

**CITY OF FAIRFIELD, IL  
FAIRFIELD, ILLINOIS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED APRIL 30, 2024**

# CITY OF FAIRFIELD, IL

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council  
City of Fairfield, Illinois

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Fairfield, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Fairfield, Illinois's basic financial statements as listed in the table of contents.

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, and the aggregate remaining fund information of the City of Fairfield, Illinois, as of April 30, 2024, 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 described in Note C.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Fairfield, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter—Basis of Accounting

We draw attention to Note C 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 opinions are not modified with respect to this matter.

### Responsibilities of Management 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 C, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the Mayor and City Council  
City of Fairfield, Illinois

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Fairfield, Illinois's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Fairfield, Illinois's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fairfield, Illinois's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and the consolidated year-end financial report are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or

To the Mayor and City Council  
City of Fairfield, Illinois

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 and the consolidated year-end financial report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Matters**

### *Other Information*

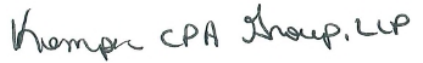
Management is responsible for the other information included in the annual report. The other information comprises budgetary comparison schedule – modified cash basis, Illinois Municipal Retirement Fund Schedule of Funding Progress and Police Pension Fund and Firemen's Pension Fund Schedule of Funding Progress but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of the City of Fairfield, Illinois's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Fairfield, Illinois's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Fairfield, Illinois's internal control over financial reporting and compliance.

December 19, 2024  
Evansville, Indiana

  
Certified Public Accountants and Consultants

**CITY OF FAIRFIELD, IL**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**APRIL 30, 2024**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,341,529	\$ 2,218,650	\$ 6,560,179
Restricted cash and cash equivalents	84,189	6,723,653	6,807,842
Investments	650,863	87,946	738,809
Inventory	-	18,586	18,586
Notes receivable, net of allowance of \$0	277,808	-	277,808
Capital assets, net of accumulated depreciation	6,581,436	24,032,459	30,613,895
Total assets	<u>11,935,825</u>	<u>33,081,294</u>	<u>45,017,119</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	<u>-</u>	<u>225,117</u>	<u>225,117</u>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities:			
Due to fiduciary funds	114,368	-	114,368
Utility tax payable	-	3,597	3,597
Unearned revenues	66,324	2,274	68,598
Due within one year			
Bonds, notes and lease payable	43,313	1,063,802	1,107,115
Due in more than one year			
Bonds, notes and lease payable	224,061	11,074,802	11,298,863
Total liabilities	<u>448,066</u>	<u>12,144,475</u>	<u>12,592,541</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,314,062	11,893,855	18,207,917
Restricted	3,906,688	6,723,653	10,630,341
Unrestricted	1,267,009	2,544,428	3,811,437
Total net position	<u>11,487,759</u>	<u>21,161,936</u>	<u>32,649,695</u>
Total liabilities and net position	<u>\$ 11,935,825</u>	<u>\$ 33,306,411</u>	<u>\$ 45,242,236</u>

**CITY OF FAIRFIELD, IL**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 1,119,585	\$ 126,429	\$ -	\$ -	\$ (993,156)	\$ -	\$ (993,156)
Public safety	2,618,756	36,333	-	-	(2,582,423)	-	(2,582,423)
Social services	371,585	84,269	-	-	(287,316)	-	(287,316)
Transportation	1,433,313	2,000	304,953	-	(1,126,360)	-	(1,126,360)
Public works	1,442,754	198,558	-	-	(1,244,196)	-	(1,244,196)
Sanitation	315,110	526,160	-	-	211,050	-	211,050
Culture and recreation	219,802	23,585	19,661	-	(176,556)	-	(176,556)
Total governmental activities	<u>7,520,905</u>	<u>997,334</u>	<u>324,614</u>	<u>-</u>	<u>(6,198,957)</u>	<u>-</u>	<u>(6,198,957)</u>
Business-type activities:							
Electric system	7,070,839	8,707,617	-	-	-	1,636,778	1,636,778
Waterworks and sewer system	4,024,683	3,377,031	-	-	-	(647,652)	(647,652)
Gas system	1,529,352	2,549,373	-	-	-	1,020,021	1,020,021
Total business-type activities	<u>12,624,874</u>	<u>14,634,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,009,147</u>	<u>2,009,147</u>
Total primary government	<u>\$ 20,145,779</u>	<u>\$ 15,631,355</u>	<u>\$ 324,614</u>	<u>\$ -</u>	<u>(6,198,957)</u>	<u>2,009,147</u>	<u>(4,189,810)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					2,314,689	-	2,314,689
Franchise tax					9,390	-	9,390
Intergovernmental revenue:							
Sales tax					1,848,704	-	1,848,704
Income tax					799,418	-	799,418
Replacement tax					66,864	-	66,864
Telecommunication tax					50,706	-	50,706
Video gaming tax					58,800	-	58,800
Foreign fire tax					17,806	-	17,806
Pull tab tax					2,014	-	2,014
Interest and investment income (expense)					127,038	24,059	151,097
Miscellaneous					464,778	18,985	483,763
Gain(Loss) from sale of assets					(6,750)	-	(6,750)
Transfers					2,566,539	(2,566,539)	-
Total general revenues and transfers					<u>8,319,996</u>	<u>(2,523,495)</u>	<u>5,796,501</u>
Change in net position					2,121,039	(514,348)	1,606,691
Net position - beginning					9,366,720	21,676,284	31,043,004
Net position - ending					<u>\$ 11,487,759</u>	<u>\$ 21,161,936</u>	<u>\$ 32,649,695</u>

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



**CITY OF FAIRFIELD, IL**  
**BALANCE SHEET – MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**APRIL 30, 2024**

	<b>General</b>	<b>TIF #1 Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,071,672	\$ 1,001,895	\$ 2,206,543	\$ 4,280,110
Restricted cash and cash equivalents	84,189	-	-	84,189
Investments	22,082	-	628,781	650,863
Notes receivable, net of allowance of \$0	-	-	277,808	277,808
Total assets	<u>\$ 1,177,943</u>	<u>\$ 1,001,895</u>	<u>\$ 3,113,132</u>	<u>\$ 5,292,970</u>
<b>LIABILITIES</b>				
Due to fiduciary funds	\$ 114,368	\$ -	\$ -	\$ 114,368
Advanced payments	66,324	-	-	66,324
Total liabilities	<u>180,692</u>	<u>-</u>	<u>-</u>	<u>180,692</u>
<b>FUND BALANCES</b>				
Non-spendable	-	-	277,808	277,808
Restricted	69,469	1,001,895	2,835,324	3,906,688
Unassigned	927,782	-	-	927,782
Total fund balances	<u>997,251</u>	<u>1,001,895</u>	<u>3,113,132</u>	<u>5,112,278</u>
Total liabilities and fund balances	<u>\$ 1,177,943</u>	<u>\$ 1,001,895</u>	<u>\$ 3,113,132</u>	<u>\$ 5,292,970</u>

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

**CITY OF FAIRFIELD, IL  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS – MODIFIED CASH BASIS  
APRIL 30, 2024**

Fund balances - total governmental funds			\$ 5,112,278
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
	Capital outlays	22,979,949	
	Depreciation	(16,398,513)	6,581,436
			<u>                    </u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			(267,374)
			<u>                    </u>
Internal service funds are used by management to charge health insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.			61,419
			<u>                    </u>
Net position of governmental activities			<u><u>\$ 11,487,759</u></u>

**CITY OF FAIRFIELD, IL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	<u>General</u>	<u>TIF #1 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 312,615	\$ 1,023,364	\$ 978,710	\$ 2,314,689
Franchise tax	9,390	-	-	9,390
Sales tax	1,848,704	-	-	1,848,704
Income tax	799,418	-	-	799,418
Replacement tax	62,840	-	4,024	66,864
Motor fuel taxes	-	-	214,247	214,247
Telecommunication tax	50,706	-	-	50,706
Video gaming tax	58,800	-	-	58,800
Foreign fire tax	17,806	-	-	17,806
Pull tab tax	2,014	-	-	2,014
Licenses and permits	17,316	-	-	17,316
Fees and fines	54,892	-	-	54,892
Charges for services	914,635	-	23,585	938,220
Interest and investment income	52,277	9,703	65,058	127,038
Operating grants	90,706	-	7,202	97,908
Operating contributions	-	-	12,459	12,459
Capital grants	-	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	464,778	-	-	464,778
Total revenues	<u>4,756,897</u>	<u>1,033,067</u>	<u>1,305,285</u>	<u>7,095,249</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,270,704	-	-	1,270,704
Public safety	2,449,841	-	-	2,449,841
Social services	353,554	-	-	353,554
Transportation	1,023,463	-	46,928	1,070,391
Public works	490,577	874,586	363	1,365,526
Sanitation	315,110	-	-	315,110
Culture and recreation	57,903	-	142,289	200,192
Debt service:				
Principal	42,491	-	-	42,491
Interest	1,991	-	-	1,991
Capital outlay	636,571	-	-	636,571
Total expenditures	<u>6,642,205</u>	<u>874,586</u>	<u>189,580</u>	<u>7,706,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,885,308)</u>	<u>158,481</u>	<u>1,115,705</u>	<u>(611,122)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,986,343	-	-	2,986,343
Transfers out	<u>(21,666)</u>	<u>(195,986)</u>	<u>(202,152)</u>	<u>(419,804)</u>
Total other financing sources (uses)	<u>2,964,677</u>	<u>(195,986)</u>	<u>(202,152)</u>	<u>2,566,539</u>
Net change in fund balances	1,079,369	(37,505)	913,553	1,955,417
Fund balances - beginning	<u>(82,118)</u>	<u>1,039,400</u>	<u>2,199,579</u>	<u>3,156,861</u>
Fund balances - ending	<u>\$ 997,251</u>	<u>\$ 1,001,895</u>	<u>\$ 3,113,132</u>	<u>\$ 5,112,278</u>

**CITY OF FAIRFIELD, IL**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

Net change in fund balances - total governmental funds \$ 1,955,417

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlays	636,571	
Proceeds from sale of fixed assets	(13,094)	
Loss on sale of fixed assets	6,750	
Depreciation	<u>(640,775)</u>	<u>(10,548)</u>

Proceeds from debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.

Repayments	<u>42,491</u>	<u>42,491</u>
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Certain expenses reported in the other liabilities in the prior year are reported as expenditures in the governmental funds (payments on other liabilities)

156,000

Internal service funds are used by management to charge health insurance to individual funds. The change in net position of certain activities of internal service funds is reported with governmental activities.

(22,321)

Change in net position of governmental activities

\$ 2,121,039

**CITY OF FAIRFIELD, IL**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**APRIL 30, 2024**

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Electric Fund	Waterworks and Sewer Funds	Gas Fund	Totals
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,171,606	\$ 743,703	\$ 267,533	\$ 2,182,842
Restricted cash and cash equivalents	6,541,425	182,228	-	6,723,653
Inventory	-	18,586	-	18,586
Investments	68,773	-	19,173	87,946
Total current assets	7,781,804	944,517	286,706	9,013,027
Noncurrent assets:				
Capital assets, net of accumulated depreciation	4,241,971	19,473,333	317,155	24,032,459
Total noncurrent assets	4,241,971	19,473,333	317,155	24,032,459
Total Assets	\$ 12,023,775	\$ 20,417,850	\$ 603,861	\$ 33,045,486
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	\$ 208,046	\$ 17,071	\$ -	\$ 225,117
<b>LIABILITIES AND NET POSITION</b>				
Liabilities:				
Current liabilities:				
Utility tax payable	\$ 2,063	\$ -	\$ 1,534	\$ 3,597
Other liabilities	-	-	2,274	2,274
Bonds and notes payable	485,000	578,802	-	1,063,802
Total current liabilities	487,063	578,802	3,808	1,069,673
Noncurrent liabilities:				
Bonds and notes payable	6,324,133	4,750,669	-	11,074,802
Total noncurrent liabilities	6,324,133	4,750,669	-	11,074,802
Total liabilities	6,811,196	5,329,471	3,808	12,144,475
Net investment in capital assets	4,241,971	14,143,862	317,155	18,702,988
Restricted	6,541,425	182,228	-	6,723,653
Unassigned	(5,362,771)	779,360	282,898	(4,300,513)
Total net position	\$ 5,420,625	\$ 15,105,450	\$ 600,053	\$ 21,126,128
Total Liabilities and Net Position	\$ 12,231,821	\$ 20,434,921	\$ 603,861	\$ 97,227
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				35,808
Total net position of business-type activities				\$ 21,161,936

**CITY OF FAIRFIELD, IL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN NET POSITION – MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Electric Fund	Waterworks and Sewer Funds	Gas Fund	Totals
<b>Operating revenues:</b>				
Charges for services	\$ 8,707,617	\$ 3,377,031	\$ 2,492,995	\$ 14,577,643
Charges to other funds	-	-	-	955,513
Employee withholdings	-	-	-	106,950
Operating grants	-	-	-	-
Miscellaneous revenue	3,640	7,413	7,932	18,985
Total operating revenues	8,711,257	3,384,444	2,500,927	14,596,628
<b>Operating expenses:</b>				
Personal services	38,638	1,364,186	468,897	1,871,721
Support services	1,634,195	44,857	14,605	1,693,657
Contractual services	4,590,933	68,131	892,311	5,551,375
Utilities	5,849	371,099	9,889	386,837
Capital Outlay	-	132,795	-	132,795
Repairs and maintenance	-	168,442	35,524	203,966
Other supplies and materials	-	549,620	29,581	579,201
Insurance	3,780	61,547	21,887	87,214
Depreciation	533,479	1,147,387	54,562	1,735,428
Other	1,925	10,784	75	12,784
Total operating expenses	6,808,799	3,918,848	1,527,331	12,254,978
Operating income (loss)	1,902,458	(534,404)	973,596	2,341,650
<b>Nonoperating revenues (expenses):</b>				
Interest and investment income (expense)	18,638	3,048	2,373	24,059
Interest expense	(258,713)	(98,170)	-	(356,883)
Debt issuance costs	-	-	-	-
Transfers in	710,268	544,745	-	1,255,013
Transfers out	(2,523,876)	-	(1,241,298)	(3,765,174)
Total nonoperating revenue (expenses)	(2,053,683)	449,623	(1,238,925)	(2,842,985)
Change in net position	(151,225)	(84,781)	(265,329)	(501,335)
Total net position - beginning	5,571,850	15,190,231	865,382	132,559
Total net position - ending	\$ 5,420,625	\$ 15,105,450	\$ 600,053	\$ 97,227
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. Change in net position of business-type activities			(13,013)	\$ (514,348)

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

**CITY OF FAIRFIELD, IL**  
**STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Electric Fund	Waterworks and Sewer Funds	Gas Fund	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 8,711,257	\$ 3,384,444	\$ 2,500,467	\$ 14,596,168	\$ -
Receipts from interfund services provided	-	-	-	-	1,062,463
Payments to suppliers	(6,217,318)	(1,420,865)	(1,004,265)	(8,642,448)	-
Payments for claims	-	-	-	-	(1,099,169)
Payments to employees	(38,638)	(1,364,186)	(468,897)	(1,871,721)	-
Net cash provided by (used in) operating activities	2,455,301	599,393	1,027,305	4,081,999	(36,706)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	710,268	544,745	-	1,255,013	-
Transfers to other funds	(2,523,876)	-	(1,241,298)	(3,765,174)	-
Net cash provided by (used in) non-capital financing activities	(1,813,608)	544,745	(1,241,298)	(2,510,161)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(1,572,539)	(788,665)	(9,841)	(2,371,045)	-
Proceeds from capital debt	544,000	-	-	544,000	-
Principal paid on capital debt	(519,867)	(572,186)	-	(1,092,053)	-
Interest paid on capital debt	(258,713)	(98,170)	-	(356,883)	-
Net cash provided by (used in) capital and related financing activities	(1,807,119)	(1,459,021)	(9,841)	(3,275,981)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Redemption of investments	14,633	-	38,747	53,380	-
Interest	18,638	3,048	2,373	24,059	1,374
Net cash provided by investing activities	33,271	3,048	41,120	77,439	1,374
Net increase (decrease) in cash and cash equivalents	(1,132,155)	(311,835)	(182,714)	(1,626,704)	(35,332)
Balances - beginning of year	8,845,186	1,237,767	450,247	10,533,200	132,560
Balances - end of year	\$ 7,713,031	\$ 925,932	\$ 267,533	\$ 8,906,496	\$ 97,228
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss)	\$ 1,902,458	\$ (534,404)	\$ 973,596	\$ 2,341,650	\$ (36,706)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	533,479	1,147,387	54,562	1,735,428	-
Change in current assets and current liabilities:					
Advanced payments	-	-	(460)	(460)	-
Utility tax payable	159	-	(393)	(234)	-
Deferred charges on refunding	19,205	4,996	-	24,201	-
Other receipts (payments)	-	(18,586)	-	(18,586)	-
Net cash provided by operating activities	\$ 2,455,301	\$ 599,393	\$ 1,027,305	\$ 4,081,999	\$ (36,706)
Cash and cash equivalents per Statement of Net Position - Modified Cash Basis:					
Cash and equivalents	\$ 1,171,606	\$ 743,703	\$ 267,533	\$ 2,182,842	\$ 97,227
Restricted cash and cash equivalents	6,541,425	182,228	-	6,723,653	-
	\$ 7,713,031	\$ 925,931	\$ 267,533	\$ 8,906,495	\$ 97,227

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

**CITY OF FAIRFIELD, IL**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**APRIL 30, 2024**

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 163,253	\$ 26,158	\$ 189,411
Investments	6,167,781	116,218	6,283,999
Due from other funds	114,368	-	114,368
Other assets	22,234	-	22,234
Total assets	<u>\$ 6,467,636</u>	<u>\$ 142,376</u>	<u>\$ 6,610,012</u>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities:			
Due to others	\$ -	\$ 142,376	\$ 142,376
Total liabilities	<u>-</u>	<u>142,376</u>	<u>142,376</u>
Net position:			
Held in trust for pension benefits	<u>6,467,636</u>	<u>-</u>	<u>6,467,636</u>
Total net position	<u>6,467,636</u>	<u>-</u>	<u>6,467,636</u>
Total liabilities and net position	<u>\$ 6,467,636</u>	<u>\$ 142,376</u>	<u>\$ 6,610,012</u>



**CITY OF FAIRFIELD, IL**  
**STATEMENT OF CHANGES IN NET POSITION –**  
**MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 775,663
Plan members	92,111
Total contributions	<u>867,774</u>
Investment earnings:	
Interest	39,059
Dividends	10,227
Realized gain on sale of investments	0
Change in fair market value of investments	533,448
Net investment earnings	<u>582,734</u>
Total additions	<u>1,450,508</u>
<b>DEDUCTIONS</b>	
Benefits	591,675
Administrative expenses	15,339
Total deductions	<u>607,014</u>
Change in net position	843,494
Net position - beginning	<u>5,624,142</u>
Net position - end of year	<u><u>\$ 6,467,636</u></u>

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

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and presentation of the basic financial statements of the City of Fairfield, Illinois (City) have been prepared in conformity with the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

**A. Financial Reporting Entity**

The City operates under the Illinois Municipal Code, Chapter 65 of the Illinois Compiled Statutes. The City is governed by an elected mayor and an eight member council, which are elected by the voters of the City for four year terms. It provides the following services as authorized by statute: public safety and health; maintenance of highways and streets; culture and recreation; sanitation services; public works; social services; water distribution; waste water treatment; electric and gas distribution; and general administration.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

Based on the criteria stated above, the City has evaluated its potential component units and determined that the Fairfield Public Library and the Fairfield Area Development Commission are to be presented as blended component units. Blended component units are in substance part of the City’s operation and are reported with similar funds of the City. Separate financial statements for component units are not issued.

**B. Basis of Presentation**

The City’s basic financial statements consist of government-wide statements including the statement of net position and statement of activities and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements**

The government-wide focus is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The statement of net position and statement of activities display information about the City as a whole. These statements include financial activities of the primary government; fiduciary activities have been excluded. The effect of interfund activity has been removed from these statements. The government-wide statement of activities reflects both expenses and net cost of each function of the City’s governmental activities.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Concluded)

Government-wide Financial Statements (Concluded)

Program revenues include charges paid by a recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, such as property taxes, are presented as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each city function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Fund financial statements are provided for governmental, proprietary, and fiduciary funds. The emphasis of fund financial statements is on major governmental and proprietary funds; therefore each is displayed in a separate column. All remaining governmental and proprietary funds are aggregated and presented as nonmajor funds.

Governmental funds are used to account for all or most of a City's general activities, including the collection and disbursement of earmarked monies (special revenue funds).

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Operating revenues in the proprietary funds are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component units. The City's internal service fund accounts for a self-funded health insurance program which operates on a cost-reimbursement basis. Although the City's internal service fund is reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. As such, fiduciary funds are not reported in the City-wide statements. The City's fiduciary funds include the Police and Firemen Pension Funds, as well as the Meter Deposits and Recreation Funds, which are presented as agency funds.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus**

The government-wide statements report using the economic resources measurement focus. Proprietary and fiduciary fund financial statements also report using this same focus.

Governmental fund financial statements report using the current financial resources measurement focus. Since the governmental fund financial statements are presented on a different measurement focus than the government-wide statements (due mainly to inclusion of capital assets and long-term debt activity in the government-wide presentation), a reconciliation is presented, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

**Basis of Accounting**

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The City maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. The investments are valued at fair value, which is a departure from the modified cash basis of accounting. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from long-term debt borrowings are included as other financing sources on the fund financial statements on the date received.

Operating revenue reported in proprietary fund financial statements includes revenue and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The City reports the following major enterprise funds:

The Electric Fund is used to account for revenues and expenses associated with providing electric services to the City.

The Waterworks and Sewer Funds are used to account for the revenues and expenses associated with providing water and sewer services to the City.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus (Concluded)

The Gas Fund is used to account for revenues and expenses associated with providing gas services to the City.

D. Budgets

The City adopts its budget in accordance with the modified cash basis of accounting. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

E. Deposits and Investments

The City's investments include broker-held money market accounts, certificates of deposit, variable annuity contracts, equities, mortgage-backed securities, corporate bonds, municipal securities, and mutual funds. These investments are held by the City's General, Electric, Gas, Waterworks and Sewer, Meter, Library, Police Pension and Firemen's Pension Funds and, with the exception of the broker-held money market accounts and certificates of deposit, are recorded at fair value. The money market and certificates of deposits are recorded at cost, which approximates market value. The gains or losses on the sale of these investments are recognized upon realization. Market adjustments for these investments are recorded in the investment earnings in the current period. The fair value adjustments are based on quoted market prices at April 30, 2024 in actively traded markets.

F. Due To and Due from Other Funds

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. Inter-fund receivable and payables are eliminated on the government-wide statements, when related to the Primary Government. Certain instances may arise where an inter-fund receivable or payable exists between the governmental and business-type entities. These amounts are not eliminated on the government-wide statements, but are presented as internal balances.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as individual assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two years or more. Such assets are recorded at historical costs if purchased or constructed, except for property, plant, and equipment acquired for which historical cost was not available, and are valued based on estimated historical cost at that date.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Concluded)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	40 – 50
Electric System	25 – 30
Water and Sewer System	33 – 40
Gas System	33
Machinery and Equipment	5 – 20
Vehicles	5 – 10
Infrastructure	20 – 50

H. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick leave benefits up to a maximum determined by bargaining unit agreements. Unused sick leave is not paid on termination. All vacation for employees covered by bargaining unit agreements is to be used in the current period, other employees are permitted to carry over one week's vacation.

I. Bonds and Related Premiums, Discounts, and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs, are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums and discounts received on debt issuance are also reported as other financing sources/(uses). Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

J. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to future periods and thus, will not be recognized as an outflow of resources (expenditure) until then.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows of Resources (Concluded)

The City has deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

K. Fund Balance/Net Position

Government-wide Statements

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

Fund Financial Statements

Fund balance is the difference between assets and liabilities in a governmental fund. The City reports a governmental fund’s fund balance into the following classifications:

**Non-spendable** includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements. Examples are inventories, notes receivable, and funds held in trust. Only the Economic Development fund carries a non-spendable balance.

**Restricted** includes amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors, creditors, or donors. The General, TIF #1, Motor Fuel Tax, Economic Development, Library and Business District funds carry a restricted balance.

**Committed** includes amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. The City Council is the highest level of decision-making authority for the City. No funds carried a committed balance in fiscal year 2024.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Balance/Net Position (Concluded)

**Assigned** includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only City Council may assign amounts for specific purposes. No funds carried an assigned balance in fiscal year 2024.

**Unassigned** includes all amounts not included in other spendable classifications. The General fund carries an unassigned balance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When an expenditure for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Proprietary fund equity is classified in the same categories and manner as the government-wide statements.

L. Property Taxes

The City's property tax is levied each calendar year on all taxable real property located in the City. The City must file its tax levy by the last Tuesday of December each year. Property taxes attach as an enforceable lien on property as of January 1. Taxes are generally payable in two installments between the months of October and December. Property taxes are billed and collected by the Wayne County Treasurer, who then remits property taxes collected to the City. The current financial statements reflect property taxes that were levied in December 2022 and collected between November 2023 and March 2024 in revenues.

M. Related Party Transactions

There were no material related party transactions with the City officials or employees during the year ended April 30, 2024.

N. Use of Estimates

The preparation of the basic financial statements in conformity with the modified cash basis of accounting requires City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and/or amounts of reported revenues and expenditures during the reporting period. Actual results could differ from those estimates.



**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

**O. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City considers all checking, savings, and money market accounts, which are highly liquid investments to be cash.

**P. Date of Management's Review**

Management has evaluated subsequent events through December 19, 2024, the date which the financial statements were available to be issued.

**NOTE 2: CASH AND INVESTMENTS**

The City's cash deposits consist of checking, savings accounts, money market accounts, and non-negotiable certificate of deposits, which are recorded as investment. These deposits are stated at cost, which approximates market. The City is authorized by state statute to invest in obligations of the U.S. Treasury, agencies, instrumentalities, commercial paper noted within the three highest classifications by at least two standard rating services, obligations of state and their political subdivisions, savings accounts, credit union shares, and Illinois Public Treasurer's Investment Pool or such other officially recognized Illinois funds.

**Cash Deposits**

At April 30, 2024 the carrying amount of the City's government-wide, fiduciary, and internal service cash deposits were \$13,270,794, \$189,411 and \$97,227, respectively. The City's government-wide, fiduciary, and internal service bank balances as of April 30, 2024 were \$12,497,606, \$200,927 and \$107,216, respectively. Of the total bank balances as of April 30, 2024, \$1,550,057 was secured by federal depository insurance and \$11,255,692 was collateralized by securities pledged by the City of Fairfield's financial institutions in the name of the City. This includes petty cash and cash on hand amounts of \$4,322.

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's investment policy requires funds in excess of FDIC limits to be secured by some form of collateral with the financial institution. As of April 30, 2024, \$11,255,692 of the City's bank balance of \$12,805,749 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the City's name	\$ <u>11,255,692</u>
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**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**Investments and Investment Custodial Credit Risk**

The City invests excess cash into brokered certificates of deposits, non-negotiable certificates of deposit, variable annuity contracts, government-secured bonds, mortgage-backed securities, corporate bonds, municipal securities, and mutual funds. The City records its investments at fair value using unadjusted quoted prices in active markets for identical assets and liabilities.

At April 30, 2024, the carrying amount and financial institution balance of the City's government-wide and fiduciary investments were \$738,809 and \$6,283,999, respectively. The carrying amount is as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Brokered certificates of deposit	\$ 24,060
Non-negotiable certificates of deposit	616,790
Variable annuity contracts	1,481,844
Broker-held money market	21,303
Mutual funds	149,915
Mortgage-backed securities	377
Corporate bonds	64,250
Municipal securities	4,664,269
	<u>\$ 7,022,808</u>

At April 30, 2024, investments include \$4,664,629 of pooled investments that are managed by the State of Illinois.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for investment custodial credit risk. As of April 30, 2024, the City's investments were exposed to custodial credit risk as follows:

Investment securities held by counterparty	\$ <u>6,461,312</u>
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**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates. The City utilizes third-party investment advisors to manage its exposure to fair value losses.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 2: CASH AND INVESTMENTS (CONCLUDED)**

Investments and Investment Custodial Credit Risk (Concluded)

Investments as of April 30, 2024 are summarized below:

Investment Type	Fair Value	Weighted Average Maturity in Years
Brokered certificates of deposit	\$ 24,060	1.41
Non-negotiable certificates of deposit	616,790	0.90
Variable annuity contracts	1,481,844	17.60
Broker-held money market	21,303	N/A
Mutual funds	149,915	N/A
Mortgage-backed securities	377	7.05
Corporate bonds	64,250	6.08
Municipal securities	4,664,269	N/A
	\$ 7,022,808	

Credit Risk of Debt Securities

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligations to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure. State law limits investments in corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Other investments are invested as permitted by the Illinois Pension Code of the Illinois Compiled Status. Foreign currency risk, the risk that changes in exchange rates will adversely affect the fair value of an investment, is expected to be minor based on investment allocations. At April 30, 2024, the City did not maintain any investments below the required investment grades.

**NOTE 3: COMMON BANK ACCOUNT**

The City pools the cash balances from certain funds not required to be maintained in separate accounts. Separate bank accounts are not maintained for all of the City's funds. The City maintains accounting records to show the portion of the common bank account balance attributable to each participating fund.

Occasionally, certain funds participating in the common bank account may incur an overdraft (deficit) in the account. The overdraft results from expenditures which have been approved by the City. If this occurs, the overdraft constitutes an unauthorized inter-fund loan since the Council did not authorize it by a resolution. Each April, the City passes a resolution to accept overdrafts that occurred during the year.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 4: LOANS RECEIVABLE**

In order to stimulate industrial and economic growth, The City has issued loans to local businesses and residents for capital improvements and construction. The following is an analysis of the loans outstanding, net of reserve for bad debt at April 30, 2024:

**Economic Development Loans**

Interest rates varying from 2% to 3%, with maturities in 10 years, with equal principal and interest payments, 12 loans.

\$ 277,808

Activity on the above loans was as follows:

	Economic Development
Loans receivable - May 1, 2022	<u>\$ 285,639</u>
New loans added	45,000
Principal payments	(52,831)
Loans receivable - April 30, 2023	<u><u>\$ 277,808</u></u>

The five year maturity summary of the above loans is as follows:

Year Ended April 30,	Principal	Interest	Total
2025	\$ 50,551	\$ 9,334	\$ 59,885
2026	48,823	7,755	56,577
2027	45,874	6,344	52,218
2028	34,254	4,932	39,186
2029- 2034	98,307	6,796	105,102
Total	<u><u>\$ 277,808</u></u>	<u><u>\$ 35,161</u></u>	<u><u>\$ 312,969</u></u>

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 5: CHANGES IN CAPITAL ASSETS**

The following is a summary of changes in capital assets:

**Governmental Activities**

General Government	Balance May 01, 2023	Additions	Deletions	Transfers	Balance April 30, 2024
Assets not depreciated:					
Land	\$ 582,655	\$ 36,894	\$ -	\$ -	\$ 619,549
Construction in Progress	5,000	267,033	-	-	272,033
Assets depreciated:					
Infrastructure	14,009,584	208,011	-	-	14,217,595
Buildings	3,208,648	-	-	(703,002)	2,505,646
Equipment	3,886,386	124,633	(32,388)	(482,615)	3,496,016
Total Capital Assets	21,692,273	636,571	(32,388)	(1,185,617)	21,110,839
Less: Accumulated Depreciation	(15,734,534)	(605,089)	25,637	804,027	(15,509,959)
Capital Assets, net	<u>\$ 5,957,739</u>	<u>\$ 31,482</u>	<u>\$ (6,751)</u>	<u>\$ (381,590)</u>	<u>\$ 5,600,880</u>

Motor Fuel Tax	May 01, 2023	Additions	Deletions	Transfers	April 30, 2024
Assets not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Assets depreciated:					
Infrastructure	683,493	-	-	-	683,493
Buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Total Capital Assets	683,493	-	-	-	683,493
Less: Accumulated Depreciation	(48,841)	(17,087)	-	-	(65,928)
Capital Assets, net	<u>\$ 634,652</u>	<u>\$ (17,087)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 617,565</u>

Library	May 01, 2023	Additions	Deletions	Transfers	April 30, 2024
Assets not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Assets depreciated:					
Infrastructure	-	-	-	-	-
Buildings	-	-	-	703,002	703,002
Equipment	-	-	-	482,615	482,615
Total Capital Assets	-	-	-	1,185,617	1,185,617
Less: Accumulated Depreciation	-	(18,599)	-	(804,027)	(822,626)
Capital Assets, net	<u>\$ -</u>	<u>\$ (18,599)</u>	<u>\$ -</u>	<u>\$ 381,590</u>	<u>\$ 362,991</u>

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 5: CHANGES IN CAPITAL ASSETS (CONTINUED)**

Electric System	Balance May 01, 2023	Additions	Deletions	Transfers	Balance April 30, 2024
Assets not depreciated:					
Land	\$ 546,007	\$ -	\$ -	\$ -	\$ 546,007
Assets depreciated:					
Electric System	7,348,825	1,572,539	-	-	8,921,364
Equipment	24,785	-	-	-	24,785
Total Capital Assets	7,919,617	1,572,539	-	-	9,492,156
Less: Accumulated Depreciation	(4,716,706)	(533,479)	-	-	(5,250,185)
Capital Assets, net	<u>\$ 3,202,911</u>	<u>\$ 1,039,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,241,971</u>

Waterworks and Sewer System	Balance May 01, 2023	Additions	Deletions	Transfers	Balance April 30, 2024
Assets not depreciated:					
Land	\$ 352,472	\$ -	\$ -	\$ -	\$ 352,472
Construction in Progress	1,020,728	-	-	(1,020,728)	-
Assets depreciated:					
System	38,532,713	788,665	-	1,020,728	40,342,106
Equipment	1,173,164	-	-	-	1,173,164
Total Capital Assets	41,079,077	788,665	-	-	41,867,742
Less: Accumulated Depreciation	(21,247,022)	(1,147,387)	-	-	(22,394,409)
Capital Assets, net	<u>\$ 19,832,055</u>	<u>\$ (358,722)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,473,333</u>

Gas System	Balance May 01, 2023	Additions	Deletions	Transfers	Balance April 30, 2024
Assets not depreciated:					
Land	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Assets depreciated:					
Gas System	1,780,810	9,841	-	-	1,790,651
Equipment	67,179	-	-	-	67,179
Total Capital Assets	1,848,989	9,841	-	-	1,858,830
Less: Accumulated Depreciation	(1,487,113)	(54,562)	-	-	(1,541,675)
Capital Assets, net	<u>\$ 361,876</u>	<u>\$ (44,721)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,155</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities**

General Government	\$ 13,538
Public Safety	156,775
Social Services	17,020
Transportation	341,538
Public Works	76,218
Culture and Recreation	18,599
Motor Fuel Tax	17,087
Total	<u>\$ 640,775</u>

**Business-Type Activities**

Electric Fund	\$ 533,479
Waterworks/Sewer Fund	1,147,387
Gas Fund	54,562
Total	<u>\$ 1,735,428</u>

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 6: RESTRICTED ASSETS – BUSINESS-TYPE ACTIVITIES**

Governmental Activities

At April 30, 2024, the City maintained restricted cash and investments for the following purposes:

	General Fund	Total
Restricted for purpose	<u>\$ 84,189</u>	<u>\$ 84,189</u>

Business-Type Activities

At April 30, 2024, the City maintained restricted cash and investments for the following purposes:

	Electric Fund	Waterworks and Sewer Fund	Total
Restricted for debt services	<u>\$ 6,541,425</u>	<u>\$ 182,228</u>	<u>\$ 6,723,653</u>

**NOTE 7: UNEARNED REVENUE**

The City allows for advance payments of utility services by residents. The City maintains these advanced payments as unapplied cash in the General Fund until they are earned by one of the proprietary funds. The balance of the account was \$66,324 as of April 30, 2024.

**NOTE 8: FUND EQUITY**

The City's non-spendable fund balance consisted of notes receivable from its Economic Development fund totaling \$277,808 at April 30, 2024.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 8: FUND EQUITY (CONCLUDED)**

During the fiscal year ended April 30, 2024, the City had the following Governmental Fund Restricted fund balances:

a. Restricted

Fund	Amount
General Fund:	
Foreign Fire	\$ 10,754
DARE	-
Police Drug	58,715
	<hr/>
Total General Fund	69,469
	<hr/>
TIF #1	1,001,895
	<hr/>
NonMajor Governmental Funds:	
Motor Fuel Tax	961,188
Economic Development	187,034
Police Dept. ADA Grant	-
Library	685,722
Business District	1,001,380
	<hr/>
Total NonMajor Governmental Funds	2,835,324
	<hr/>
Total Restricted Funds	\$ 3,906,688
	<hr/> <hr/>

**NOTE 9: PENSION PLANS**

**Illinois Municipal Retirement Fund**

Plan Description

The City's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).



**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Illinois Municipal Retirement Fund(Continued)**

**Benefits Provided**

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

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

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

**Employees Covered by Benefit Terms**

As of December 31, 2023, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries Currently Receiving Benefits	82
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	<u>46</u>
	<u>133</u>

**Contributions**

As set by statute, the City's Regular Plan Members are required to contribute 4.50% 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.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Illinois Municipal Retirement Fund(Continued)**

**Contributions (Concluded)**

The City's annual contribution rate for calendar year 2023 and 2022 were 6.00% and 10.15%, respectively. For the fiscal year ended April 30, 2024, the City contributed \$177,300 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Police Pension Plan**

**Plan Description**

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer plan, the defined benefits and employee and employer contributions levels are governed by Illinois State Statutes (Chapter 40 1/2 Article 3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. For fiscal year ending April 30, 2024, the employer and employee contributions made were \$471,066 and \$65,996, respectively. The City's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2024 was \$634,276.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. Employees disabled in the performance of an act of duty are entitled to a pension equal to the greatest of 65% of the salary attached to their rank held at the date of suspension of duty or retirement pension that the employee would be eligible to receive if he or she retired. If the disability occurs while not in performance of an act of duty, the employee is entitled to a pension of 50% of the salary attached to their rank at the date of suspension of duty or retirement. Subject to certain requirements, surviving spouse may receive up to 100% of the monthly retirement pensions to which the employee was entitled.

The monthly pension of a police officer who retires after January 1, 1986, shall be increased, upon either the first of the month following the first anniversary of the date of retirement if the officer is 55 years of age or over, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement, by 1/12 of 3% of the originally granted pension for each full month that has elapsed since the pension began, and by an additional 3% of the originally granted pension in January of each year thereafter.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police Pension Plan(Concluded)**

**Plan Description**

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest.

**Firemen's Pension Plan**

**Plan Description**

Fire sworn personnel are covered by the Firemen's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois State Statutes (Chapter 40 1/2 - Pensions - Article 4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. For fiscal year ending April 30, 2024, the employer and employee contributions made were \$218,646 and \$26,115, respectively. The City's payroll for employees covered by the Firemen's Pension Plan for the year ended April 30, 2024 was \$276,205.

The Firemen's Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. Employees disabled in the performance of an act of duty are entitled to a pension equal to the greatest of 65% of the salary attached to their rank held at the date of suspension of duty or retirement pension that the employee would be eligible to receive if he or she retired. If the disability occurs while not in performance of an act of duty, the employee is entitled to a pension of 50% of the salary attached to their rank at the date of suspension of duty or retirement. Subject to certain requirements, surviving spouse may receive up to 100% of the monthly retirement pensions to which the employee was entitled.

The monthly pension of a firefighter who retires after January 1, 1986, shall, upon either the first of the month following the first anniversary of the date of retirement if 55 years of age or over, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement, be increased by 1/12 of 3% of the originally granted monthly pension for each full month that has elapsed since the pension began, and by an additional 3% in each January.

Covered employees are required to contribute 9.455% of their salary to the Firemen's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 9: PENSION PLANS (CONCLUDED)**

**Social Security**

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund (IMRF) are considered “non-participating employees”. These employees and those qualifying for coverage under the IMRF are covered under Social Security. The City paid the total required contribution for the current fiscal year.

**Aggregate Disclosure of Pension Expense/Expenditure**

The City contributed \$1,108,082 in aggregate for IMRF, Police, Fire and Social Security for the year ended April 30, 2023.

**NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS**

**Cobra Benefits**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium and, if applicable, a 2% administration fee, is paid in full by the insured each month. This program is offered for a duration of 18 months after termination date and is subject to extension. There is no associated cost to the City under this Program.

**Other Postemployment Healthcare Benefits**

The City provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.’s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

**Plan Description**

The City provides continued health insurance coverage at the blended employer rate to all eligible City retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The City offers the health insurance plan to full-time IMRF employees. Retirees pay the full cost of coverage. Eligible spouse or dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The spouse or dependent is responsible for the full cost of the coverage.

**Contributions**

There were no contributions paid to the plan during the fiscal year ended April 30, 2024.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

A. Grant Audit – The City receives grant funds from various Federal and State agencies during the normal course of operations. These grants are subject to review and audit by agents of the appropriate federal or state agency, the purpose of which is to ensure compliance with conditions precedent to the granting of the funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

B. Litigation – The City is party to various legal proceedings which normally occur in governmental operations. These proceedings, in the opinion of various counsels which the City utilizes, are not likely to have any material impact on the affected funds of the City.

**NOTE 12: LONG-TERM DEBT**

Governmental Funds

On August 29, 2016, the City entered into a loan agreement with the Illinois Finance Authority for the purchase of a new fire truck for \$350,000. The loan is secured by the equipment being purchased. The City will make loan payments from any legally available funds. The loan bears a zero percent interest rate and is due in annual installments of \$17,500 beginning November 1, 2017 and maturing on November 1, 2035.

On October 7, 2019, the City entered into a loan agreement with Ally Financial Bank for the purchase of a new dump truck for \$60,153. The loan is secured by the equipment being purchased. The City will make loan payments from any legally available funds. The loan bears a 5.34 percent interest rate and is due in annual installments of \$16,231 beginning October 22, 2019. This loan matured on October 22, 2022.

On October 3, 2019, the City entered into a loan agreement with Fairfield National Bank for the purchase of a new backhoe for \$74,278. The loan is secured by the equipment being purchased. The City will make loan payments from any legally available funds. The loan bears a 4.5 percent interest rate and is due in annual installments of \$26,605 beginning October 3, 2020 and maturing on October 3, 2026.

On July 2, 2020, the City entered into a loan agreement with Fairfield National Bank for the purchase of a new Kubota for \$67,275. The loan is secured by the equipment being purchased. The City will make loan payments from any legally available funds. The loan bears a 2.25 percent interest rate and is due in annual installments of \$14,377 beginning July 2, 2021 and maturing on July 2, 2025.

Business-Type Activities

In June, 1999, the City entered into a loan agreement with the Illinois Environmental Protection Agency for the purpose of constructing a new water tower, booster station, and related water lines. The loan is to be repaid from revenues generated from the waterworks system. During the fiscal year ended April 30, 2017, the loan was advanced refunded through the issuance of General Obligation Bonds, Series 2016.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Business-Type Activities (Continued)**

In June, 2002, the City entered into a loan agreement with the Illinois Environmental Protection Agency for the purposes of expanding and upgrading the City's sanitary sewer system.

The loan is to be repaid from revenues generated from the sewer system. During the fiscal year ended April 30, 2017, the loan was advanced refunded through the issuance of General Obligation Bonds, Series 2016.

On February 7, 2008, the City issued \$1,975,000 in general obligation waterworks and sewerage bonds for the acquisition, construction, and installation of a new water intake and pump station, as well as the property acquisition and design of a new water treatment plant. The bonds are to be repaid from pledged revenues from the waterworks and sewer systems, the City's share of State Income Taxes, and ad valorem taxes levied on all taxable property in the City. The bonds rate of interest range from 4% to 5.25% with principal payments due annually beginning December 1, 2009 and interest payments due semiannually with payments beginning December 1, 2008. During the fiscal year ended April 30, 2017, the bonds were partially advanced refunded through the issuance of General Obligation Bonds, Series 2016.

On September 23, 2011, the City entered into a loan agreement with the Illinois Environmental Protection Agency, Bureau of Water Infrastructure Financial Assistance Section for \$8,799,641 for the purposes of constructing a new water treatment plant. Under the provisions of the loan, upon completion, \$2,199,911 of the loan amount was forgiven by the agency. The loan is to be repaid from revenues generated from the waterworks system. The loan carries an interest rate of 1.25% with payments due semi-annually in equal installments of \$188,371 beginning December 19, 2014. The loan matures December 19, 2033.

In August, 2012, the City entered into a loan agreement with the Illinois Environmental Protection Agency for \$2,776,480 for the purpose of designing and construction a new raw water intake and new water line for the waterworks system. Under the provisions of the loan, upon completion, \$694,120 of the loan was forgiven by the agency. The loan is to be repaid from revenues generated from the waterworks system. The loan carries an interest rate of 2.295% with payments due semi-annually in equal installments of \$68,803, beginning December 1, 2014. The loan matures December 1, 2033.

On March 17, 2015, the City issued \$8,960,000 in general obligation bonds as an advanced refunding of the Series 2003 Electric System Revenue Bonds. Proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$9,060,000 of the Series 2003 revenue bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$430,150. This amount is reflected as a deferred outflow and is being amortized over the remaining life of the refunded debt which is the same life as the new debt issued. The bonds are to be repaid from the revenues generated by the electric system. The bonds rate of interest ranges from 2% to 4% with annual principal payments beginning December 1, 2018. Interest payments are due semiannually beginning June 1, 2015. The bonds mature on December 1, 2034.

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Business-Type Activities (Concluded)**

On September 29, 2016, the City issued \$2,230,000 in general obligation bonds as an advanced refunding of the City's previously outstanding debt obligations. Proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$1,245,000 of the Series 2008 general obligation bonds, \$243,244 of the water tower loan, and \$602,010 of the sewer line loan. The reacquisition price exceeded the net carrying amount of the old debt by \$75,469.

This amount is reflected as a deferred outflow and is being amortized over the remaining life of the refunded debt which is the same life as the new debt issued. The bonds are to be repaid from the revenues generated by the waterworks system, City's share of state sales tax, and an ad valorem taxes on all taxable property within the City. The bonds rate of interest ranges from 2% to 2.35% with annual principal payments beginning December 1, 2016 and semiannual interest payments beginning December 1, 2016. The bonds mature on December 1, 2027.

On May 4, 2023, the City received a USDA RDLG loan in the amount of \$544,000 for AMI Smart Meters they will be installing. The loan is an interest free loan that requires monthly loan payments of \$4,533 for ten years. This loan is secured by a Letter of Credit issued by a local financial institution to the City

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended April 30, 2024:

	Payable at May 01, 2023	Additions	Reductions	Payable at April 30, 2024
<b>Governmental Activities</b>				
Fire Truck Note Payable	\$ 245,000	\$ -	\$ (17,500)	\$ 227,500
Back Hoe Lease Payable	23,605	-	(11,543)	12,062
Kubota Lease Payable	41,260	-	(13,448)	27,812
	<u>\$ 309,865</u>	<u>\$ -</u>	<u>\$ (42,491)</u>	<u>\$ 267,374</u>
<b>Business-type Activities</b>				
USDA RDLG Loan	\$ -	\$ 544,000	\$ (49,868)	\$ 494,132
GO Bond Series 2015	6,785,000	-	(470,000)	6,315,000
GO Refunding Series 2016	710,000	-	(135,000)	575,000
Water Intake and Water Line	1,331,017	-	(107,674)	1,223,343
Water Treatment Plant	3,860,640	-	(329,511)	3,531,129
	<u>\$ 12,686,657</u>	<u>\$ 544,000</u>	<u>\$ (1,092,053)</u>	<u>\$ 12,138,604</u>

**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 12: LONG-TERM DEBT (CONCLUDED)**

**Interest Expense**

Interest expense on long-term debt of \$358,874 was reported as a direct expense in the governmental and business-type activities on the government-wide statements.

Annual debt service requirements to maturity for general notes payable are as follows:

Fiscal Year	Governmental Activities		Total Funds
	Principal	Interest	Required
2025	43,313	2,661	45,974
2026	31,560	1,876	33,436
2027-2029	52,500	3,481	55,981
2030-2034	87,500	-	87,500
2035-2037	52,501	-	52,501
Total	<u>\$ 267,374</u>	<u>\$ 8,018</u>	<u>\$ 275,392</u>

Annual debt service requirements to maturity for business-type notes payable are as follows:

Fiscal Year	Business-type Activities		Total Funds
	Principal	Interest	Required
2025	1,118,198	309,130	1,427,328
2026	1,149,924	285,018	1,434,942
2027-2029	3,441,252	697,298	4,138,550
2030-2034	5,749,230	603,168	6,352,398
2035-2037	680,000	27,200	707,200
Total	<u>\$ 12,138,604</u>	<u>\$ 1,921,814</u>	<u>\$ 14,060,418</u>

**NOTE 13: LEGAL DEBT MARGIN**

The City is limited in the amount of long-term debt it may carry. The authorized debt limitation is based upon 65 ILCS 5/8-5-1, which states in part that no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness, in the aggregate exceeding 8.625% on the value of the taxable property therein. As of April 30, 2024, the total equalized assessed valuation of the City of Fairfield is \$47,189,105. The legal debt limitation of the City is \$4,070,060 with non-exempt debt outstanding of \$267,374 for a legal debt margin of \$3,802,687 as of April 30, 2024.

**NOTE 14: INTERFUND LOANS**

There were no interfund loans at April 30, 2024.



**CITY OF FAIRFIELD, IL**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2024**

**NOTE 15: INTERFUND TRANSFERS**

Interfund transfers which occurred during the year ended April 30, 2024 are as follows:

Fund	Transfers In	Transfers Out
General	\$ 2,986,343	\$ 21,666
TIF #1	-	195,986
TIF #2	-	-
Electric	710,268	2,523,876
Gas	-	1,297,676
Waterworks and Sewer	544,745	-
Non-major governmental	-	202,152
	\$ 4,241,356	\$ 4,241,356

The interfund transfers were made during the year to eliminate deficit balances and allocate grant funds from the General Fund for reimbursement of expenditures related to the grants.

**NOTE 16: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year. Claims have not exceeded coverage in either of the two previous years.

Self-Insured Health Plan – The City is self-insured for employee health insurance. The City has established an internal service fund to account for the employee health insurance. Each participating fund makes payments to the self-insurance fund for premiums and claims of the City’s employees. The City has contracted with third party administrators to administer the employee health insurance program and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop loss coverage to limit the City’s exposure to losses. The City is self-insured for \$50,000 per individual per year with an aggregate specific stop loss of \$100,000.

COMPLIANCE  
SECTION



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

To the Mayor and  
City Council  
City of Fairfield, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the City of Fairfield, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Fairfield, Illinois' basic financial statements and have issued our report thereon dated December 19, 2024. Our report on the financial statements disclosed that the City prepares its financial statements in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This is described in Note 1 to the financial statements.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as 2024-001 that we consider to be material weakness.

To the Mayor and  
City Council  
City of Fairfield, Illinois

### **Report on Compliance and Other Matters**

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

### **City of Fairfield, Illinois' Response to Findings**

The City of Fairfield, Illinois' responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City of Fairfield, Illinois' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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



Kemper CPA Group LLP  
Certified Public Accountants and Consultants

December 19, 2024  
Evansville, Indiana

**CITY OF FAIRFIELD, IL  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED APRIL 30, 2024**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

2024-001      Unable to prepare financial statement footnotes

Deficiency: The City does not have at least one employee who is trained in preparing the footnotes to the financial statements in accordance with the modified cash basis of accounting.

Criteria: The City personnel do not possess the necessary accounting expertise to prevent, detect, or correct potential omissions in the footnotes to the financial statements.

Effect: In absence of the necessary experience or knowledge, the City cannot properly prepare the notes to the financial statements due to increased potential for omissions, which could be material to the financial statements, which the City would not be able to prevent, detect, or correct timely.

Cause: The City's personnel have not obtained the necessary knowledge or experience to prepare the notes to the financial statements in accordance with the modified cash basis of accounting.

Recommendation: The City should provide the necessary training to personnel or contract with an independent contractor with the knowledge to properly prepare the notes to the financial statements.

Management's Response: Management does not intend to correct this finding. The City does not feel that the finding has any impact on the ability of the City to properly record or process financial transactions.

SUPPLEMENTARY  
INFORMATION

**CITY OF FAIRFIELD, IL**  
**COMBINING BALANCE SHEET – MODIFIED CASH BASIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**APRIL 30, 2024**

	Special Revenue Funds				Nonmajor
	Motor Fuel Tax	Economic Development	Library	Business District	Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 961,188	\$ 187,034	\$ 56,941	\$ 1,001,380	\$ 2,206,543
Investments	-	-	628,781	-	628,781
Notes receivable, net of allowance of \$0	-	277,808	-	-	277,808
Total assets	<u>\$ 961,188</u>	<u>\$ 464,842</u>	<u>\$ 685,722</u>	<u>\$ 1,001,380</u>	<u>\$ 3,113,132</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES</b>					
Fund balances:					
Non-spendable	\$ -	\$ 277,808	\$ -	\$ -	\$ 277,808
Unassigned	-	-	-	-	-
Restricted	961,188	187,034	685,722	1,001,380	2,835,324
Total fund balances	<u>961,188</u>	<u>464,842</u>	<u>685,722</u>	<u>1,001,380</u>	<u>3,113,132</u>
Total liabilities and fund balances	<u>\$ 961,188</u>	<u>\$ 464,842</u>	<u>\$ 685,722</u>	<u>\$ 1,001,380</u>	<u>\$ 3,113,132</u>

**CITY OF FAIRFIELD, IL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Motor Fuel Tax	Economic Development	Library	Business District	
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 66,787	\$ 911,923	\$ 978,710
Replacement tax	-	-	4,024	-	4,024
Motor fuel tax	214,247	-	-	-	214,247
Charges for services	-	-	23,585	-	23,585
Interest income	9,885	10,802	23,154	21,217	65,058
Operating grant	-	-	7,202	-	7,202
Operating contributions	-	-	12,459	-	12,459
Miscellaneous	-	-	-	-	-
Total revenues	<u>224,132</u>	<u>10,802</u>	<u>137,211</u>	<u>933,140</u>	<u>1,305,285</u>
<b>EXPENDITURES</b>					
Current:					
Transportation	46,928	-	-	-	46,928
Public works	-	-	-	363	363
Culture and recreation	-	-	142,289	-	142,289
Total expenditures	<u>46,928</u>	<u>-</u>	<u>142,289</u>	<u>363</u>	<u>189,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>177,204</u>	<u>10,802</u>	<u>(5,078)</u>	<u>932,777</u>	<u>1,115,705</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	(202,152)	-	-	-	(202,152)
Total other financing sources (uses)	<u>(202,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,152)</u>
Net change in fund balances	(24,948)	10,802	(5,078)	932,777	913,553
Fund balances - beginning	<u>986,136</u>	<u>454,040</u>	<u>690,800</u>	<u>68,603</u>	<u>2,199,579</u>
Fund balances - ending	<u>\$ 961,188</u>	<u>\$ 464,842</u>	<u>\$ 685,722</u>	<u>\$ 1,001,380</u>	<u>\$ 3,113,132</u>



**CITY OF FAIRFIELD, IL**  
**COMBINING STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**APRIL 30, 2024**

	Pension Trust Funds		Total
	Fire	Police	Pension Trust
	Pension	Pension	Funds
<b>ASSETS</b>			
Cash and equivalents	\$ 37,551	\$ 125,702	\$ 163,253
Investments	2,955,357	3,212,424	6,167,781
Due from other funds	29,527	84,841	114,368
Other assets	-	22,234	22,234
Total assets	<u>\$ 3,022,435</u>	<u>\$ 3,445,201</u>	<u>\$ 6,467,636</u>
<b>FUND BALANCES</b>			
Fund balances:			
Restricted	<u>\$ 3,022,435</u>	<u>\$ 3,445,201</u>	<u>\$ 6,467,636</u>
Total fund balances	<u>3,022,435</u>	<u>3,445,201</u>	<u>6,467,636</u>
Total fund balances	<u>\$ 3,022,435</u>	<u>\$ 3,445,201</u>	<u>\$ 6,467,636</u>

**CITY OF FAIRFIELD, IL**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION –**  
**MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	Pension Trust Funds		Total Pension Trust Funds
	Fire Pension	Police Pension	
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 218,646	\$ 471,066	\$ 689,712
Plan members	26,115	65,996	92,111
Transfer from other municipalities	-	85,951	85,951
Total contributions	<u>244,761</u>	<u>623,013</u>	<u>867,774</u>
Investment earnings:			
Interest	19,866	19,193	39,059
Dividends	10,227	-	10,227
Realized gain on sale of investments	-	-	-
Change in fair market value of investments	<u>291,961</u>	<u>241,487</u>	<u>533,448</u>
Net investment earnings	<u>322,054</u>	<u>260,680</u>	<u>582,734</u>
Total additions	<u>566,815</u>	<u>883,693</u>	<u>1,450,508</u>
<b>DEDUCTIONS</b>			
Benefits	159,211	432,464	591,675
Administrative expenses	<u>3,070</u>	<u>12,269</u>	<u>15,339</u>
Total deductions	<u>162,281</u>	<u>444,733</u>	<u>607,014</u>
Change in net position	404,534	438,960	843,494
Net position - beginning	<u>2,617,901</u>	<u>3,006,241</u>	<u>5,624,142</u>
Net position - end of year	<u><u>\$ 3,022,435</u></u>	<u><u>\$ 3,445,201</u></u>	<u><u>\$ 6,467,636</u></u>

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY**  
**CONSOLIDATED YEAR-END FINANCIAL REPORT**  
**APRIL 30, 2024**

<b>Grantee Name</b>	City of Fairfield
<b>ID Numbers</b>	<b>Audit:</b> 50854 <b>Grantee:</b> 679606 <b>UEI:</b> V116TJLBKKT5
<b>Audit Period</b>	5/1/2023 - 4/30/2024
<b>Last Update</b>	11/15/2024 11:33:25 AM
<b>Program Count</b>	5

**EXPENDITURES BY PROGRAM**

CSFA #	Program Name	State	Federal	Total	Match
494-60-0327	Airport Improvement Program	0.00	90,706.34	90,706.34	0.00
494-60-2511	Aviation Fuel Tax Program	0.00	0.00	0.00	0.00
494-60-2421	COVID-19 Airport Relief	0.00	0.00	0.00	0.00
420-25-2973	Illinois Travel and Tourism	0.00	0.00	0.00	0.00
420-00-1867	Installation and/or	0.00	0.00	0.00	0.00
	All other federal expenditures		0.00	0.00	
TOTALS		0.00	90,706.34	90,706.34	0.00

**EXPENDITURES BY CATEGORY**

Amount	Category
90,706.34	Consultant (Professional Services)
<b>State Agency</b>	Department Of Transportation
<b>CSFA Number</b>	494-60-0327
<b>Program Name</b>	Airport Improvement Program
<b>Popular Name</b>	AIP
<b>Program Contact</b>	<b>Name:</b> Joseph Segobiano <b>Phone:</b> 217.558.2948
<b>State Amount Expended</b>	0.00
<b>Federal Amount Expended</b>	90706.34

**Expenditures by Category**

90,706.34	Consultant (Professional Services)
90,706.34	TOTAL

**OTHER  
INFORMATION**

**CITY OF FAIRFIELD, IL**  
**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Over (Under)
<b>REVENUES</b>				
Total revenues	\$ 4,770,211	\$ 4,770,211	\$ 4,756,897	\$ 13,314
<b>EXPENDITURES</b>				
Current:				
General government	1,394,475	1,394,475	1,270,704	(123,771)
Public safety	2,598,050	2,598,050	2,449,841	(148,209)
Social services	382,910	382,910	353,554	(29,356)
Transportation	1,188,400	1,188,400	1,023,463	(164,937)
Public works	559,525	559,525	490,577	(68,948)
Sanitation	320,000	320,000	315,110	(4,890)
Culture and recreation	154,800	154,800	57,903	(96,897)
Debt Service:				
Principal	-	-	42,491	42,491
Capital outlay	604,100	604,100	636,571	32,471
Total expenditures	7,202,260	7,202,260	6,642,205	(560,055)
Excess (deficiency) of revenues				
over (under) expenditures	(2,432,049)	(2,432,049)	(1,885,308)	(546,741)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	2,986,343	2,986,343
Transfers out	-	-	(21,666)	(21,666)
Total other financing sources (uses)	-	-	2,964,677	2,964,677
Net change in fund balances	\$ 2,338,162	\$ 2,338,162	1,079,369	\$ 2,417,936
Fund balances - beginning			(82,118)	
Fund balances - ending			\$ 997,251	

**CITY OF FAIRFIELD, IL**  
**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS**  
**TIF #1 FUND**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Over (Under)
<b>REVENUES</b>				
Property taxes	\$ 1,002,500	\$ 1,002,500	\$ 1,023,364	\$ 20,864
Interest income	-	-	9,703	9,703
Total revenues	<u>1,002,500</u>	<u>1,002,500</u>	<u>1,033,067</u>	<u>30,567</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>1,000,000</u>	<u>1,000,000</u>	<u>874,586</u>	<u>(125,414)</u>
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>874,586</u>	<u>(125,414)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,500</u>	<u>2,500</u>	<u>158,481</u>	<u>155,981</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(205,458)</u>	<u>(205,458)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(195,986)</u>	<u>(195,986)</u>
Net change in fund balances	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>(37,505)</u>	<u>\$ (40,005)</u>
Fund balances - beginning			<u>1,039,400</u>	
Fund balances - ending			<u>\$ 1,001,895</u>	

**CITY OF FAIRFIELD, IL**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE OF FUNDING PROGRESS**

**APRIL 30, 2024**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Regular employees						
12/31/2023	\$ 7,739,171	\$ 8,186,159	\$ 446,988	94.54%	\$ 2,817,306	15.87%
12/31/2022	\$ 7,226,354	\$ 7,606,319	\$ 379,965	95.00%	\$ 2,675,142	14.20%
12/31/2021	7,700,436	7,879,262	178,826	97.73%	2,792,021	6.40%
12/31/2020	6,116,101	7,844,828	1,728,727	77.96%	3,002,450	57.58%
12/31/2019	7,733,387	9,688,633	1,955,246	79.82%	2,941,676	66.47%
12/31/2018	9,009,791	10,958,979	1,949,188	82.21%	2,862,578	68.09%
12/31/2017	10,583,799	11,516,929	933,130	91.90%	2,973,720	31.38%
12/31/2016	10,414,328	12,131,888	1,717,560	85.84%	2,904,320	59.14%
12/31/2015	9,775,960	11,479,046	1,703,086	85.16%	2,827,904	60.22%
12/31/2014	9,749,512	11,610,537	1,861,025	83.97%	2,782,132	66.89%

On a market value basis, the actuarial value of assets as of December 31, 2023 is \$6,946,807. On a market basis, the funded ratio is 15.87%.

The actuarial value of assets and accrued liabilities cover active and inactive members who have service credit with the City of Fairfield. They do not include amounts for retirees. The actuarial liability for retirees is 100% funded.

**CITY OF FAIRFIELD, IL**  
**POLICE PENSION FUND AND FIREMEN'S PENSION FUND**  
**SCHEDULE OF FUNDING PROGRESS**  
**APRIL 30, 2024**

Fiscal Year April 30	Net Assets Available For Benefits (Lower of Cost or Market)	Actuarial Accrued Liability	Percentage Funded (1) / (2)	Unfunded Actuarial Liability (2) - (1)	Annual Covered Payroll	As a Percentage of Covered Payroll (4) / (5)
<b>Police Pension</b>						
2023	\$ 3,036,712	\$ 9,132,078	33.25%	\$ 6,095,366	\$ 475,533	1281.80%
2022	3,187,672	8,681,970	36.72%	5,494,298	\$ 462,618	1187.65%
2021	3,145,607	10,982,670	28.64%	7,837,063	\$ 665,664	1177.33%
2020	3,046,144	10,675,387	28.53%	7,629,243	565,011	1350.28%
2019	2,976,928	10,216,166	29.14%	7,239,238	544,623	1329.22%
2018	2,898,578	9,224,836	31.42%	6,326,258	549,667	1150.93%
2017	2,748,565	9,523,832	28.86%	6,775,267	549,515	1232.95%
2016	2,563,220	7,357,594	34.84%	4,794,374	583,378	821.83%
2015	2,363,765	8,041,083	29.40%	5,677,318	497,994	1140.04%
2014	2,168,295	7,265,913	29.84%	5,097,618	573,978	888.12%
<b>Firemen's Pension</b>						
2023	2,617,801	4,106,908	63.74%	1,489,107	257,689	577.87%
2022	2,559,394	3,853,998	66.41%	1,294,604	257,689	502.39%
2021	2,338,111	4,359,550	53.63%	2,021,439	250,285	807.65%
2020	2,148,410	4,510,832	47.63%	2,362,422	243,587	969.85%
2019	2,097,116	4,421,766	47.43%	2,324,650	237,067	980.59%
2018	2,030,142	4,071,048	49.87%	2,040,906	227,548	896.91%
2017	1,949,267	4,002,936	48.70%	2,053,669	227,548	902.52%
2016	1,858,519	3,779,502	49.17%	1,920,983	223,637	858.97%
2015	1,771,768	3,622,361	48.91%	1,850,593	215,535	858.60%
2014	1,674,568	3,386,371	49.45%	1,711,803	259,068	660.75%

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employees Retirement System (PERS). Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulation of sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.