

**CITY OF FAIRFIELD
FAIRFIELD, ILLINOIS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2026



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 modified cash basis accompanying 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, 2026, 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 financial position – modified cash basis 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, 2026, and the respective changes in financial position – modified cash basis, 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.

To the Mayor and City Council
City of Fairfield, Illinois

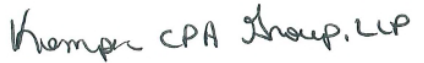
The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 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.

September 22, 2026


Certified Public Accountants and Consultants
Evansville, Indiana

CITY OF FAIRFIELD, IL
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
APRIL 30, 2026

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,027,923	\$ 1,689,289	\$ 8,717,212
Restricted cash and cash equivalents	108,699	184,525	293,224
Investments	654,053	161,675	815,728
Notes receivable, net of allowance of \$0	215,318	-	215,318
Capital assets, net of accumulated depreciation	7,111,546	22,247,276	29,358,822
Right of use asset	398,218	-	398,218
Total assets	<u>15,515,757</u>	<u>24,282,765</u>	<u>39,798,522</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	<u>-</u>	<u>7,079</u>	<u>7,079</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Due to fiduciary funds	114,368	-	114,368
Interest payable	12,643	-	12,643
Utility tax payable	-	3,648	3,648
Unearned revenues	46,513	2,018	48,531
Right of Use - Lease Liability	373,800	-	373,800
Due within one year			
Bonds, notes and lease payable	17,500	656,766	674,266
Due in more than one year			
Bonds, notes and lease payable	<u>175,000</u>	<u>3,883,708</u>	<u>4,058,708</u>
Total liabilities	<u>739,824</u>	<u>4,546,140</u>	<u>5,285,964</u>
NET POSITION			
Net investment in capital assets	6,919,046	17,706,802	24,625,848
Restricted	6,548,384	184,525	6,732,909
Unrestricted	<u>1,308,503</u>	<u>1,852,377</u>	<u>3,160,880</u>
Total net position	<u>14,775,933</u>	<u>19,743,704</u>	<u>34,519,637</u>
Total liabilities and net position	<u>\$ 15,515,757</u>	<u>\$ 24,289,844</u>	<u>\$ 39,805,601</u>

CITY OF FAIRFIELD, IL
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2026

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		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 2,413,276	\$ 127,760	\$ -	\$ -	\$ (2,285,516)	\$ -	\$ (2,285,516)
Public safety	2,987,170	28,508	-	-	(2,958,662)	-	(2,958,662)
Social services	356,284	91,010	-	-	(265,274)	-	(265,274)
Transportation	1,461,751	1,500	265,200	-	(1,195,051)	-	(1,195,051)
Public works	954,203	140,863	-	-	(813,340)	-	(813,340)
Sanitation	553,406	772,164	-	-	218,758	-	218,758
Culture and recreation	278,038	14,595	27,402	-	(236,041)	-	(236,041)
Total governmental activities	9,004,128	1,176,400	292,602	-	(7,535,126)	-	(7,535,126)
Business-type activities:							
Electric system	8,138,918	9,186,983	-	-	-	1,048,065	1,048,065
Waterworks and sewer system	4,110,761	3,885,107	-	-	-	(225,654)	(225,654)
Gas system	1,856,688	2,892,038	-	-	-	1,035,350	1,035,350
Total business-type activities	14,106,367	15,964,128	-	-	-	1,857,761	1,857,761
Total primary government	\$ 23,110,495	\$ 17,140,528	\$ 292,602	\$ -	(7,535,126)	1,857,761	(5,677,365)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					2,383,258	-	2,383,258
Franchise tax					4,876	-	4,876
Intergovernmental revenue:							
Sales tax					1,870,179	-	1,870,179
Income tax					895,335	-	895,335
Replacement tax					38,107	-	38,107
Telecommunication tax					47,727	-	47,727
Video gaming tax					112,215	-	112,215
Foreign fire tax					25,014	-	25,014
Pull tab tax					3,335	-	3,335
Interest and investment income (expense)					229,143	7,697	236,840
Miscellaneous					293,237	66,025	359,262
Gain(Loss) from sale of assets					3,372	-	3,372
Transfers					3,216,832	(3,216,832)	-
Total general revenues and transfers					9,122,630	(3,143,110)	5,979,520
Change in net position					1,587,504	(1,285,349)	302,155
Net position - beginning , restated see Note 19					13,188,429	21,029,053	34,217,482
Net position - ending					\$ 14,775,933	\$ 19,743,704	\$ 34,519,637

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, 2026

	<u>General</u>	<u>Business District</u>	<u>TIF #1 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,137,562	\$ 2,775,395	\$ 1,931,530	\$ 1,101,776	\$ 6,946,263
Restricted cash and cash equivalents	108,699	-	-	-	108,699
Investments	23,069	-	-	630,984	654,053
Notes receivable, net of allowance of \$0	-	-	-	215,318	215,318
Total assets	<u>\$ 1,269,329</u>	<u>\$ 2,775,395</u>	<u>\$ 1,931,530</u>	<u>\$ 1,948,078</u>	<u>\$ 7,924,332</u>
LIABILITIES					
Due to fiduciary funds	\$ 114,368	\$ -	\$ -	\$ -	\$ 114,368
Advanced payments	46,513	-	-	-	46,513
Total liabilities	<u>160,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,881</u>
FUND BALANCES					
Non-spendable	-	-	-	215,318	215,318
Restricted	108,699	2,775,395	1,931,530	1,732,760	6,548,384
Unassigned	999,749	-	-	-	999,749
Total fund balances	<u>1,108,448</u>	<u>2,775,395</u>	<u>1,931,530</u>	<u>1,948,078</u>	<u>7,763,451</u>
Total liabilities and fund balances	<u>\$ 1,269,329</u>	<u>\$ 2,775,395</u>	<u>\$ 1,931,530</u>	<u>\$ 1,948,078</u>	<u>\$ 7,924,332</u>

**CITY OF FAIRFIELD, IL
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
APRIL 30, 2026**

Fund balances - total governmental funds	\$ 7,763,451
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Amounts reported for *governmental activities* 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	24,656,958	
Depreciation	(17,545,412)	7,111,546

Right-to-use assets used in government activities are not financial resources and therefore are not reported in the funds.

398,217

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Note payable	(192,500)	
Right-of-use liability	(373,800)	(566,300)

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.

81,660

Other liabilities are not due and payable in the current period and therefore are not reported in the funds

(12,643)

Net position of governmental activities

\$ 14,775,931

CITY OF FAIRFIELD, IL
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2026

	<u>General</u>	<u>Business District</u>	<u>TIF #1 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property taxes	\$ 314,940	\$ 905,920	\$ 1,105,342	\$ 57,056	\$ 2,383,258
Franchise tax	4,876	-	-	-	4,876
Sales tax	1,870,179	-	-	-	1,870,179
Income tax	895,335	-	-	-	895,335
Replacement tax	34,588	-	-	3,519	38,107
Motor fuel taxes	-	-	-	223,603	223,603
Telecommunication tax	47,727	-	-	-	47,727
Video gaming tax	112,215	-	-	-	112,215
Foreign fire tax	25,014	-	-	-	25,014
Pull tab tax	3,335	-	-	-	3,335
Licenses and permits	39,900	-	-	-	39,900
Fees and fines	48,201	-	-	-	48,201
Charges for services	1,093,170	-	-	14,595	1,107,765
Interest and investment income	74,152	55,369	13,414	86,208	229,143
Operating grants	41,597	-	-	8,202	49,799
Operating contributions	-	-	-	19,200	19,200
Miscellaneous	279,045	-	-	687	279,732
Total revenues	<u>4,884,274</u>	<u>961,289</u>	<u>1,118,756</u>	<u>413,070</u>	<u>7,377,389</u>
EXPENDITURES					
Current:					
General government	2,385,912	-	-	-	2,385,912
Public safety	2,836,319	-	-	-	2,836,319
Social services	340,810	-	-	-	340,810
Transportation	1,208,821	-	-	13,966	1,222,787
Public works	352,420	73,944	452,149	100	878,613
Sanitation	553,969	-	-	-	553,969
Culture and recreation	86,484	-	-	173,979	260,463
Debt service:					
Principal	31,251	-	-	-	31,251
Interest	626	-	-	-	626
Capital outlay	264,375	-	-	168,899	433,274
Total expenditures	<u>8,060,987</u>	<u>73,944</u>	<u>452,149</u>	<u>356,944</u>	<u>8,944,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,176,713)</u>	<u>887,345</u>	<u>666,607</u>	<u>56,126</u>	<u>(1,566,635)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3,430,962	-	-	184,662	3,615,624
Transfers out	(212,333)	-	-	(186,459)	(398,792)
Total other financing sources (uses)	<u>3,218,629</u>	<u>-</u>	<u>-</u>	<u>(1,797)</u>	<u>3,216,832</u>
Net change in fund balances	41,916	887,345	666,607	54,329	1,650,197
Fund balances - beginning	<u>1,066,532</u>	<u>1,888,050</u>	<u>1,264,923</u>	<u>1,893,749</u>	<u>6,113,254</u>
Fund balances - ending	<u>\$ 1,108,448</u>	<u>\$ 2,775,395</u>	<u>\$ 1,931,530</u>	<u>\$ 1,948,078</u>	<u>\$ 7,763,451</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, 2026

Net change in fund balances - total governmental funds \$ 1,650,197

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	433,274	
Proceeds from sale of fixed assets	(8,056)	
Gain on sale of fixed assets	3,372	
Depreciation	<u>(519,344)</u>	<u>(90,754)</u>

Governmental funds record lease principal payments as expenditures. In the government wide statements, the government reports amortization of the Right of Use asset and interest expense.

Lease principal payments reported as expenditures	(52,862)	
Amortization of lease right-to-use asset	28,444	
Interest expense	<u>12,643</u>	<u>(11,775)</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>31,251</u>	<u>31,251</u>
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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.

8,584

Change in net position of governmental activities

\$ 1,587,503

CITY OF FAIRFIELD, IL
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2026

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Electric Fund	Waterworks and Sewer Funds	Gas Fund	Totals	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 458,600	\$ 1,195,437	\$ -	\$ 1,654,037	\$ 116,912
Restricted cash and cash equivalents	1,044	183,481	-	184,525	-
Investments	97,204	-	64,471	161,675	-
Total current assets	556,848	1,378,918	64,471	2,000,237	116,912
Noncurrent assets:					
Capital assets, net of accumulated depreciation	4,366,098	17,660,314	220,864	22,247,276	-
Total noncurrent assets	4,366,098	17,660,314	220,864	22,247,276	-
Total Assets	\$ 4,922,946	\$ 19,039,232	\$ 285,335	\$ 24,247,513	\$ 116,912
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	\$ -	\$ 7,079	\$ -	\$ 7,079	\$ -
LIABILITIES AND NET POSITION					
Liabilities:					
Current liabilities:					
Utility tax payable	\$ 2,194	\$ -	\$ 1,454	\$ 3,648	\$ -
Other liabilities	-	-	2,018	2,018	-
Bonds and notes payable	54,400	602,366	-	656,766	-
Total current liabilities	56,594	602,366	3,472	662,432	-
Noncurrent liabilities:					
Bonds and notes payable	330,933	3,552,775	-	3,883,708	-
Total noncurrent liabilities	330,933	3,552,775	-	3,883,708	-
Total liabilities	387,527	4,155,141	3,472	4,546,140	-
Net investment in capital assets	3,980,765	13,505,173	220,864	17,706,802	-
Restricted	1,044	183,481	-	184,525	-
Unassigned	553,610	1,202,516	60,999	1,817,125	116,912
Total net position	\$ 4,535,419	\$ 14,891,170	\$ 281,863	\$ 19,708,452	\$ 116,912
Total Liabilities and Net Position	\$ 4,922,946	\$ 19,046,311	\$ 285,335		\$ 116,912
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				35,252	
Total net position of business-type activities				\$ 19,743,704	

CITY OF FAIRFIELD, IL
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION – MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2026

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Electric Fund	Waterworks and Sewer Funds	Gas Fund	Totals	
Operating revenues:					
Charges for services	\$ 9,186,983	\$ 3,885,107	\$ 2,892,038	\$ 15,964,128	\$ -
Charges to other funds	-	-	-	-	1,269,710
Employee withholdings	-	-	-	-	117,140
Operating grants	-	-	-	-	-
Miscellaneous revenue	4,975	60,897	153	66,025	-
Total operating revenues	9,191,958	3,946,004	2,892,191	16,030,153	1,386,850
Operating expenses:					
Personal services	20,856	1,499,305	426,412	1,946,573	-
Support services	1,942,147	62,681	14,902	2,019,730	-
Contractual services	5,161,205	5,005	1,263,384	6,429,594	-
Utilities	1,958	409,803	13,498	425,259	-
Capital Outlay	41,575	121,318	20,921	183,814	-
Repairs and maintenance	-	266,116	3,854	269,970	-
Other supplies and materials	-	458,108	39,295	497,403	-
Insurance	3,494	70,458	22,333	96,285	1,404,362
Depreciation	967,365	1,134,029	50,894	2,152,288	-
Total operating expenses	8,138,600	4,026,823	1,855,493	14,020,916	1,404,362
Operating income (loss)	1,053,358	(80,819)	1,036,698	2,009,237	(17,512)
Nonoperating revenues (expenses):					
Interest and investment income (expense)	4,694	1,610	1,393	7,697	2,635
Interest expense	-	(79,157)	-	(79,157)	-
Transfers in	-	-	-	-	16,328
Transfers out	(2,003,825)	-	(1,213,007)	(3,216,832)	(16,328)
Total nonoperating revenue (expenses)	(1,999,131)	(77,547)	(1,211,614)	(3,288,292)	2,635
Change in net position	(945,773)	(158,366)	(174,916)	(1,279,055)	(14,877)
Total net position - beginning	5,481,192	15,049,536	456,779		131,789
Total net position - ending	\$ 4,535,419	\$ 14,891,170	\$ 281,863		\$ 116,912
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. Change in net position of business-type activities				(6,294)	\$ (1,285,349)

CITY OF FAIRFIELD, IL
STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2026

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Electric Fund	Waterworks and Sewer Funds	Gas Fund	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 9,191,958	\$ 3,946,004	\$ 2,892,095	\$ 16,030,057	\$ -
Receipts from interfund services provided	-	-	-	-	1,386,850
Payments to suppliers	(7,150,321)	(1,388,493)	(1,378,249)	(9,917,063)	-
Payments for claims	-	-	-	-	(1,404,362)
Payments to employees	(20,856)	(1,499,305)	(426,412)	(1,946,573)	-
Net cash provided by (used in) operating activities	2,020,781	1,058,206	1,087,434	4,166,421	(17,512)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(2,003,825)	-	(1,213,007)	(3,216,832)	-
Net cash provided by (used in) non-capital financing activities	(2,003,825)	-	(1,213,007)	(3,216,832)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(854,934)	(75,739)	-	(930,673)	-
Principal paid on capital debt	(54,400)	(595,528)	-	(649,928)	-
Interest paid on capital debt	-	(79,157)	-	(79,157)	-
Net cash provided by (used in) capital and related financing activities	(909,334)	(750,424)	-	(1,659,758)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	(3,758)	-	(1,846)	(5,604)	-
Interest	4,694	1,610	1,395	7,699	2,635
Net cash provided by investing activities	936	1,610	(451)	2,095	2,635
Net increase (decrease) in cash and cash equivalents	(891,442)	309,392	(126,024)	(708,074)	(14,877)
Balances - beginning of year	1,351,086	1,069,526	126,024	2,546,636	131,789
Balances - end of year	\$ 459,644	\$ 1,378,918	\$ -	\$ 1,838,562	\$ 116,912
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 1,053,358	\$ (80,819)	\$ 1,036,698	\$ 2,009,237	\$ (17,512)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	967,365	1,134,029	50,894	2,152,288	-
Change in current assets and current liabilities:					
Advanced payments	-	-	(96)	(96)	-
Utility tax payable	58	-	(62)	(4)	-
Deferred charges on refunding	-	4,996	-	4,996	-
Other receipts (payments)	-	-	-	-	-
Net cash provided by operating activities	\$ 2,020,781	\$ 1,058,206	\$ 1,087,434	\$ 4,166,421	\$ (17,512)
Cash and cash equivalents per Statement of Net Position - Modified Cash Basis:					
Cash and equivalents	\$ 458,600	\$ 1,195,437	\$ -	\$ 1,654,037	\$ 116,912
Restricted cash and cash equivalents	1,044	183,481	-	184,525	-
	\$ 459,644	\$ 1,378,918	\$ -	\$ 1,838,562	\$ 116,912

CITY OF FAIRFIELD, IL
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
FIDUCIARY FUNDS
APRIL 30, 2026

	Pension Trust Funds	Agency Funds	Total
ASSETS			
Cash and cash equivalents	\$ 319,519	\$ 51,685	\$ 371,204
Investments	8,464,256	116,221	8,580,477
Due from other funds	114,368	-	114,368
Other assets	22,234	-	22,234
Total assets	<u>\$ 8,920,377</u>	<u>\$ 167,906</u>	<u>\$ 9,088,283</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Due to others	\$ -	\$ 167,906	\$ 167,906
Total liabilities	<u>-</u>	<u>167,906</u>	<u>167,906</u>
Net position:			
Held in trust for pension benefits	<u>8,920,377</u>	<u>-</u>	<u>8,920,377</u>
Total net position	<u>8,920,377</u>	<u>-</u>	<u>8,920,377</u>
Total liabilities and net position	<u>\$ 8,920,377</u>	<u>\$ 167,906</u>	<u>\$ 9,088,283</u>

CITY OF FAIRFIELD, IL
STATEMENT OF CHANGES IN NET POSITION –
MODIFIED CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2026

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 795,126
Plan members	111,556
Transfer from other municipalities	49,697
Total contributions	<u>956,379</u>
Investment earnings:	
Interest	84,415
Dividends	12,042
Change in fair market value of investments	1,405,415
Net investment earnings	<u>1,501,872</u>
Total additions	<u>2,458,251</u>
DEDUCTIONS	
Benefits	764,568
Administrative expenses	11,489
Total deductions	<u>776,057</u>
Change in net position	1,682,194
Net position - beginning	<u>7,238,183</u>
Net position - end of year	<u><u>\$ 8,920,377</u></u>

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

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; wastewater 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, 2026

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, 2026

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, 2026

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, 2026 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, 2026

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 asset's 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 vacations 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, 2026

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 2026.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

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 the City Council may assign amounts for specific purposes. No funds carried an assigned balance in fiscal year 2026.

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 2024 and collected between November 2025 and March 2026 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, 2026.

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, 2026

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 September 22, 2026 the date on 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, 2026 the carrying amount of the City's government-wide, fiduciary, and internal service cash deposits were \$8,893,882 \$371,204 and \$116,912, respectively. The City's government-wide, fiduciary, and internal service bank balances as of April 30, 2026 were \$9,762,027, \$374,497 and \$228,295, respectively. Of the total bank balances as of April 30, 2026, \$1,251,071 was secured by federal depository insurance and \$9,113,748 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, 2026, \$9,113,478 of the City's bank balance of \$10,364,819 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>9,113,748</u>
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CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

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, 2026, the carrying amount and financial institution balance of the City's government-wide and fiduciary investments were \$815,728 and \$8,580,477, respectively. The carrying amount is as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Non-negotiable certificates of deposit	\$ 688,556
Variable annuity contracts	1,861,039
Broker-held money market	22,589
Corporate bonds	48,432
Municipal securities	<u>6,578,729</u>
	<u>\$9,396,205</u>

At April 30, 2026, investments include \$6,586,842 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, 2026, the City's investments were exposed to custodial credit risk as follows:

Investment securities held by counterparty	\$ <u>8,715,762</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, 2026

NOTE 2: CASH AND INVESTMENTS (CONCLUDED)

Investments and Investment Custodial Credit Risk (Concluded)

Investments as of April 30, 2026 are summarized below:

Investment Type	Fair Value	Weighted Average Maturity in Years
Non-negotiable certificates of deposit	\$ 688,556	127.56
Variable annuity contracts	1,861,039	141.72
Broker-held money market	22,589	N/A
Corporate bonds	48,432	132.55
Municipal securities	6,578,729	N/A
Mutual funds	196,860	N/A
	\$ 9,396,205	

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, 2026, 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, 2026

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, 2026:

Economic Development Loans

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

\$ 215,318

Activity on the above loans was as follows:

	Economic Development
Loans receivable - May 1, 2025	\$ 272,505
New loans added	15,000
Principal payments	(72,187)
Loans receivable - April 30, 2026	<u>\$ 215,318</u>

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

Year Ended			
April 30,	Principal	Interest	Total
2026	\$ 49,051	\$ 10,709	\$ 59,761
2027	36,997	8,937	45,934
2028	29,209	7,275	36,484
2029	24,668	6,009	30,678
2030	24,245	4,776	29,021
2031-2036	51,148	8,318	59,466
Total	<u>\$ 215,318</u>	<u>\$ 46,026</u>	<u>\$ 261,344</u>

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 5: CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets:

Governmental Activities

General Government	Balance May 01, 2025	Additions	Deletions	Transfers	Balance April 30, 2026
Assets not depreciated:					
Land	\$ 935,872	\$ -	\$ (10,133)	\$ -	\$ 925,739
Construction in Progress	219,612	215,116	-	(131,979)	302,749
Assets depreciated:					
Infrastructure	14,626,604	-	-	131,979	14,758,583
Buildings	2,531,005	23,900	-	-	2,554,905
Equipment	3,553,816	25,359	-	-	3,579,175
Total Capital Assets	21,866,909	264,375	(10,133)	-	22,121,151
Less: Accumulated Depreciation	(16,090,786)	(468,343)	-	-	(16,559,129)
Capital Assets, net	<u>\$ 5,776,123</u>	<u>\$ (203,968)</u>	<u>\$ (10,133)</u>	<u>\$ -</u>	<u>\$ 5,562,022</u>

Motor Fuel Tax	May 01, 2025	Additions	Deletions	Transfers	April 30, 2026
Assets not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Assets depreciated:					
Infrastructure	1,181,291	168,899	-	-	1,350,190
Buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Total Capital Assets	1,181,291	168,899	-	-	1,350,190
Less: Accumulated Depreciation	(94,521)	(33,426)	-	-	(127,947)
Capital Assets, net	<u>\$ 1,086,770</u>	<u>\$ 135,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,222,243</u>

Library	May 01, 2025	Additions	Deletions	Transfers	April 30, 2026
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	(840,761)	(17,575)	-	-	(858,336)
Capital Assets, net	<u>\$ 344,856</u>	<u>\$ (17,575)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,281</u>

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 5: CHANGES IN CAPITAL ASSETS

Business-Type Activities

Electric System	Balance May 01, 2025	Additions	Deletions	Transfers	Balance April 30, 2026
Assets not depreciated:					
Land	\$ 546,007	\$ -	\$ -	\$ -	\$ 546,007
Assets depreciated:					
Electric System	9,955,779	854,934	-	-	10,810,713
Equipment	24,785	-	-	-	24,785
Total Capital Assets	10,526,571	854,934	-	-	11,381,505
Less: Accumulated Depreciation	(6,048,041)	(967,365)	-	-	(7,015,406)
Capital Assets, net	<u>\$ 4,478,530</u>	<u>\$ (112,431)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,366,099</u>

Waterworks and Sewer System	May 01, 2025	Additions	Deletions	Transfers	April 30, 2026
Assets not depreciated:					
Land	\$ 352,472	\$ -	\$ -	\$ -	\$ 352,472
Construction in Progress	-	-	-	-	-
Assets depreciated:					
System	40,726,597	9,289	-	-	40,735,886
Equipment	1,173,164	66,449	-	-	1,239,613
Total Capital Assets	42,252,233	75,738	-	-	42,327,971
Less: Accumulated Depreciation	(23,533,628)	(1,134,029)	-	-	(24,667,657)
Capital Assets, net	<u>\$ 18,718,605</u>	<u>\$ (1,058,291)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,660,314</u>

Gas System	May 01, 2025	Additions	Deletions	Transfers	April 30, 2026
Assets not depreciated:					
Land	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Assets depreciated:					
Gas System	1,798,518	-	-	-	1,798,518
Equipment	67,179	-	-	-	67,179
Total Capital Assets	1,866,697	-	-	-	1,866,697
Less: Accumulated Depreciation	(1,594,939)	(50,894)	-	-	(1,645,833)
Capital Assets, net	<u>\$ 271,758</u>	<u>\$ (50,894)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,864</u>

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 5: CHANGES IN CAPITAL ASSETS (CONCLUDED)

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

Governmental Activities		Business-Type Activities	
General Government	\$ 14,700	Electric Fund	\$ 967,365
Public Safety	154,743	Waterworks/Sewer Fund	1,134,029
Social Services	15,849	Gas Fund	50,894
Transportation	207,037	Total	<u>\$ 2,152,288</u>
Public Works	76,013		
Culture and Recreation	17,576		
Motor Fuel Tax	33,426		
Total	<u>\$ 519,344</u>		

NOTE 6: RESTRICTED ASSETS – BUSINESS-TYPE ACTIVITIES

Governmental Activities

At April 30, 2026, the City maintained restricted cash and investments for the following purposes:

	General Fund	Total
Restricted for purpose	<u>\$ 108,699</u>	<u>\$ 108,699</u>

Business-Type Activities

At April 30, 2026, the City maintained restricted cash and investments for the following purposes:

	Electric Fund	Waterworks and Sewer Fund	Total
Restricted for debt services	<u>\$ 1,044</u>	<u>\$ 183,481</u>	<u>\$ 184,525</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 \$46,513 as of April 30, 2026.

NOTE 8: FUND EQUITY

The City's non-spendable fund balance consisted of notes receivable from its Economic Development fund totaling \$215,318 at April 30, 2026.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 8: FUND EQUITY (CONCLUDED)

During the fiscal year ended April 30, 2026, the City had the following Governmental Fund Restricted fund balances:

a. Restricted

Fund	Amount
General Fund:	
Foreign Fire	\$ 40,262
Police Drug	68,437
	<hr/>
Total General Fund	108,699
	<hr/>
Business District	2,775,395
	<hr/>
NonMajor Governmental Funds:	
Motor Fuel Tax	788,712
Economic Development	274,430
Library	669,618
TIF #1	1,931,530
	<hr/>
Total NonMajor Governmental Funds	3,664,290
	<hr/>
Total Restricted Funds	\$ 6,548,384
	<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.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

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. The 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. The 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, 2025, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries Currently Receiving Benefits	73
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	7
Active Plan Members	<u>47</u>
	<u>127</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 their own employees.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 9: PENSION PLANS (CONTINUED)

Illinois Municipal Retirement Fund(Continued)

Contributions (Concluded)

The City's annual contribution rate for calendar year 2025 and 2024 were 6.82% and 6.95%, respectively. For the fiscal year ended April 30, 2026, the City contributed \$204,219 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, 2026, the employer and employee contributions made were \$538,034 and \$83,608, respectively. The City's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2026 was \$756,390.

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, the 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, 2026

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 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, 2026, the employer and employee contributions made were \$257,092 and \$27,948, respectively. The City's payroll for employees covered by the Firemen's Pension Plan for the year ended April 30, 2026 was \$283,227.

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, the 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 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, 2026

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 \$1,258,287 in aggregate for IMRF, Police, Fire and Social Security for the year ended April 30, 2026.

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, 2026.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

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 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. This loan matured July 2, 2025 and was paid off.

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.

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.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 12: LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

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 ranges 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 of 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 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, the 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.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 12: LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended April 30, 2026:

	Payable at May 01, 2025	Additions	Reductions	Payable at April 30, 2026
Governmental Activities				
Fire Truck Note Payable	\$ 210,000	\$ -	\$ (17,500)	\$ 192,500
Kubota Lease Payable	13,132	-	(13,132)	-
	<u>\$ 223,132</u>	<u>\$ -</u>	<u>\$ (30,632)</u>	<u>\$ 192,500</u>
Business-type Activities				
GO Bond Series 2015	\$ -	\$ -	\$ -	\$ -
GO Refunding Series 2016	439,733	-	(54,400)	385,333
USDA RDLG Loan	440,000	-	(145,000)	295,000
Water Intake and Water Line	1,113,184	-	(112,702)	1,000,482
Water Treatment Plant	3,197,485	-	(337,826)	2,859,659
	<u>\$ 5,190,402</u>	<u>\$ -</u>	<u>\$ (649,928)</u>	<u>\$ 4,540,474</u>

Interest Expense

Interest expense on long-term debt of \$275,568 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
2027	17,500	-	17,500
2028	17,500	-	17,500
2029	17,500	-	17,500
2030	17,500	-	17,500
2031-2035	87,500	-	87,500
2036-2037	35,000	-	35,000
Total	<u>\$ 192,500</u>	<u>\$ -</u>	<u>\$ 192,500</u>

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 12: LONG-TERM DEBT (CONCLUDED)

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

Fiscal Year	Business-type Activities		Total Funds
	Principal	Interest	Required
2027	656,766	63,916	720,682
2028	668,716	53,558	722,274
2029	525,782	53,425	579,207
2030	532,965	35,784	568,749
2031	540,268	28,482	568,750
2032-2034	1,615,977	40,403	1,656,380
Total	<u>\$ 4,540,474</u>	<u>\$ 275,568</u>	<u>\$ 4,816,042</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, 2026, the total equalized assessed valuation of the City of Fairfield is \$62,073,926. The legal debt limitation of the City is \$5,353,876 with non-exempt debt outstanding of \$192,500 for a legal debt margin of \$5,161,376 as of April 30, 2026.

NOTE 14: INTERFUND LOANS

There were no interfund loans at April 30, 2026.

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at April 30, 2026 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ -	\$ 114,368
Fire Pension	29,527	-
Police Pension	84,841	-
	<u>\$ 114,368</u>	<u>\$ 114,368</u>

These balances represent short-term amounts owed between funds.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 16: INTERFUND TRANSFERS

Interfund transfers which occurred during the year ended April 30, 2026 are as follows:

Fund	Transfers In	Transfers Out
General	\$ 3,430,962	\$ 212,333
Electric	-	2,003,825
Gas	-	1,213,007
Non-major governmental	184,662	186,459
	<u>\$ 3,615,624</u>	<u>\$ 3,615,624</u>

The interfund transfers were made during the year to eliminate deficit balances.

NOTE 17: 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.

NOTE 18: CONTINGENT LIABILITY

In July 2025, the City became aware of a diesel spill at the power plant. The City has engaged an environmental firm to assist them in developing and implementing a plan to address the corrective measures needed to clean up the spill. Should these items cited for corrective action not be rectified in the near future, the possibility exists that fines could be levied against the City. The City has paid approximately \$1,165,000 since the spill was discovered. A reasonable estimate of expected cost to clean up and possible fines cannot be made as of the date of the release of the financial statements.

CITY OF FAIRFIELD, IL
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2026

NOTE 19: RESTATEMENT

During the April 30, 2026 annual audit, it was noted that capital assets were understated in the previous year. This was corrected in the accompanying financial statements. The adjustment had the following effect on the beginning balance of net position:

Governmental Funds - Net Position - April 30, 2025		\$ 13,035,522
2025 capital assets under stated		152,907
Governmental Funds - Net Position - April 30, 2025, restated		<u>\$ 13,188,429</u>

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, 2026, 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 date September 22, 2026. 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 of 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 2026-001 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.

September 22, 2026



Certified Public Accountants and Consultants
Evansville, Indiana

**CITY OF FAIRFIELD, IL
SCHEDULE OF FINDINGS AND RESPONSES
APRIL 30, 2026**

2026-001 Unable to prepare financial statement footnotes

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

Recommendation: The City should provide the necessary training for personnel or contact an independent contractor with the knowledge to properly prepare the notes for 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, 2026

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Motor Fuel Tax	Economic Development	Library	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 788,712	\$ 274,430	\$ 38,634	\$ 1,101,776
Investments	-	-	630,984	630,984
Notes receivable, net of allowance of \$0	-	215,318	-	215,318
Total current assets	<u>788,712</u>	<u>489,748</u>	<u>669,618</u>	<u>1,948,078</u>
Total assets	<u>\$ 788,712</u>	<u>\$ 489,748</u>	<u>\$ 669,618</u>	<u>\$ 1,948,078</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund balances:				
Non-spendable	\$ -	\$ 215,318	\$ -	\$ 215,318
Restricted	<u>788,712</u>	<u>274,430</u>	<u>669,618</u>	<u>1,732,760</u>
Total fund balances	<u>788,712</u>	<u>489,748</u>	<u>669,618</u>	<u>1,948,078</u>
Total liabilities and fund balances	<u>\$ 788,712</u>	<u>\$ 489,748</u>	<u>\$ 669,618</u>	<u>\$ 1,948,078</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, 2026

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Motor Fuel Tax	Economic Development	Library	
REVENUES				
Property taxes	\$ -	\$ -	\$ 57,056	\$ 57,056
Replacement tax	-	-	3,519	3,519
Motor fuel tax	223,603	-	-	223,603
Charges for services	-	-	14,595	14,595
Interest income	11,598	13,914	60,696	86,208
Operating grant	-	-	8,202	8,202
Operating contributions	-	-	19,200	19,200
Miscellaneous	-	-	687	687
Total revenues	235,201	13,914	163,955	413,070
EXPENDITURES				
Current:				
Transportation	13,966	-	-	13,966
Public works	-	100	-	100
Culture and recreation	-	-	173,979	173,979
Capital outlay	168,899	-	-	168,899
Total expenditures	182,865	100	173,979	356,944
Excess (deficiency) of revenues over (under) expenditures	52,336	13,814	(10,024)	56,126
OTHER FINANCING SOURCES (USES)				
Transfers in	184,662	-	-	184,662
Transfers out	(186,459)	-	-	(186,459)
Total other financing sources (uses)	(1,797)	-	-	(1,797)
Net change in fund balances	50,539	13,814	(10,024)	54,329
Fund balances - beginning	738,173	475,934	679,642	1,893,749
Fund balances - ending	\$ 788,712	\$ 489,748	\$ 669,618	\$ 1,948,078

CITY OF FAIRFIELD, IL
COMBINING STATEMENT OF NET POSITION – MODIFIED CASH BASIS
FIDUCIARY FUNDS
APRIL 30, 2026

	Pension Trust Funds		Total
	Fire	Police	Pension Trust
	Pension	Pension	Funds
ASSETS			
Cash and equivalents	\$ 143,339	\$ 176,180	\$ 319,519
Investments	4,010,241	4,454,015	8,464,256
Due from other funds	29,527	84,841	114,368
Other assets	-	22,234	22,234
Total assets	<u>\$ 4,183,107</u>	<u>\$ 4,737,270</u>	<u>\$ 8,920,377</u>
FUND BALANCES			
Fund balances:			
Restricted	<u>\$ 4,183,107</u>	<u>\$ 4,737,270</u>	<u>\$ 8,920,377</u>
Total fund balances	<u>4,183,107</u>	<u>4,737,270</u>	<u>8,920,377</u>
Total fund balances	<u>\$ 4,183,107</u>	<u>\$ 4,737,270</u>	<u>\$ 8,920,377</u>

CITY OF FAIRFIELD, IL
COMBINING STATEMENT OF CHANGES IN NET POSITION –
MODIFIED CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2026

	Pension Trust Funds		Total
	Fire Pension	Police Pension	Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 257,092	\$ 538,034	\$ 795,126
Plan members	27,948	83,608	111,556
Transfer from other municipalities	-	49,697	49,697
Total contributions	<u>285,040</u>	<u>671,339</u>	<u>956,379</u>
Investment earnings:			
Interest	61,792	22,623	84,415
Dividends	12,042	-	12,042
Change in fair market value of investments	<u>641,490</u>	<u>763,925</u>	<u>1,405,415</u>
Net investment earnings	<u>715,324</u>	<u>786,548</u>	<u>1,501,872</u>
Total additions	<u>1,000,364</u>	<u>1,457,887</u>	<u>2,458,251</u>
DEDUCTIONS			
Benefits	168,907	595,661	764,568
Administrative expenses	<u>6,388</u>	<u>5,101</u>	<u>11,489</u>
Total deductions	<u>175,295</u>	<u>600,762</u>	<u>776,057</u>
Change in net position	825,069	857,125	1,682,194
Net position - beginning	<u>3,358,038</u>	<u>3,880,145</u>	<u>7,238,183</u>
Net position - end of year	<u>\$ 4,183,107</u>	<u>\$ 4,737,270</u>	<u>\$ 8,920,377</u>

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY
CONSOLIDATED YEAR-END FINANCIAL REPORT
APRIL 30, 2026

Grantee Name	City of Fairfield
ID Numbers	Audit: 63164 Grantee: 679606 UEI: V116TJLBKKT5 FEIN: 376002316
Audit Period	5/1/2025 12:00:00 AM - 4/30/2026 12:00:00 AM
Last Update	6/12/2026 10:53:33 AM
Program Count	4

EXPENDITURES BY PROGRAM

CSFA #	Program Name	State	Federal	Total	Match
494-60-0327	Airport Improvement Program	670.09	31,276.25	31,946.34	0.00
494-60-2511	Aviation Fuel Tax Program	17,307.13	0.00	17,307.13	0.00
494-60-2421	COVID-19 Airport Relief Program	0.00	0.00	0.00	0.00
569-00-3496	ILETSB - Law Enforcement Camera Grant	27,094.06	0.00	27,094.06	0.00
	All other federal expenditures		0.00	0.00	
TOTALS		45,071.28	31,276.25	76,347.53	0.00

EXPENDITURES BY CATEGORY

Amount	Category
17,307.13	Personal Services (Salaries and Wages)
31,946.34	Consultant (Professional Services)
49,253.47	TOTAL
State Agency	Department Of Transportation
CSFA Number	494-60-0327
Program Name	Airport Improvement Program <i>This program was added by the grantee</i>
Popular Name	AIP
Program Contact	Name: Joseph Segobiano Phone: 217.558.2948 Email: joseph.segobiano@illinois.gov
State Amount Expended	670.09
Federal Amount Expended	31276.25

Expenditures by Category

31,946.34	Consultant (Professional Services)
31,946.34	TOTAL

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY
CONSOLIDATED YEAR-END FINANCIAL REPORT
APRIL 30, 2026

State Agency	Department Of Transportation
CSFA Number	494-60-2511
Program Name	Aviation Fuel Tax Program
Popular Name	Aviation Fuel Tax
Program Contact	Name: Joseph Segobiano Phone: 217.558.2948 Email: joseph.segobiano@illinois.gov
State Amount Expended	17307.13
Federal Amount Expended	0.00

Expenditures by Category

17,307.13	Personal Services (Salaries and Wages)
17,307.13	TOTAL

**OTHER
INFORMATION**

CITY OF FAIRFIELD, IL
BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2026

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Over (Under)
REVENUES				
Total revenues	\$ 5,072,758	\$ 5,072,758	\$ 4,884,274	\$ 188,484
EXPENDITURES				
Current:				
General government	1,588,675	1,588,675	2,385,912	797,237
Public safety	3,191,100	3,191,100	2,836,319	(354,781)
Social services	401,280	401,280	340,810	(60,470)
Transportation	1,269,300	1,269,300	1,208,821	(60,479)
Public works	514,750	514,750	352,420	(162,330)
Sanitation	530,000	530,000	553,969	23,969
Culture and recreation	164,800	164,800	86,484	(78,316)
Debt Service:				
Principal	-	-	31,251	31,251
Interest	-	-	626	626
Capital outlay	637,500	637,500	264,375	(373,125)
Total expenditures	8,297,405	8,297,405	8,060,987	(236,418)
Excess (deficiency) of revenues over (under) expenditures	(3,224,647)	(3,224,647)	(3,176,713)	(47,934)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,430,962	3,430,962
Transfers out	-	-	(212,333)	(212,333)
Total other financing sources (uses)	-	-	3,218,629	3,218,629
Net change in fund balances	\$ (3,224,647)	\$ (3,224,647)	41,916	\$ 3,170,695
Fund balances - beginning			1,066,532	
Fund balances - ending			\$ 1,108,448	

CITY OF FAIRFIELD, IL
BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
BUSINESS DISTRICT
FOR THE YEAR ENDED APRIL 30, 2026

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Over (Under)
REVENUES				
Property taxes	\$ 925,000	\$ 925,000	\$ 905,920	\$ (19,080)
Interest income	35,000	35,000	55,369	20,369
Total revenues	<u>960,000</u>	<u>960,000</u>	<u>961,289</u>	<u>1,289</u>
EXPENDITURES				
Current:				
Public works	1,000,000	1,000,000	73,944	(926,056)
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>73,944</u>	<u>(926,056)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>887,345</u>	<u>927,345</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (40,000)</u>	<u>\$ (40,000)</u>	<u>887,345</u>	<u>\$ 927,345</u>
Fund balances - beginning			<u>1,888,050</u>	
Fund balances - ending			<u>\$ 2,775,395</u>	

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

APRIL 30, 2026

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						
12/31/2025	\$ 9,636,668	\$ 8,994,302	\$ (642,366)	107.14%	\$ 3,047,488	0.00%
12/31/2024	\$ 7,946,019	\$ 8,211,798	\$ 265,779	96.76%	\$ 2,879,761	9.23%
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%

On a market value basis, the actuarial value of assets as of December 31, 2025 is \$10,765,527. On a market basis, the funded ratio would be 119.69%.

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

CITY OF FAIRFIELD, IL
POLICE PENSION FUND AND FIREMEN'S PENSION FUND
SCHEDULE OF FUNDING PROGRESS
APRIL 30, 2026

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)
Police Pension						
2026	\$ 3,910,061	\$ 9,767,969	40.03%	\$ 5,857,908	\$ 756,390	774.46%
2025	\$ 3,605,995	\$ 9,500,767	37.95%	\$ 5,894,772	\$ 580,238	1015.92%
2024	\$ 3,298,933	\$ 9,132,078	36.12%	\$ 5,833,145	\$ 475,533	1226.65%
2023	\$ 3,187,672	\$ 8,681,970	36.72%	\$ 5,494,298	\$ 462,618	1187.65%
2022	\$ 3,145,607	\$ 10,982,670	28.64%	\$ 7,837,063	\$ 665,664	1177.33%
2021	\$ 3,046,144	\$ 10,675,387	28.53%	\$ 7,629,243	\$ 565,011	1350.28%
2020	\$ 2,976,928	\$ 10,216,166	29.14%	\$ 7,239,238	\$ 544,623	1329.22%
2019	\$ 2,898,578	\$ 9,224,836	31.42%	\$ 6,326,258	\$ 549,667	1150.93%
2018	\$ 2,748,565	\$ 9,523,832	28.86%	\$ 6,775,267	\$ 549,515	1232.95%
2017	\$ 2,563,220	\$ 7,357,594	34.84%	\$ 4,794,374	\$ 583,378	821.83%
Firemen's Pension						
2026	\$ 3,369,523	\$ 4,498,508	74.90%	\$ 1,128,985	\$ 283,227	398.61%
2025	\$ 3,041,037	\$ 4,206,445	72.29%	\$ 1,165,408	\$ 276,205	421.94%
2024	\$ 2,780,272	\$ 4,106,908	67.70%	\$ 1,326,636	\$ 276,205	480.31%
2023	\$ 2,559,394	\$ 3,853,998	66.41%	\$ 1,294,604	\$ 257,689	502.39%
2022	\$ 2,338,111	\$ 4,359,550	53.63%	\$ 2,021,439	\$ 250,285	807.65%
2021	\$ 2,148,410	\$ 4,510,832	47.63%	\$ 2,362,422	\$ 243,587	969.85%
2020	\$ 2,097,116	\$ 4,421,766	47.43%	\$ 2,324,650	\$ 237,067	980.59%
2019	\$ 2,030,142	\$ 4,071,048	49.87%	\$ 2,040,906	\$ 227,548	896.91%
2018	\$ 1,949,267	\$ 4,002,936	48.70%	\$ 2,053,669	\$ 227,548	902.52%
2017	\$ 1,858,519	\$ 3,779,502	49.17%	\$ 1,920,983	\$ 223,637	858.97%

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.