net Position	<u>\$ 4,855,145</u>	<u>\$ 1,826,671</u>	<u>\$ 6,681,816</u>	<u>\$ 110,577</u>

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

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2021

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	Governmental Activities	Business-type Activities	Total	
Governmental Activities:								
General Government	\$ 594,973	\$ 36,365	\$ -	\$ -	\$ (558,608)		\$ (558,608)	
Public Safety	511,120	38,112	112,017	-	(360,991)		(360,991)	
Streets and Highways	390,431	-	-	89,465	(300,966)		(300,966)	
Culture and Recreation	300,805	9,128	42,630	38,343	(210,704)		(210,704)	
Sanitation	291,968	291,794	-	-	(174)		(174)	
Economic Development	224,891	-	-	-	(224,891)		(224,891)	
Interest on Long-term Debt	2,821	-	-	-	(2,821)		(2,821)	
Total Governmental Activities	2,317,009	375,399	154,647	127,808	(1,659,155)		(1,659,155)	
Business-type Activities:								
Water	481,051	493,165	-	-	\$ 12,114		12,114	
Sewer	595,208	586,430	-	-	(8,778)		(8,778)	
Total Business-type Activities	1,076,259	1,079,595	-	-	3,336		3,336	
Total Primary Government	\$ 3,393,268	\$ 1,454,994	\$ 154,647	\$ 127,808	(1,659,155)		(1,655,819)	
Component Unit:								\$ (63,981)
Library	\$ 72,087	\$ 3,247	\$ 4,859	\$ -				
General Revenues:								
Property Tax, Levied for General Purposes					606,600		606,600	65,220
Sales and Use Tax					789,254		789,254	-
Income Tax					317,311		317,311	-
Corporate Personal Property Tax					17,502		17,502	-
Motor Fuel Tax					97,208		97,208	-
Video Gaming Tax					14,931		14,931	-
Telecommunications Tax					16,048		16,048	-
Utility Tax					72,726		72,726	-
Franchise Fees					35,807		35,807	-
Investment Earnings					4,369	1,507	5,876	182
Miscellaneous					33,855		33,855	-
Loss on Disposal					-	(64,131)	(64,131)	-
Transfers					4,583	(4,583)	-	-
Total General Revenues and Transfers					2,010,194	(67,207)	1,942,987	65,402
Change in Net Position					351,039	(63,871)	287,168	1,421
Net Position - Beginning					4,504,106	1,890,542	6,394,648	109,156
Net Position - Ending					\$ 4,855,145	\$ 1,826,671	\$ 6,681,816	\$ 110,577

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

**CITY OF TRENTON, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2021

	General Fund	Tax Increment Financing Fund	Recreation Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and Cash Equivalents	\$ 589,383	\$ 333,197	\$ -	\$ 921,268	\$ 579,060	\$ 2,422,908
Investments	74,057	-	-	-	-	74,057
Receivables (Net, where applicable, of allowances for uncollectible):						
Property Tax	211,500	275,313	33,002	-	89,996	609,811
Intergovernmental	211,585	-	-	3,645	48,383	263,613
Other	36,406	-	1,185	1,185	-	38,776
Prepaid Items	32,162	-	3,750	-	-	35,912
Due From Other Funds	37,988	-	-	-	103	38,091
Total Assets	<u>\$ 1,193,081</u>	<u>\$ 608,510</u>	<u>\$ 37,937</u>	<u>\$ 926,098</u>	<u>\$ 717,542</u>	<u>\$ 3,483,168</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>						
Liabilities:						
Accrued Payroll and Benefits	\$ 55,375	\$ -	\$ 794	\$ -	\$ -	\$ 56,169
Accounts Payable	20,322	2,462	151,382	15,455	-	189,621
Due to Other Funds	-	2,230	35,758	-	103	38,091
Total Liabilities	<u>75,697</u>	<u>4,692</u>	<u>187,934</u>	<u>15,455</u>	<u>103</u>	<u>283,881</u>
Deferred Inflows of Resources:						
Deferred Revenue	<u>271,071</u>	<u>275,313</u>	<u>33,002</u>	<u>1,203</u>	<u>102,747</u>	<u>683,336</u>
Fund Balance:						
Nonspendable	32,162	-	-	-	-	32,162
Restricted	44,860	328,505	-	-	504,759	878,124
Committed	-	-	-	909,440	109,933	1,019,373
Unassigned	769,291	-	(182,999)	-	-	586,292
Total Fund Balance	<u>846,313</u>	<u>328,505</u>	<u>(182,999)</u>	<u>909,440</u>	<u>614,692</u>	<u>2,515,951</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,193,081</u>	<u>\$ 608,510</u>	<u>\$ 37,937</u>	<u>\$ 926,098</u>	<u>\$ 717,542</u>	<u>\$ 3,483,168</u>

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

**CITY OF TRENTON, ILLINOIS**

RECONCILIATION OF THE BALANCE SHEET OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
APRIL 30, 2021

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 2,515,951
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	2,391,464
Some receivables are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds balance sheet, but recognized as revenue for economic financial resources.	73,525
Net pension liabilities and the related future pension expense are not reported as a liability on the balance sheet of the governmental funds.	(92,627)
Long-term debt and the related accrued interest is not reported as a liability on the balance sheet of the governmental funds.	<u>(33,168)</u>
Net position of governmental activities	<u><u>\$ 4,855,145</u></u>

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

**CITY OF TRENTON, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2021

	General Fund	Tax Increment Financing Fund	Recreation Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property Tax	\$ 231,573	\$ 253,362	\$ 31,913	\$ -	\$ 89,752	\$ 606,600
Intergovernmental						
Replacement Tax	17,502	-	-	-	-	17,502
Sales Tax	515,665	-	-	-	131,246	646,911
State Income Tax	317,311	-	-	-	-	317,311
Local Use Tax	122,140	-	-	-	-	122,140
Motor Fuel Tax	-	-	-	-	97,208	97,208
Telecommunications Tax	-	-	-	16,678	-	16,678
Video Gaming Tax	-	-	-	-	14,931	14,931
Grant Revenue	112,002	-	-	-	89,465	201,467
Utility Tax	36,364	-	18,181	1,185	16,996	72,726
Licenses and Permits	28,615	-	-	-	-	28,615
Charges for Services	304,544	-	9,128	-	1,630	315,302
Fines and Forfeitures	21,029	-	-	-	10,453	31,482
Franchise Fees	35,807	-	-	-	-	35,807
Investment Earnings	3,673	-	-	-	696	4,369
Contributions	-	-	80,973	-	15	80,988
Miscellaneous	33,855	-	-	-	-	33,855
Total Revenues	<u>1,780,080</u>	<u>253,362</u>	<u>140,195</u>	<u>17,863</u>	<u>452,392</u>	<u>2,643,892</u>
Expenditures:						
Current:						
General Government	499,665	-	-	-	104,795	604,460
Public Safety	424,100	-	-	-	101,959	526,059
Streets and Highways	307,303	-	-	30,829	55,044	393,176
Culture and Recreation	-	-	294,673	-	-	294,673
Sanitation	291,968	-	-	-	-	291,968
Economic Development	-	224,891	-	-	-	224,891
Capital Outlay	-	78,933	29,271	-	28,420	136,624
Debt Service:						
Principal	79,934	-	-	-	13,530	93,464
Interest	2,572	-	-	-	249	2,821
Total Expenditures	<u>1,605,542</u>	<u>303,824</u>	<u>323,944</u>	<u>30,829</u>	<u>303,997</u>	<u>2,568,136</u>
Excess (Deficiency) of Revenues Over Expenditures	174,538	(50,462)	(183,749)	(12,966)	148,395	75,756
Other Financing Sources (Uses):						
Transfers In (Out)	(117,105)	-	-	150,000	(28,312)	4,583
Total Other Financing Sources (Uses)	<u>(117,105)</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>(28,312)</u>	<u>4,583</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Uses	57,433	(50,462)	(183,749)	137,034	120,083	80,339
Fund Balance, Beginning of Year, As Restated	<u>788,880</u>	<u>378,967</u>	<u>750</u>	<u>772,406</u>	<u>494,609</u>	<u>2,435,612</u>
Fund Balance, End of Year	<u>\$ 846,313</u>	<u>\$ 328,505</u>	<u>\$ (182,999)</u>	<u>\$ 909,440</u>	<u>\$ 614,692</u>	<u>\$ 2,515,951</u>

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

**CITY OF TRENTON, ILLINOIS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2021

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

Net change in fund balances - total governmental funds	\$	80,339
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$136,624) exceeded depreciation expense (\$81,847) in the current year.		54,777
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The issuance of long-term debt (e.g., bonds, loans) 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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first 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.		93,464
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Net pension liabilities and the related future pension expenses are reported in the government-wide statement of activities and changes in net position, but do not require the use of current financial resources; therefore, these amounts are not reported as expenditures in governmental funds. This is the change in the balances between years.		102,886
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Some intergovernmental revenues will not be collected for several months after the fiscal year end. They are not considered "available" revenues in the governmental funds. This is the change in deferred revenues between fiscal years.		19,573
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Change in net position of governmental activities	\$	<u>351,039</u>
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The notes to the financial statements are an integral part of this statement



STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 APRIL 30, 2021

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  
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Business-Type Activities--Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 489,897	\$ 574,195	\$ 1,064,092
Meters	2,001	-	2,001
Miscellaneous	<u>1,267</u>	<u>12,235</u>	<u>13,502</u>
Total Operating Revenue	<u>493,165</u>	<u>586,430</u>	<u>1,079,595</u>
Operating Expenses:			
Personal Services	202,718	202,936	405,654
Contractual Services	50,149	98,960	149,109
Supplies and Materials	13,267	18,548	31,815
Water Purchased	133,009	-	133,009
Utilities	6,314	42,678	48,992
Depreciation and Amortization	<u>70,333</u>	<u>153,824</u>	<u>224,157</u>
Total Operating Expenses	<u>475,790</u>	<u>516,946</u>	<u>992,736</u>
Operating Income	<u>17,375</u>	<u>69,484</u>	<u>86,859</u>
Nonoperating Revenues (Expenses):			
Investment Earnings	1,138	369	1,507
Interest and Fiscal Charges	(5,261)	(78,262)	(83,523)
Loss on Disposal	<u>-</u>	<u>(64,131)</u>	<u>(64,131)</u>
Total Nonoperating Revenues (Expenses)	<u>(4,123)</u>	<u>(142,024)</u>	<u>(146,147)</u>
Transfers and Capital Contributions:			
Transfers	<u>(4,583)</u>	<u>-</u>	<u>(4,583)</u>
Change in Net Position	8,669	(72,540)	(63,871)
Net Position - Beginning of Year, As Restated	<u>802,346</u>	<u>1,088,196</u>	<u>1,890,542</u>
Net Position - End of Year	<u>\$ 811,015</u>	<u>\$ 1,015,656</u>	<u>\$ 1,826,671</u>

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

# CITY OF TRENTON, ILLINOIS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED APRIL 30, 2021

	<u>Business-Type Activities--Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 493,885	\$ 587,044	\$ 1,080,929
Payments to Suppliers	(265,155)	(228,040)	(493,195)
Payments to Employees	(178,966)	(178,996)	(357,962)
Net Cash Provided by Operating Activities	<u>49,764</u>	<u>180,008</u>	<u>229,772</u>
Cash Flows from Noncapital Financing Activities:			
Payments from (to) Other Funds	(4,583)	-	(4,583)
Net Cash Used in Noncapital Financing Activities	<u>(4,583)</u>	<u>-</u>	<u>(4,583)</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Long-Term Debt	(69,610)	(219,025)	(288,635)
Interest Paid on Debt	(5,969)	(79,380)	(85,349)
Customer Deposits	825	-	825
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(74,754)</u>	<u>(298,405)</u>	<u>(373,159)</u>
Cash Flows from Investing Activities:			
Interest Received	1,138	369	1,507
Net Sale of Investments	(984)	(369)	(1,353)
Net Cash Provided by Investing Activities	<u>154</u>	<u>-</u>	<u>154</u>
Net Change in Cash and Cash Equivalents	(29,419)	(118,397)	(147,816)
Cash and Cash Equivalents, Beginning of Year	<u>(69,981)</u>	<u>204,936</u>	<u>134,955</u>
Cash and Cash Equivalents, End of Year	<u>\$ (99,400)</u>	<u>\$ 86,539</u>	<u>\$ (12,861)</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 17,375	\$ 69,484	\$ 86,859
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	70,333	153,824	224,157
Net Pension Changes	(23,563)	(23,137)	(46,700)
(Increase) Decrease in Assets:			
Accounts Receivables	(1,732)	(2,803)	(4,535)
Unbilled Revenue	2,452	3,417	5,869
Prepaid Expenses	266	(820)	(554)
Increase (Decrease) in Liabilities:			
Accrued Payroll and Benefits	(7,057)	(7,293)	(14,350)
Accrued Vacation	(6,884)	(6,884)	(13,768)
Accounts Payable	(1,426)	(5,780)	(7,206)
Net Cash Provided by Operating Activities	<u>\$ 49,764</u>	<u>\$ 180,008</u>	<u>\$ 229,772</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 accrual 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 non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function 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 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 properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, permits and fees associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized, when applicable, as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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 expenditures related to the operations of the tax increment financing districts.

The Recreation Fund accounts for the taxes received and the expenditures related to the operations of the recreational activities of the City.

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.

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.

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

(d) Assets, liabilities and net position

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."

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:



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

<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.

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.

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.”



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

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.

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

Governmental Funds

Nonspendable:	
Prepaid Items	\$ 32,162
Restricted:	
Dare Funds	\$ 44,860
Tax Increment Financing	328,505
North Business District	63,725
Retirement Funds	78,055
Motor Fuel Tax	341,580
Police Funds	21,399
	<u>\$ 878,124</u>
Committed:	
Capital Improvements	<u>\$ 1,019,373</u>

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

(e) Appropriation accounting

The appropriation for all funds is prepared on the modified cash basis of accounting. This allows for comparability between appropriated and actual amounts. Unused appropriations for all the above annually budgeted funds lapse at year end. The appropriation was passed on May 10, 2020 and the appropriations were not amended in the current year.

(f) Estimates

The City uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

(g) 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 been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 2: DEPOSITS AND INVESTMENTS**

As of April 30, 2021, the carrying amount of the City's deposits and investments was \$1,891,510 and the respective bank balances totaled \$2,007,955. The deposits were comprised of checking and interest checking accounts and certificates of deposits.

At April 30, 2021, the City had the following deposits and investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Illinois Funds	--	\$ 754,047
Petty Cash		100
Deposits as reported above		<u>1,891,510</u>
Total deposits and investments		<u>\$ 2,645,657</u>
As Reported in the Statement of Net Position:		
Cash and Cash Equivalents		\$ 2,410,047
Investments		<u>235,610</u>
		<u>\$ 2,645,657</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.

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

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 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, 2021, the City did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2021, 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, 2021.

**NOTE 3: LONG-TERM DEBT**

Notes Payable

The City has the following notes payable as of April 30, 2021:

\$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, 2021 is \$33,168.

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 extended through April 24, 2021 and includes interest on draws at the rate of 3.125%. The line of credit was not renewed after that date. The City did not make any draws on the line of credit or have any balance on the line of credit as of April 30, 2021.

\$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, 2021 is \$30,306.

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

\$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, 2021 is \$142,786.

\$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, 2021 is \$4,371,468.

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>
2022	\$ 4,951	\$ 820	\$ 294,386	\$ 79,599
2023	5,084	687	269,062	73,952
2024	5,219	552	274,141	68,873
2025	5,361	411	250,783	63,775
2026	5,505	267	238,962	59,443
2027 - 2031	7,048	124	1,259,307	232,713
2032 - 2036	-	-	1,373,940	118,084
2037 - 2038	-	-	583,979	12,830
	<u>\$ 33,168</u>	<u>\$ 2,861</u>	<u>\$ 4,544,560</u>	<u>\$ 709,269</u>

The following is a summary of changes in long-term liabilities for the year ended April 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Government Activities:</u>					
Notes from direct borrowings	\$ 126,632	\$ -	\$ 93,464	\$ 33,168	\$ 4,951
<u>Business-type Activities:</u>					
Notes from direct borrowings	\$ 4,833,195	\$ -	\$ 288,635	\$ 4,544,560	\$ 294,386

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

**NOTE 4: LEGAL DEBT MARGIN**

The computation of legal debt margin at April 30, 2021 is as follows:

Bonded Debt Limit*	\$ 4,111,395
Bonded Indebtedness	<u>33,168</u>
Legal Debt Margin	<u>\$ 4,078,227</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: INTERFUND TRANSFERS**

The City made the following interfund transfers during the year ended April 30, 2021:

General Fund Transfer From (To):	
Water Fund	\$ 4,583
MFT Fund	39,797
Capital Improvement Fund	(150,000)
North Business District Fund	(11,485)

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 6: 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 2020 levy on December 14, 2020. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments. The County has not mailed 2020 tax levy tax bills as of April 30, 2021. 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		
		2020	2019	2018
Assessed Valuation		\$ 47,668,344	\$ 46,256,882	\$ 46,140,068
Rates:				
General	0.2500	0.24673	0.25000	0.25000
IMRF		0.09449	0.09728	0.09753
Police Protection	0.0750	0.06930	0.07134	0.07500
Liability Insurance		0.11759	0.11890	0.10457
Street and Bridge		-	0.01081	-
Street Lighting	0.0500	0.01050	-	0.01084
Playground & Recreation	0.0900	0.06930	0.06918	0.06502
Social Security		0.09449	0.09728	0.10295
Total		0.70240	0.71479	0.70591
Extensions:				
General		\$ 117,499	\$ 115,642	\$ 115,350
IMRF		44,998	44,999	45,000
Police Protection		33,002	33,000	34,605
Liability Insurance		55,999	54,999	48,249
Street and Bridge		-	5,000	-
Street Lighting		5,000	-	5,002
Playground & Recreation		33,002	32,001	30,000
Social Security		44,998	44,999	47,501
Total		\$ 334,498	\$ 330,640	\$ 325,707
Collections - Year Ended:				
April 30, 2020		\$ -	\$ -	\$ 325,441
April 30, 2021		-	324,751	-
Total		\$ -	\$ 324,751	\$ 325,441
Percent of Extension Collected		0.00%	98.22%	99.92%

The property taxes reported as revenue in the April 30, 2021 financial statements are from the 2019 levy.

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

**NOTE 7: 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 2020 was 10.86 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	16
Inactive, non-Retired Members	16
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 2.00%; and the resulting single discount rate is 7.25%.

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

Actuarial Valuation Date	12/31/20
Measurement Date of the Net Pension Liability	12/31/20
Fiscal Year End	04/30/21

Development of the Single Discount Rate as of December 31, 2020

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	2.00%
Last year ending December 31 in the 2021 to 2120 projection period for which projected benefit payments are fully funded	2120
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2019 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, 2020.

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

Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.



**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	\$ 95,496
Interest on the Total Pension Liability	362,642
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	49,477
Changes of assumptions	(26,325)
Benefit payments, including refunds of employee contributions	(280,772)
Net change in total pension liability	\$ 200,518
Total pension liability - beginning	5,094,590
Total pension liability - ending	<u>\$ 5,295,108</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 104,489
Contributions - employee	43,297
Net investment income	718,419
Benefit payments, including refunds of employee contributions	(280,772)
Other	34,726
Net change in plan fiduciary net position	\$ 620,159
Plan fiduciary net position - beginning	4,894,156
Plan fiduciary net position - ending	<u>\$ 5,514,315</u>
<b>Net pension liability/(asset)</b>	<u>\$ (219,207)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	
	104.14%
<b>Covered valuation payroll</b>	\$ 962,147
<b>Net pension liability as a percentage of covered valuation payroll</b>	-22.78%

**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	\$ 5,862,956	\$ 5,295,108	\$ 4,830,090
Plan Fiduciary Net Position	<u>5,514,315</u>	<u>5,514,315</u>	<u>5,514,315</u>
Net Pension Liability/(Asset)	<u>\$ 348,641</u>	<u>\$ (219,207)</u>	<u>\$ (684,225)</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	\$ 84,767	\$ 17,233
Changes in assumptions	13,757	44,633
Contributions subsequent to valuation date	34,991	-
Net difference between projected and actual earnings on pension plan investments	<u>237,241</u>	<u>670,449</u>
Total	<u>\$ 370,756</u>	<u>\$ 732,315</u>

Year Ending December 31,	Net Deferred Inflows of Resources
2021	\$ (62,767)
2022	(53,123)
2023	(172,238)
2024	(73,431)
2025	<u>-</u>
	<u>\$ (361,559)</u>

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

**NOTE 8: CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2021 was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Deletions	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,344,602	\$ -	\$ -	\$ 1,344,602
Capital assets, being depreciated:				
Land improvements	187,452	29,271	-	216,723
Buildings and improvements	2,875,493	-	-	2,875,493
Vehicles and equipment	912,665	45,040	-	957,705
Infrastructure	130,785	62,313	-	193,098
Total capital assets being depreciated	4,106,395	136,624	-	4,243,019
Less accumulated depreciation for:				
Land improvements	106,376	11,130	-	117,506
Buildings and improvements	2,303,088	27,315	-	2,330,403
Vehicles and equipment	704,846	38,647	-	743,493
Infrastructure	-	4,755	-	4,755
Total accumulated depreciation	3,114,310	81,847	-	3,196,157
Total capital assets, being depreciated, net	992,085	54,777	-	1,046,862
Governmental activities capital assets, net	\$ 2,336,687	\$ 54,777	\$ -	\$ 2,391,464
<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	291,121	-	-	291,121
Plant and distribution system	9,227,947	-	168,565	9,059,382
Total capital assets, being depreciated	9,568,608	-	168,565	9,400,043
Less accumulated depreciation for:				
Buildings and improvements	19,227	1,218	-	20,445
Vehicles and equipment	209,523	11,098	-	220,621
Plant and distribution system	3,001,979	211,841	104,434	3,109,386
Total accumulated depreciation	3,230,729	224,157	104,434	3,350,452
Total capital assets, being depreciated, net	6,337,879	(224,157)	64,131	6,049,591
Business-type activities capital assets, net	\$ 6,528,079	\$ (224,157)	\$ 64,131	\$ 6,239,791

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	15,867
Public safety		28,935
Streets and highways, including depreciation of general infrastructure assets		15,966
Cultural and recreational		21,079
Total depreciation expense - governmental activities	\$	<u>81,847</u>
Business-type activities:		
Water	\$	70,333
Sewer		153,824
	\$	<u>224,157</u>

**NOTE 9: RECEIVABLES**

Accounts receivable for the City, as reported in the statement of net position, including the applicable allowances for uncollectible accounts, are as follows as of April 30, 2021:

	<u>General</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Property Taxes	\$ 211,500	\$ 308,315	\$ -	\$ 89,996	\$ 609,811
Intergovernmental	211,585	3,645		48,383	263,613
Accounts	25,768	-	95,085	-	120,853
Notes/Other	<u>10,638</u>	<u>2,370</u>	<u>-</u>	<u>-</u>	<u>13,008</u>
Gross Receivables	459,491	314,330	95,085	138,379	1,007,285
Less: Allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 459,491</u>	<u>\$ 314,330</u>	<u>\$ 95,085</u>	<u>\$ 138,379</u>	<u>\$ 1,007,285</u>

**NOTE 10: INTERFUND RECEIVABLES/PAYABLES**

Individual fund interfund receivable and payable balances as of April 30, 2021 are as follows:

General Fund Due from:	
Tax Increment Financing Fund	\$ 2,230
Recreation Fund	35,758
Retirement Fund Due from:	
Motor Fuel Tax Fund	<u>103</u>
	<u>\$ 38,091</u>

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

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

**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. The City established two additional TIF Districts on June 25, 2018

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, 2021, the City paid property tax abatements of \$29,021. In addition, the City made payments of \$72,563 towards renovation costs for businesses within the TIF areas.

**NOTE 12: DEFICIT FUND BALANCE**

The City has a deficit fund balance of \$182,999 in the Recreation Fund as of April 30, 2021. This fund was supported by an internal loan from the General Fund for \$35,758 as of April 30, 2021.

**NOTE 13: SUBSEQUENT EVENTS**

The City has evaluated events occurring after the financial statement date through August 13, 2021 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: CHANGE IN BASIS OF ACCOUNTING/BEGINNING NET POSITION**

In the current year, the City of Trenton changed the basis of accounting for the financial statements. The City adopted the modified accrual basis of accounting for the governmental fund activity and the accrual basis of accounting for the government-wide financial statements and for the proprietary funds in accordance with generally accepted accounting principles. In prior years, the City used the modified cash basis of accounting which is an other comprehensive basis of accounting. Accordingly, revenue is recognized when earned and collectible within sixty days of year end and expenditures are recognized when the liability is incurred.

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

Beginning net position and fund balances have been restated to conform to the accrual and modified accrual bases of accounting. The changes made to the prior year ending balances are as follows:

Governmental Funds:	
Prior Ending Fund Balance	\$ 2,314,320
Changes made for:	
Intergovernmental receivable	203,971
Accounts receivable - other	35,831
Prepaid expenses	33,555
Accrued salaries/vacation	(72,472)
Accounts payable	(25,641)
Deferred revenue - intergovernmental	<u>(53,952)</u>
Beginning Fund Balance, As Restated	<u>\$ 2,435,612</u>
Government-wide - governmental activities	
Prior Ending Net Position	\$ 4,524,375
Changes made for:	
Intergovernmental receivable	203,971
Accounts receivable - other	35,831
Prepaid expenses	33,555
Accrued salaries/vacation	(72,472)
Accounts payable	(25,641)
IMRF pension liability/deferrals	<u>(195,513)</u>
Beginning Net Position, As Restated	<u>\$ 4,504,106</u>
Government-wide - business-type activities	
Prior Ending Net Position	\$ 1,970,264
Changes made for:	
Accounts receivable	96,419
Prepaid expenses	12,411
Accrued salaries/vacation	(45,989)
Accounts payable	(25,414)
Accrued interest payable	(25,845)
IMRF pension liability/deferrals	<u>(91,304)</u>
Beginning Net Position, As Restated	<u>\$ 1,890,542</u>

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts:			
Property Tax			\$ 231,573
Intergovernmental:			
Replacement Tax			14,725
Sales Tax			486,892
State Income Tax			311,240
Local Use Tax			121,386
Telecommunications Tax			1,248
Grant			112,002
Utility Tax			36,251
Licenses and Permits			28,615
Charges for Services			301,876
Fines and Penalties			21,564
Franchise Fees			34,817
Investment Earnings			3,673
Miscellaneous Receipts			33,855
Total Receipts			<u>1,739,717</u>
Disbursements:			
Administration:			
Salaries	163,000	163,000	161,376
Health Insurance	37,000	37,000	54,818
Training, Travel, and Dues	11,000	11,000	2,556
Annuity	1,800	1,800	1,893
Legal	19,000	19,000	15,952
Maintenance Contracts	1,500	1,500	2,308
Computer Updates	10,000	10,000	1,495
Office Equipment	750	750	-
Office Supplies and Postage	2,500	2,500	1,347
Planning and Zoning	45,200	45,200	54,844
Printing and Publishing	2,200	2,200	937
Telephone	5,150	5,150	4,564
Internet Expense	1,500	1,500	1,380
Professional Services	-	-	1,500
Christmas Expense	1,500	1,500	-
Contingency	10,000	10,000	-
Auto Gas, Oil, Repairs	500	500	-
Comprehensive Plan	20,000	20,000	-

**CITY OF TRENTON, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**

**GENERAL FUND**

**FOR THE YEAR ENDED APRIL 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Disbursements (continued):			
Code Update	1,500	1,500	4,633
Miscellaneous	3,000	3,000	-
Court Cases	10,000	10,000	-
Water/Sewer	2,300	2,300	2,419
Debt Service	5,300	5,300	5,771
Engineering	500	500	34,571
COVID Eepenses	-	-	42,744
Tax Rebates	500	500	1,063
Total Administration	<u>355,700</u>	<u>355,700</u>	<u>396,171</u>
Liability Insurance	<u>85,000</u>	<u>85,000</u>	<u>77,978</u>
Audit	<u>6,200</u>	<u>6,200</u>	<u>8,624</u>
TEMS (Trenton Emergency Management Service):			
Contingency	1,000	1,000	-
Emergency Sirens Maintenance	1,000	1,000	-
Emergency Notification System	1,500	1,500	2,220
Telephone	1,200	1,200	964
Total TEMS	<u>4,700</u>	<u>4,700</u>	<u>3,184</u>
Health Department:			
Salaries	2,000	2,000	1,120
Postage	2,500	2,500	2,027
Insect Spraying	1,000	1,000	149
Equipment Purchases & Repairs	500	500	-
Miscellaneous	500	500	-
Contingency	1,000	1,000	-
Refuse Collections	270,000	270,000	288,054
Weed Spraying	500	500	618
Spring Clean Up	200	200	-
Total Health Department	<u>278,200</u>	<u>278,200</u>	<u>291,968</u>
Police:			
Salaries	367,100	367,100	366,754
Health Insurance	35,000	35,000	18,853
Training, Travel, and Dues	7,000	7,000	4,859



**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts		Actual
	Original	Final	Amounts
Disbursements (continued):			
Auto Operation and Supplies	24,000	24,000	17,095
Legal	1,000	1,000	-
Radio & Radar Maintenance	1,500	1,500	733
Telephone	4,500	4,500	4,309
Gun, Camera, Batteries	1,000	1,000	3,134
Office Supplies and Postage	1,000	1,000	686
Uniform Allowance	3,500	3,500	1,911
Internet Expense	2,750	2,750	2,576
Computer Updates/Repairs	2,500	2,500	1,658
Equipment	9,000	9,000	129
Operations & Maintenance	1,500	1,500	1,103
Miscellaneous	1,000	1,000	-
Contingency	10,000	10,000	-
Total Police	472,350	472,350	423,800
Police Dare:			
Salaries	1,750	1,750	-
Training, Travel, and Dues	100	100	-
Supplies	3,200	3,200	-
Fundraising Expenses	3,500	3,500	-
Miscellaneous	500	500	-
Total Police Dare	9,050	9,050	-
Public Buildings:			
Salaries	6,500	6,500	4,140
Repairs and Maintenance	6,000	6,000	12,211
Loan Principal and Interest	30,000	30,000	76,734
Utilities	18,500	18,500	19,062
Supplies and Materials	3,500	3,500	2,153
Boiler Insurance	100	100	-
Miscellaneous	1,000	1,000	-
Contingency	5,000	5,000	-
Total Public Buildings	70,600	70,600	114,300
Street:			
Salaries	140,000	140,000	141,283
Health Insurance	20,000	20,000	20,947

# CITY OF TRENTON, ILLINOIS

## BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS

### GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Disbursements (continued):			
Training, Travel, and Dues	2,500	2,500	-
Annuity	1,700	1,700	1,628
Legal	1,000	1,000	-
Engineering	5,000	5,000	1,150
Operations and Maintenance	43,500	43,500	92,489
Computer Updates/Internet	900	900	918
Supplies	4,800	4,800	2,229
Gas and Oil	9,000	9,000	6,486
Maintenance and Repairs	23,000	23,000	20,381
Equipment	13,000	13,000	-
Street Lighting & Signals	25,000	25,000	17,954
Construction Projects	10,000	10,000	1,464
Telephone	350	350	222
Motor Fuel Tax	78,500	78,500	-
Tools	2,300	2,300	971
Stickers	200	200	272
Contingency	20,500	20,500	907
Uniforms	500	500	340
Bridge Repair	10,000	10,000	-
Total Street	411,750	411,750	309,641
Total Disbursements	\$ 1,693,550	\$ 1,693,550	\$ 1,625,666
Net Transfers	-	-	(105,620)
Excess of Receipts Over Disbursements			\$ 8,431
Change for reporting on modified accrual basis:			
Change in intergovernmental revenue on modified accrual basis			26,871
Change in utility tax revenue on modified accrual basis			(113)
Change in other receivables on modified accrual basis			2,133
Change in franchise fee revenue on modified accrual basis			990
Change in prepaid items on modified accrual basis			1,365
Change in accrued salaries on modified accrual basis			17,097
Change in accounts payable on modified accrual basis			659
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			\$ 57,433

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
TAX INCREMENT FINANCING FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Receipts:			
Property Tax			\$ 253,362
Total Receipts			<u>253,362</u>
Disbursements:			
Economic Development:			
Salaries/Benefits	\$ 10,000	\$ 10,000	10,497
Infrastructure Improvements	100,000	100,000	104,793
Real Estate Tax Reimbursement	200,000	200,000	101,584
Attorney	1,000	1,000	400
Engineering	50,000	50,000	60,227
Office Supplies	250	250	550
Consulting Contract	<u>10,000</u>	<u>10,000</u>	<u>25,517</u>
Total Economic Development	<u>371,250</u>	<u>371,250</u>	<u>303,568</u>
Total Disbursements	<u>\$ 371,250</u>	<u>\$ 371,250</u>	<u>\$ 303,568</u>
Excess (Deficiency) of Receipts Over Disbursements			<u>\$ (50,206)</u>
Change for reporting on modified accrual basis:			
Change in accounts payable on modified accrual basis			<u>(256)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (50,462)</u>

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
RECREATION FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts:			
Property Tax			\$ 31,913
Utility Tax			18,125
Charges for Services			9,128
Contributions			80,973
Total Receipts			140,139
Disbursements:			
Pool:			
Salaries	40,800	40,800	-
Major Repairs	6,000	6,000	34,876
Bathhouse Repairs	1,500	1,500	912
Operations and Maintenance	3,300	3,300	34
Chemicals	5,000	5,000	-
Engineering	500	500	31,381
Concessions	4,000	4,000	103
Utilities	5,500	5,500	1,247
Telephone	2,100	2,100	1,928
Water	4,000	4,000	294
Sewer	1,500	1,500	372
Miscellaneous	1,000	1,000	-
Total Administration	75,200	75,200	71,147
Ball Diamonds:			
Salaries	25,000	25,000	24,587
Umpire Fees	1,500	1,500	-
Equipment and Trophies	1,500	1,500	474
Diamond Maintenance	3,500	3,500	17,080
League Dues	150	150	-
Uniforms	1,500	1,500	-
Utilities	2,000	2,000	1,700
Water/Sewer	2,500	2,500	253
Tournament Expense	200	200	-
Miscellaneous	500	500	-
Total Health Department	38,350	38,350	44,094

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
RECREATION FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Parks:			
Salaries	6,000	6,000	683
Park Improvements	10,000	10,000	16,655
Operation and Maintenance	10,000	10,000	21,642
Concerts in Park	1,200	1,200	2,133
Park Concessions	7,500	7,500	1,165
Liability Insurance	10,000	10,000	7,507
Utilities	6,500	6,500	5,924
Water/Sewer	3,000	3,000	3,124
Equipment	400	400	-
Sales Tax	1,500	1,500	-
Park Christmas Lighting	-	-	200
Miscellaneous	1,000	1,000	-
Contingency	5,000	5,000	-
Total Police	<u>62,100</u>	<u>62,100</u>	<u>59,033</u>
Soccer Leagues:			
Director Fees	1,500	1,500	-
Equipment	750	750	-
Miscellaneous	500	500	-
League Dues	75	75	-
Field Maintenance	1,000	1,000	-
Referee Fees	2,000	2,000	-
Uniforms	2,650	2,650	-
Administrative	300	300	90
Total Street	<u>8,775</u>	<u>8,775</u>	<u>90</u>
Total Disbursements	<u>\$ 184,425</u>	<u>\$ 184,425</u>	<u>174,364</u>
Excess (Deficiency) of Receipts Over Disbursements			<u>(34,225)</u>
Change for reporting on modified accrual basis:			
Change in utility tax revenue on modified accrual basis			56
Change in prepaid items on modified accrual basis			992
Change in accrued salaries on modified accrual basis			(794)
Change in accounts payable on modified accrual basis			<u>(149,778)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (183,749)</u>

**CITY OF TRENTON, ILLINOIS**

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts:			
Telecommunications Tax			\$ 17,872
Total Receipts			<u>17,872</u>
Disbursements:			
Highways and Streets:			
Improvement Projects	\$ 70,000	\$ 70,000	4,254
Engineering	5,000	5,000	1,320
Consulting	-	-	9,800
Contingency	<u>20,000</u>	<u>20,000</u>	-
Total Highways and Streets	<u>95,000</u>	<u>95,000</u>	<u>15,374</u>
Total Disbursements	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>15,374</u>
Net Transfers			150,000
Excess of Receipts Over Disbursements			<u>152,498</u>
Change for reporting on modified accrual basis:			
Change in intergovernmental revenue on modified accrual basis			(1,194)
Change in utility tax revenue on modified accrual basis			1,185
Change in accounts payable on modified accrual basis			<u>(15,455)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 137,034</u>

**CITY OF TRENTON, ILLINOIS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
APRIL 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:						
Service Cost	\$ 95,496	\$ 98,289	\$ 83,453	\$ 99,603	\$ 83,512	\$ 78,943
Interest	362,642	354,076	335,665	319,848	322,559	300,707
Difference between expected and actual experience	49,477	(39,773)	141,654	168,967	(234,941)	117,439
Assumption changes	(26,325)	-	119,612	(129,860)	(4,836)	5,003
Benefit payments, including refunds	<u>(280,772)</u>	<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	200,518	107,271	426,650	233,090	(40,691)	294,548
Total pension liability - beginning	<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>	<u>4,073,722</u>
Total pension liability - ending	<u>\$ 5,295,108</u>	<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	104,489	83,358	84,999	88,040	89,112	84,669
Contributions - employee	43,297	42,147	45,875	38,167	37,653	34,637
Net investment income	718,419	800,952	(256,842)	675,314	276,203	19,856
Benefit payments, including refunds	(280,772)	(305,321)	(253,734)	(225,468)	(206,985)	(207,544)
Other	<u>34,726</u>	<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	620,159	677,644	(277,043)	555,643	(17,920)	(59,423)
Plan fiduciary net position - beginning	<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>	<u>4,015,255</u>
Plan fiduciary net position - ending	<u>\$ 5,514,315</u>	<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>\$ (219,207)</u>	<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>104.14%</u>	<u>96.07%</u>	<u>84.54%</u>	<u>98.53%</u>	<u>91.00%</u>	<u>90.56%</u>
Covered-employee payroll	<u>\$ 962,147</u>	<u>\$ 936,607</u>	<u>\$ 881,726</u>	<u>\$ 848,160</u>	<u>\$ 836,738</u>	<u>\$ 769,717</u>
Net position liability as a percentage of covered-employee payroll	<u>-22.78%</u>	<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, 2021

	<u>202</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 104,489	\$ 83,358	\$ 84,998	\$ 88,039	\$ 89,113	\$ 84,669
Contributions in relation to actuarial determined contribution	<u>104,489</u>	<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>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>
 Covered-employee Payroll	 <u>\$ -</u>	 <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>#DIV/0!</u>	 <u>8.90%</u>	 <u>9.64%</u>	 <u>10.38%</u>	 <u>10.65%</u>	 <u>11.00%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is December 31, 2020.

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: 23 years

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Actuarial Assumptions:

Interest Rate 7.25%

Wage Growth 3.25%

Price Inflation 2.50%



**CITY OF TRENTON, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2021

	Special Revenue Funds							Capital Projects Fund	
	North Business District Fund	Social Security Fund	Retirement Fund	Motor Fuel Tax Fund	Capital Improvement Fund	Equipment Fund	Police Equipment Fund	Infrastructure Fund	Total
<u>Assets</u>									
Cash and Cash Equivalents	\$ 55,156	\$ 45,275	\$ 32,677	\$ 332,739	\$ 20,397	\$ 8,304	\$ 21,399	\$ 63,113	\$ 579,060
Receivables (Net of Allowance for Doubtful Accounts):									
Property Tax	-	44,998	44,998	-	-	-	-	-	89,996
Intergovernmental	13,488	-	-	8,944	-	3,103	-	22,848	48,383
Due from Other Funds	-	-	103	-	-	-	-	-	103
Total Assets	\$ 68,644	\$ 90,273	\$ 77,778	\$ 341,683	\$ 20,397	\$ 11,407	\$ 21,399	\$ 85,961	\$ 717,542
<u>Liabilities and Fund Balance</u>									
Liabilities:									
Due to Other Funds	\$ -	\$ -	\$ -	\$ 103	\$ -	\$ -	\$ -	\$ -	\$ 103
Total Liabilities	-	-	-	103	-	-	-	-	103
Deferred Inflows of Resources:									
Deferred Revenue	4,919	44,998	44,998	-	-	-	-	7,832	102,747
Fund Balance:									
Restricted	63,725	45,275	32,780	341,580	-	-	21,399	-	504,759
Committed	-	-	-	-	20,397	11,407	-	78,129	109,933
Total Fund Balance	63,725	45,275	32,780	341,580	20,397	11,407	21,399	78,129	614,692
Total Liabilities and Fund Balance	\$ 68,644	\$ 90,273	\$ 77,778	\$ 341,683	\$ 20,397	\$ 11,407	\$ 21,399	\$ 85,961	\$ 717,542

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2021

	Special Revenue Funds								Capital Projects Fund
	North Business District Fund	Social Security Fund	Retirement Fund	Motor		Capital Improvement Fund	Equipment Fund	Police Equipment Fund	
				Fuel Tax Fund	Improvement Fund				
Revenues:									
Property Tax	\$ -	\$ 44,876	\$ 44,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,752
Intergovernmental:									
Sales Tax	52,168	-	-	-	-	-	-	79,078	131,246
Motor Fuel Tax	-	-	-	97,208	-	-	-	-	97,208
Video Gaming Tax	-	-	-	-	-	14,931	-	-	14,931
Grants	-	-	-	89,465	-	-	-	-	89,465
Utility Tax	-	-	-	-	16,996	-	-	-	16,996
Charges for Services	-	-	-	-	-	125	1,505	-	1,630
Fines and Forfeitures	-	-	-	-	-	-	10,453	-	10,453
Investment Earnings	72	-	-	599	-	-	25	-	696
Contributions	-	-	-	-	-	-	15	-	15
Total Revenues	52,240	44,876	44,876	187,272	16,996	15,056	11,998	79,078	452,392
Expenditures:									
Current:									
General Government	-	46,409	58,376	-	-	10	-	-	104,795
Public Safety	-	-	-	100,939	-	-	1,020	-	101,959
Streets & Highways	-	-	-	-	-	-	-	55,044	55,044
Capital Outlay	-	-	-	-	5,800	-	6,000	16,620	28,420
Debt Service:									
Principal	-	-	-	-	-	13,530	-	-	13,530
Interest	-	-	-	-	-	249	-	-	249
Total Expenditures	-	46,409	58,376	100,939	5,800	13,789	7,020	71,664	303,997
Excess (Deficiency) of Revenues Over Expenditures	52,240	(1,533)	(13,500)	86,333	11,196	1,267	4,978	7,414	148,395
Other Financing Sources (Uses):									
Transfers In (Out)	11,485	-	-	(39,797)	-	-	-	-	(28,312)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Uses	63,725	(1,533)	(13,500)	46,536	11,196	1,267	4,978	7,414	120,083
Fund Balance, Beginning of Year As Restated	-	46,808	46,280	295,044	9,201	10,140	16,421	70,715	494,609
Fund Balance, End of Year	\$ 63,725	\$ 45,275	\$ 32,780	\$ 341,580	\$ 20,397	\$ 11,407	\$ 21,399	\$ 78,129	\$ 614,692

**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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".

Certified Public Accountants  
Alton, Illinois  
August 13, 2021