

**City of Benton, Illinois**  
**Annual Financial Report**  
**April 30, 2021**

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Marion  
2602 W DeYoung St  
Marion, IL 62959

It's about time.

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Commissioners  
City of Benton  
Benton, Illinois

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

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

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

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

### ***Auditor's Responsibility***

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

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



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includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 61 and 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The City has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ATLAS CPAs & Advisors PLLC

ATLAS CPAs & Advisors LLC  
December 22, 2021



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

Honorable Mayor and Commissioners  
City of Benton  
Benton, 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, each major fund, and the aggregate remaining fund information of the City of Benton, Illinois (the City), as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's 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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs 2007-1, 2018-1, and 2018-10 that we consider to be significant deficiencies.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2018-1.

## **City's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.

*ATLAS CPAs & Advisors PLLC*

ATLAS CPAs & Advisors LLC  
December 22, 2021

## **Basic Financial Statements**

**City of Benton, Illinois**  
**Statement of Net Position**  
**April 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 4,909,472	\$ 843,949	\$ 5,753,421
Receivables, net			
Property taxes	972,126	-	972,126
Accounts receivable	215,073	248,672	463,745
Intergovernmental receivable	756,444	-	756,444
Due from other funds	26,212	-	26,212
Prepaid expenses	60,922	275	61,197
Inventory - at cost	-	19,594	19,594
Restricted cash and investments	656,560	1,490,893	2,147,453
Capital assets, non-depreciable	1,720,728	533,928	2,254,656
Capital assets, depreciable, net of accumulated depreciation	9,247,649	20,272,249	29,519,898
Net pension asset	335,095	12,812	347,907
<b>Total Assets</b>	<u>18,900,281</u>	<u>23,422,372</u>	<u>42,322,653</u>
<b>Deferred Outflow of Resources</b>			
Deferred outflow related to pension liabilities	1,703,782	254,305	1,958,087
<b>Liabilities</b>			
Accounts payable	87,804	80,138	167,942
Accrued payroll	67,631	31,536	99,167
Accrued payroll related expenses	50,999	-	50,999
Accrued vacation, sick and personal leave	260,330	63,697	324,027
Accrued interest payable	-	58,903	58,903
Other liabilities	1,900	-	1,900
Due from other funds	-	26,212	26,212
Consumer deposits	-	92,035	92,035
Noncurrent liabilities			
Net pension liability	3,336,509		3,336,509
Due within one year	87,525	331,887	419,412
Due in more than one year	220,427	6,399,927	6,620,354
<b>Total Liabilities</b>	<u>4,113,125</u>	<u>7,084,335</u>	<u>11,197,460</u>
<b>Deferred Inflow of Resources</b>			
Deferred inflow related to property tax	930,540	-	930,540
Deferred inflow related to pension liabilities	2,153,849	661,650	2,815,499
<b>Total Deferred Inflow of Resources</b>	<u>3,084,389</u>	<u>661,650</u>	<u>3,746,039</u>
<b>Net Position</b>			
Net investment in capital assets	10,660,425	14,074,363	24,734,788
Restricted for:			
Maintenance of roadways	1,306,372	-	1,306,372
Public safety expenditures	122,355	-	122,355
Grant expenditures	102,817	-	102,817
TIF development	508,282	-	508,282
Ordinance	826,598	1,408,449	2,235,047
Capital projects	373,425	-	373,425
Unrestricted (deficit)	(493,725)	447,880	(45,845)
<b>Total Net Position</b>	<u>\$ 13,406,549</u>	<u>\$ 15,930,692</u>	<u>\$ 29,337,241</u>

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

**City of Benton, Illinois**  
**Statement of Activities**  
**For the Year Ended April 30, 2021**

Functions / Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 1,142,182	\$ 628,099	\$ 24,185	\$ 441,358	\$ (48,540)		\$ (48,540)
Public health and safety	2,101,493	110,678	81,660	292,360	(1,616,795)		(1,616,795)
Streets and alleys	1,152,577	204,943	253,744	509,019	(184,871)		(184,871)
Cultural and recreation	26,951	9,000	-	-	(17,951)		(17,951)
Development	526,903	-	-	294,679	(232,224)		(232,224)
Debt service - Interest	10,234	-	-	-	(10,234)		(10,234)
Unallocated depreciation expense	11,204	-	-	-	(11,204)		(11,204)
<b>Total Governmental Activities</b>	<b>4,971,544</b>	<b>952,720</b>	<b>359,589</b>	<b>1,537,416</b>	<b>(2,121,819)</b>		<b>(2,121,819)</b>
<b>Business-Type Activities</b>							
Water & Sewer	2,713,789	2,743,826	-	126,364		\$ 156,401	156,401
<b>Total Business-Type Activities</b>	<b>2,713,789</b>	<b>2,743,826</b>	<b>-</b>	<b>126,364</b>		<b>156,401</b>	<b>156,401</b>
<b>Totals</b>	<b>\$ 7,685,333</b>	<b>\$ 3,696,546</b>	<b>\$ 359,589</b>	<b>\$ 1,663,780</b>	<b>(2,121,819)</b>	<b>156,401</b>	<b>(1,965,418)</b>
<b>General Revenues</b>							
Taxes							
Property					948,561	-	948,561
Sales					1,654,145	-	1,654,145
Franchise fees and other taxes					622,756	-	622,756
Intergovernmental					1,336,269	-	1,336,269
Investment income					6,517	8,138	14,655
Miscellaneous					9,940	35,950	45,890
Transfers in (out)					(4,500)	4,500	-
<b>Total General Revenues, Special Items and Transfers</b>					<b>4,573,688</b>	<b>48,588</b>	<b>4,622,276</b>
<b>Change in Net Position</b>					<b>2,451,869</b>	<b>204,989</b>	<b>2,656,858</b>
<b>Net Position - Beginning of Year</b>					<b>10,954,680</b>	<b>15,725,703</b>	<b>26,680,383</b>
<b>Net Position - End of Year</b>					<b>\$ 13,406,549</b>	<b>\$ 15,930,692</b>	<b>\$ 29,337,241</b>

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

**City of Benton, Illinois  
Governmental Funds  
Balance Sheet  
April 30, 2021**

	<u>General Fund</u>	<u>Motor Fuel Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and investments	\$ 2,472,169	\$ 789,249	\$ 1,648,054	\$ 4,909,472
Restricted cash and investments	180,025	-	476,535	656,560
Accounts receivable	56,174	23,347	81,055	160,576
Property taxes receivable	130,000	-	842,126	972,126
Intergovernmental receivable	733,097	-	-	733,097
Grant receivable	-	77,844	-	77,844
Due from other funds	30,812	-	10,200	41,012
<b>Total Assets</b>	<u>\$ 3,602,277</u>	<u>\$ 890,440</u>	<u>\$ 3,057,970</u>	<u>\$ 7,550,687</u>
<b>Liabilities, Deferred Inflows and Fund Balances</b>				
Accounts payable	\$ 81,222	\$ -	\$ 6,582	\$ 87,804
Accrued payroll	67,631	-	-	67,631
Accrued payroll related expenses	50,844	-	155	50,999
Due to other funds	14,800	-	-	14,800
Other liabilities	1,900	-	-	1,900
<b>Total Liabilities</b>	<u>216,397</u>	<u>-</u>	<u>6,737</u>	<u>223,134</u>
<b>Deferred Inflow of Resources</b>				
Unavailable revenue - property taxes	130,000	-	800,540	930,540
<b>Fund Balances</b>				
Restricted	33,733	890,440	1,877,268	2,801,441
Committed	109,757	-	373,425	483,182
Assigned	77,888	-	-	77,888
Unassigned	3,034,502	-	-	3,034,502
<b>Total Fund Balances</b>	<u>3,255,880</u>	<u>890,440</u>	<u>2,250,693</u>	<u>6,397,013</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 3,602,277</u>	<u>\$ 890,440</u>	<u>\$ 3,057,970</u>	<u>\$ 7,550,687</u>

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

**City of Benton, Illinois**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to the Governmental Activities in the**  
**Statement of Net Position**  
**April 30, 2021**

<b>Fund Balances of Governmental Funds</b>	<b>\$</b>	<b>6,397,013</b>
Amounts reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in government funds.		10,968,377
Prepaid insurance is recorded in the statement of net position when incurred; these costs are recorded in governmental funds as expense when paid.		60,922
Deferred inflows and outflows of resources related to pensions are not reported in governmental funds.		(450,067)
Net pension asset related to pensions are not reported in governmental funds.		335,095
Accrued vacation, sick, and personal leave are recorded in the statement of net position when incurred; these costs are recorded in governmental funds as expense when paid.		(260,330)
Long-term liabilities, including bonds, notes payable, and net pension obligations are not due and payable in the current period and therefore, are not reported in the governmental funds.		<u>(3,644,461)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>13,406,549</u></b>

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

**City of Benton, Illinois**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended April 30, 2021**

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property taxes	\$ 129,927	\$ -	\$ 818,634	\$ 948,561
Sales taxes	1,589,815	-	64,330	1,654,145
Franchise fees and other taxes	622,756	-	20,359	643,115
Licenses and permits	83,310	-	-	83,310
Intergovernmental revenue	1,330,134	253,744	6,090	1,589,968
Service charges and fees	519,275	-	49,021	568,296
Grant revenue	366,596	311,375	933,681	1,611,652
Investment income	2,258	1,147	3,112	6,517
Miscellaneous income	125,011	-	197,338	322,349
<b>Total Revenues</b>	<u>4,769,082</u>	<u>566,266</u>	<u>2,092,565</u>	<u>7,427,913</u>
<b>Expenditures</b>				
General government	852,167	-	551,888	1,404,055
Public health and safety	1,959,360	-	7,576	1,966,936
Streets, alleys, and cemeteries	491,368	207,283	17,226	715,877
Culture and recreation	50,653	-	-	50,653
Development	-	-	526,903	526,903
Debt service				
Principal	85,443	-	190,000	275,443
Interest	8,541	-	1,693	10,234
Capital outlay	151,387	-	931,663	1,083,050
<b>Total Expenditures</b>	<u>3,598,919</u>	<u>207,283</u>	<u>2,226,949</u>	<u>6,033,151</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,170,163</u>	<u>358,983</u>	<u>(134,384)</u>	<u>1,394,762</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	(26,682)	-	22,182	(4,500)
Proceeds from long-term debt	-	-	190,000	190,000
<b>Total Other Financing Sources (Uses)</b>	<u>(26,682)</u>	<u>-</u>	<u>212,182</u>	<u>185,500</u>
<b>Net Changes in Fund Balances</b>	1,143,481	358,983	77,798	1,580,262
<b>Fund Balances - Beginning of Year</b>	<u>2,112,399</u>	<u>531,457</u>	<u>2,172,895</u>	<u>4,816,751</u>
<b>Fund Balances - End of Year</b>	<u>\$ 3,255,880</u>	<u>\$ 890,440</u>	<u>\$ 2,250,693</u>	<u>\$ 6,397,013</u>

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

**City of Benton, Illinois**  
**Reconciliation of Statement of Revenues, Expenditures and Changes In**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended April 30, 2021**

**Net Change In Fund Balances - Total Governmental Funds** **\$ 1,580,262**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

The issuance of long term-debt provides current financial resources to governmental funds, but not in the Statement of Activities.

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the Statement of Activities.

Depreciation expense	(751,815)	
Capital asset purchases capitalized	<u>1,083,050</u>	331,235

Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, are not reported as expenditures in government funds.	5,802
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Accrued vacation, sick, and personal leave are reported in the Statement of Activities and Changes in Net Position, but does not require the use of current financial resources. Therefore, these accrued expenses are not reported as an expenditure in governmental funds.	10,396
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Pension expense is recorded in the statement of activities when incurred; these costs are recorded in governmental funds as expenses when paid.	438,731
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The repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	<u>85,443</u>
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<b>Change In Net Position of Governmental Activities</b>	<b><u>\$ 2,451,869</u></b>
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The notes to the financial statements are an integral part of this statement.



**City of Benton, Illinois  
Statement of Net Position  
Proprietary Funds  
April 30, 2021**

	<b>Business-Type Activities - Water &amp; Sewer Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 785,956
Restricted cash and cash equivalents	1,490,893
Investments	57,993
Accounts receivable, net of provision for uncollectible accounts of \$30,045	248,672
Inventory	19,594
Prepaid expense	275
<b>Total Current Assets</b>	<b>2,603,383</b>
<b>Noncurrent Assets</b>	
Capital assets, non-depreciable	533,928
Capital assets, depreciable, net of depreciation	20,272,249
Net pension asset	12,812
<b>Total Non-Current Assets</b>	<b>20,818,989</b>
<b>Total Assets</b>	<b>23,422,372</b>
<b>Deferred Outflow of Resources</b>	
Deferred outflow related to pension liabilities	254,305
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	80,138
Accrued payroll	31,536
Accrued interest payable	58,903
Compensated absences, sick and personal leave	63,697
Due to other funds	26,212
Customer deposits	92,035
Notes payable	331,887
<b>Total Current Liabilities</b>	<b>684,408</b>
<b>Noncurrent Liabilities</b>	
Notes payable	6,399,927
<b>Total Liabilities</b>	<b>7,084,335</b>
<b>Deferred Inflow of Resources</b>	
Deferred inflow related to pension liabilities	661,650
<b>Net Position</b>	
Invested in capital assets	14,074,363
Restricted by ordinance	1,408,449
Unrestricted	447,880
<b>Total Net Position</b>	<b>\$ 15,930,692</b>

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

**City of Benton, Illinois**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended April 30, 2021**

	<b>Business-Type Activities - Water &amp; Sewer Fund</b>
<b>Operating Revenues</b>	
Charges for services and fees	\$ 2,681,677
Miscellaneous income	83,585
	<b>2,765,262</b>
<b>Total Operating Revenues</b>	
<b>Operating Expenses</b>	
Administrative and general	210,238
Water supply expense	527,817
Transmission and distribution	666,007
Plant maintenance and purification	553,174
Depreciation	637,021
	<b>2,594,257</b>
<b>Total Operating Expenses</b>	
<b>Operating Income (Loss)</b>	<b>171,005</b>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	8,225
Grant revenue	126,364
Rental income, net	14,335
Interest expense	(119,532)
Bad debt expense, net of recoveries	179
Unrealized gain (loss) on investments	(87)
	<b>29,484</b>
<b>Net Non Operating Revenues (Expenses)</b>	
<b>Income (Loss) Before Transfers</b>	<b>200,489</b>
Transfers in (out)	4,500
	<b>204,989</b>
<b>Change in Net Position</b>	
<b>Net Position - Beginning of Year</b>	<b>15,725,703</b>
<b>Net Position - End of Year</b>	<b>\$ 15,930,692</b>

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

**City of Benton, Illinois  
Proprietary Funds  
Statement of Cash Flows  
For the Year Ended April 30, 2021**

	<b>Business-Type Activities - Water &amp; Sewer Fund</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 2,786,889
Payments to employees	(744,118)
Payments to suppliers of goods and services	(1,327,189)
	<b>715,582</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	
<b>Cash Flows from Noncapital Financing Activities</b>	
Net operating transfers	(9,539)
Proceeds from capital grants	126,364
	<b>116,825</b>
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	
<b>Cash Flows from Capital and Related Financing Activities</b>	
Principal paid on capital debt	(163,787)
Interest paid on capital debt	(60,629)
Purchases of capital assets	(268,613)
	<b>(493,029)</b>
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	
<b>Cash Flows from Investing Activities</b>	
Interest on investments	7,735
Proceeds from the maturity of investments	1,025
Rental income, net	14,335
	<b>23,095</b>
<b>Net Cash Provided (Used) by Investing Activities</b>	
Increase (Decrease) in Cash and Cash Equivalents	362,473
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>1,914,376</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 2,276,849</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating income (loss)	\$ 171,005
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	637,021
(Increase) decrease in accounts receivable	21,627
(Increase) decrease in net pension asset	(12,812)
(Increase) decrease in deferred outflow of resources	54,512
Increase (decrease) in deferred inflow of resources	124,971
Increase (decrease) in net pension liability	(349,851)
Increase (decrease) in customer deposits	2,045
Increase (decrease) in accounts payable	62,896
Increase (decrease) in accrued payroll	4,168
	<b>544,577</b>
<b>Total adjustments</b>	
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 715,582</b>

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

**City of Benton, Illinois**  
**Fiduciary Fund Types**  
**Statement of Fiduciary Net Position**  
**April 30, 2021**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash	\$ 1,369,166	\$ 11,669
Receivables -		
Interest	20,565	-
Property tax	427,000	-
Investments, at fair value-		
U.S. Government and agency obligations	1,539,067	-
Certificates of deposit	942,042	-
Mutual funds	907,250	-
Other bonds	1,139,227	-
Insurance company contracts	342,103	-
Exchange traded funds	3,222,398	-
<b>Total Assets</b>	<b>9,908,818</b>	<b>11,669</b>
<b>Deferred Inflow of Resources</b>		
Deferred inflow of resources - property tax	427,000	-
<b>Net Position</b>	<b>\$ 9,481,818</b>	<b>\$ 11,669</b>

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

**City of Benton, Illinois**  
**Fiduciary Fund Types**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended April 30, 2021**

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
<b>Additions</b>		
Contributions		
Employer -		
Property tax	\$ 411,306	\$ -
Employer contribution	205,000	-
Replacement tax	44,186	-
Plan members	103,659	-
Other	-	125
<b>Total Contributions</b>	<u>764,151</u>	<u>125</u>
Investment Earnings		
Interest	222,727	-
Net increase (decrease) in fair value of investments	1,627,918	-
Less investment expense	<u>(17,968)</u>	<u>-</u>
<b>Net Investment Earnings</b>	<u>1,832,677</u>	<u>-</u>
<b>Total Additions</b>	<u>2,596,828</u>	<u>125</u>
<b>Deductions</b>		
Benefits	593,006	-
Administrative expense	<u>21,733</u>	<u>-</u>
<b>Total Deductions</b>	<u>614,739</u>	<u>-</u>
<b>Change in Plan Net Position</b>	1,982,089	125
<b>Plan Net Position - Beginning of Year</b>	<u>7,499,729</u>	<u>11,544</u>
<b>Plan Net Position - End of Year</b>	<u>\$ 9,481,818</u>	<u>\$ 11,669</u>

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

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**Note 1. Summary of Significant Accounting Policies:**

The City's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

**A. Reporting entity**

The City of Benton was created in 1902 and operates under an elected Mayor/Council form of government. The City's major operations include public safety, fire protection, street maintenance, recreation, and general administrative services.

The City's reporting entity includes the City's governing board and all related organizations for which the City exercises oversight responsibility.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City should be included within its financial reporting entity or as a component unit. The criteria include, but are not limited to, whether the City exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public services, and special financing relationships.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City also has business-type activities and proprietary funds on which to apply the pronouncements. The significant accounting policies established in GAAP and used by the City are described below.

**B. Basis of presentation**

The basic financial statements include both government-wide and fund financial statements. The government-wide statements focus on the City as a whole, while the fund financial statements focus on major funds. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City's government-wide activities are both governmental and business-type activities.

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Interfund receivables/payables resulting from short-term interfund loans are eliminated in the government-wide Statement of Net Position. The City's net position is reported in four parts - invested in capital assets, net of related debt; restricted net assets; non-spendable; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities. This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

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

**Fund Financial Statements**

Fund financial statements report detailed information about the City.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The following fund types are used by the City of Benton, Illinois:

**Governmental Fund Types:**

These are the funds through which most governmental functions typically are financed. The following is a description of the governmental fund types of the City:

- a. **General Fund Types** - The General Fund, Municipal Utility Tax Fund, Capital Improvements Fund, Municipal Telecommunications Tax Fund, Auxiliary Police Fund, Benton Police Vehicle Fund, Police DUI Fund, Accounts Payable Fund, Impound Fee Fund, Grants and Donations Fund, Twin Oaks Fund, Ambulance Fund, Hazmat Fund, and Restricted Sale Fund are the general operating funds of the City. They are used to account for all financial resources devoted to financing the general services that the City performs for its citizens, except those required to be accounted for in another fund.
- b. **Special Revenue Funds** - These funds are established to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes. The City's special revenue funds are the Audit Fund, Municipal Retirement Fund, Municipal Insurance Fund, Foreign Fire Insurance Fund, Road and Bridge Fund, Motor Fuel Tax Fund, Airport Fund, DCEO/IHDA Recapture Fund, Home Rule Street Improvement Fund, TIF Funds and Housing Grant Fund.
- c. **Capital Project Funds** - These funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds). The City's capital project funds are the Restricted Fund and I-57 Interchange Modifications Fund.



**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**Proprietary Fund Types:**

These funds account for operations that are organized to be self-supporting through user charges. The following is a description of the proprietary funds of the City:

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Fiduciary Fund Types:**

Fiduciary Funds are used to report assets held by the City as a trustee or agent for individuals, private organizations, and other units of government. The following is a description of the fiduciary funds of the City:

Pension Trust Funds – These funds were established to provide pension benefits for City police and fire employees. The principal revenue source for this fund is employer and employee contributions. The financial statements presented for these funds, the Statement of Plan Net Position and Statement of Changes in Plan Net Position, are not consistent with conventional basic financial statements.

Custodial Funds – These funds are custodial in nature and do not present results of operations or have a measurement focus. The custodial funds are accounted for using the modified accrual basis of accounting.

**Major and Non-major Funds**

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<b>Major Governmental:</b> General Fund Types	Accounts for financial resources devoted to financing the general services that the City performs for its citizens.
Motor Fuel Tax Fund	Accounts for the revenues and expenditures of improving roads and infrastructure.
<b>Major Proprietary:</b> Water and Sewer	Accounts for activities related to providing water and sewer services to the citizens of the City.

**City of Benton, Illinois  
Notes to Financial Statements  
April 30, 2021**

<u>Fund</u>	<u>Brief Description</u>
<b>Non-major Governmental: Special Revenue Funds: Benton TIF Special Account</b>	Accounts for the revenues and expenditures of providing tax incentives related to the development, redevelopment, and rehabilitation of real property within the TIF district.
<b>Municipal Retirement Fund</b>	Accounts for the revenues and expenditures of the City employees retirement.
<b>Municipal Insurance Fund</b>	Accounts for the revenues and expenditures of insuring the City as a whole.
<b>Audit Fund</b>	Accounts for the revenues and expenditures of paying for the City's annual audit.
<b>Foreign Fire Insurance Fund</b>	Accounts for the revenues and expenditures of purchasing and maintaining equipment for the City's fire department.
<b>Road and Bridge Fund</b>	Accounts for the revenues and expenditures of improving roads and infrastructure.
<b>Home Rule Street Improvement Fund</b>	Accounts for the revenues and expenditures of improving roads and infrastructure.
<b>IJRL TIF #2 Fund</b>	Accounts for revenues and expenditures of providing tax incentives related to the development, redevelopment, and rehabilitation of real property within the TIF district.

**City of Benton, Illinois  
Notes to Financial Statements  
April 30, 2021**

<u>Fund</u>	<u>Brief Description</u>
Housing Grant Fund	Accounts for revenues and expenditures to certain low income and very low income individuals and families in connection with the rehabilitation of single family homes located in Benton, Illinois.
DCEO/IHDA Recapture Fund	Accounts for revenues and expenditures to be used for housing improvements (similar to housing grants).
Airport Fund	Accounts for the revenues and expenditures of operating and developing the airport.
<b>Capital Projects: Restricted Fund</b>	Accounts for revenues and expenditures of making improvements to various City streets.
I-57/IL14 Interchange Modifications Fund	Accounts for revenues and expenditures of creating a new interchange on I-57.

**C. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**Accrual**

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The accrual basis of accounting is also utilized by the proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The accrual basis of accounting is followed for presentation of assets of the Pension Trust Funds. Liabilities pertaining to benefits payable or refunds payable are presented on the modified accrual basis, with remaining liabilities presented on the accrual basis of accounting.

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**Modified Accrual**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both “measurable” and “available.” Revenues are considered “available” when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be “available” as they are collected within 60 days of the end of the current fiscal period except for sales tax and telecommunication taxes which are 90 days and state income tax which is 120 days. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Taxes (excluding property taxes), licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when paid.

**D. Annual Budget Ordinance**

The City Council annually passes a budget ordinance which includes all fund types using the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. All unexpended budget amounts lapse at the end of each fiscal year.

Each fund’s budget is prepared on a detailed line item basis. Expenditures are budgeted by department and class as follows: salaries and benefits, services and charges, supplies, capital outlay, transfers and debt service. For each fund, total expenditures may not legally exceed the budget at this level.

**E. Cash and Cash Equivalents**

Cash includes cash on hand and cash on deposit with financial institutions that can be withdrawn without prior notice or penalty.

Cash equivalents include short term, highly liquid investments with original maturities of 90 days or less. For purposes of statement of cash flows presentation, cash and cash equivalents totaled \$2,276,849 at April 30, 2021.

**F. Investments**

Investments are stated at fair value. Cash deposits are reported at carrying value which reasonably estimates fair value.

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**G. Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Bad debts under the Proprietary Fund (Enterprise Funds) are accounted for by the allowance reserve method in recognizing bad debt expense. This method better matches the cost of operating the fund with revenues of the fund and is consistent with generally accepted accounting principles.

**H. Prepaid Items**

Prepaid balances are for insurance payments made by the City in the current year to provide coverage occurring in the subsequent fiscal year.

**I. Inventory**

Inventory is valued at cost using the first-in, first-out method, and consists of expendable supplies held for consumption for the proprietary funds.

**J. Due To and Due From Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables are eliminated in the government-wide statement of net position.

**K. Restricted Assets**

Enterprise Funds are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only for water and sewer renovations. The General Fund is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only for specific purposes.

**L. Capital Assets**

The City is required to spread the cost of its capital assets over the assets' useful lives. These capital assets include land, buildings, and related equipment. The depreciation expense amounts charged to each of the functions are in the statement of activities.

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets.

**City of Benton, Illinois  
Notes to Financial Statements  
April 30, 2021**

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical or estimated historical cost, including all ancillary charges necessary to place the asset in its intended location and condition for use. Donated assets are reported at fair market value at the time of acquisition plus all appropriate ancillary costs. Additions, improvements and other capital outlays of \$5,000 for land improvements, buildings, and building improvements, \$2,500 for equipment, \$50,000 for infrastructure, and \$500 for attractive items and which significantly extend the useful life of an asset are capitalized. Depreciation on all assets is calculated using the straight-line method. The estimated useful lives of assets are based on local government suggested basis, past experience, or other reliable sources. Useful lives typically will not exceed fifty (50) years. The following estimated useful lives are used for depreciation purposes:

Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 20 years
Infrastructure	20 - 40 years

Property, plant and equipment acquired for proprietary funds is capitalized in the respective fund to which it applies.

Property, plant and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary fund's balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation applied to the cost of each class of property, plant and equipment. Estimated useful lives, in years, for depreciable assets of the Water and Sewer departments are as follows:

Buildings and grounds	20 - 50 years
Improvements	10 - 100 years
Machinery and equipment	5 - 50 years
Water and sewer lines	20 - 50 years

**M. Compensated Absences**

For the General Fund and Enterprise Funds, benefit pay is accrued for benefits earned but not taken at April 30, 2021. Vacation time is earned either on a calendar year, fiscal year, or hire-date basis, depending upon the department in which employed.

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**Vacation Days**

**POLICE DEPARTMENT** - Employees are eligible to earn and use vacation time after six months of full time employment. Vacation is earned on a pro-rata monthly basis. Employees must work at least 136 hours per month to earn the vacation days for that month.

Vacation days not used during the current year may be carried forward to subsequent years with a maximum accumulation of four weeks. Employees are required to take at least one-half of their vacation during a year (from anniversary date to the following anniversary date). Accumulated unused vacation time up to a maximum of one-half the allowances an employee will earn in a year may be sold back to the City at the employee's regular rate of pay unless otherwise mutually agreed in writing among employee's chief and commissioner to sell back in excess of the one-half allowance. The buy back of unused days can be denied by the City based on the state of the City's finances.

Any employee who is separated from City employment shall be compensated for all unused vacation time accumulated for the year at the rate of pay at the time of separation.

**FIRE DEPARTMENT** - Employees are eligible to earn and use vacation time after six months of full time employment. Vacation is earned on a pro-rata monthly basis. Employees must work at least 168 hours per month to earn the vacation days for that month.

Vacation days not used during the current year may be carried forward to subsequent years with a maximum accumulation of four weeks. Employees are required to take at least one-half of their accumulated time so as to reduce the overall balance of time on the books unless mutually agreed in writing by employee and chief and commissioner to extend the vacation carryover date to a date certain rather than an indeterminate date. In the event an employee's vacation is denied or cancelled for operational needs, and the employee is unable to take his vacation during the year, the unused portion may be sold to the City at the employee's regular rate of pay. The buy back of unused days can be denied by the City based on the state of the City's finances.

Any employee who is separated from City employment shall be compensated for all unused vacation time accumulated for the year at the rate of pay at the time of separation.

**LABORERS AND OTHER EMPLOYEES** - After one year of employment, employees earn one week of vacation. After two years of employment, employees earn two weeks of vacation. After five years of employment, employees earn three weeks of vacation. After 10 years of employment, employees earn two extra days of vacation for each additional year, up to fifteen years of service. Vacation is paid at the employee's regular straight time hourly rate.

**City of Benton, Illinois  
Notes to Financial Statements  
April 30, 2021**

Vacation days not used during the current year may be carried forward to subsequent years with a maximum accumulation of two weeks. Employees may sell vacation days back to the City at the employee's regular rate of pay one time per year.

Any employee who is separated from City employment shall be compensated for all unused vacation time accumulated for the year at the rate of pay at the time of separation.

**Sick Days**

**POLICE DEPARTMENT** – Sick days are accrued at a rate of 80 hours per year on May 1<sup>st</sup> of each year, up to a maximum of 120 days. After accumulating 20 sick days, the employee may sell back unused days up to a maximum of 10 days per year, subject to approval by the City Council. Denial of annual sell-back may only be made by the City Council for budgetary reasons, however, and partial approval must be given on an equal basis to all bargaining unit members.

**FIRE DEPARTMENT** – For non-duty sickness or disability, employees shall earn 4 - 24 hour shifts (96 hours). They may accumulate up to 480 hours. If an employee has unused sick time at the end of a fiscal year in excess of 160 hours, he/she may elect to sell back the excess time in 80 hour blocks on February 1 and/or August 1 for all sick days not used over and above the one hundred sixty (160) hours, provided that such election shall be given in writing to the City Treasurer not less than thirty (30) days prior to February 1<sup>st</sup> and/or August 1<sup>st</sup> of each fiscal year. Failure to give notice shall result in a forfeiture of the right of election hereunder.

**LABORERS AND OTHER EMPLOYEES** – Laborers shall accrue sick days at a rate of 40 hours and other employees at a rate of 80 hours on May 1<sup>st</sup> of each year up to a maximum of 30 days. They may sell back a maximum of ten days per year after accumulating 20 days.

**Personal Days**

**POLICE DEPARTMENT** – Each post-probationary employee shall receive personal leave days in accordance with the following schedule: At the discretion of the Chief, a probationary employee may, upon written request, borrow up to one-half (1/2) of their personal leave time that they will receive upon successful completion of probationary status, although the time has not formally accrued. If employment is terminated before successful completion of probationary status, the employee may be required to reimburse the City for the value of any time advanced.

<u>Position</u>	<u>Personal Leave Allowance</u>
E911/Dispatchers	Six (6) eight (8) hour days
Peace Officers	Five (5) ten (10) hour days



**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

Personal days are to be scheduled with the approval of the Chief, although they may also be used in the event of a personal emergency requiring the employee's attention. Personal days may not be used immediately before or after a holiday unless scheduled and approved two (2) weeks in advance or in the event of an extreme emergency in which case the Chief may require a good, reasonable and bona fide explanation. Personal leave days shall be allocated as above for each fiscal year, to be accrued pro rata during each respective fiscal year.

**FIRE DEPARTMENT** – Each post-probationary employee shall receive 4 – 24 hour days (96 hours). Personal days are to be scheduled with the approval of the Chief, although they may also be used in the event of a personal emergency requiring the employee's attention. Personal leave will be required to be utilized at a two (2) hour minimum schedule of use. Personal leave days shall be allocated as above for each fiscal year, to be accrued pro rata during each respective fiscal year.

**LABORERS AND OTHER EMPLOYEES** – Laborers shall be entitled to eleven personal days per year. Any laborers may carry over a maximum of twenty-two personal days. Any additional personal days in excess of twenty-two will be used or sold back on or before May 1 of each year. Other employees receive six personal days on May 1<sup>st</sup> and they are use or lose by the end of the fiscal year.

**N. Postemployment Healthcare Benefits**

The City provides postemployment healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the City.

**O. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**P. Equity Classifications**

**Government-wide Statements**

Equity is classified as net position and displayed in four components:

**City of Benton, Illinois**  
**Notes to Financial Statements**  
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- a. *Invested in capital assets, net of related debt* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net assets that do not meet the definition of "restricted" or "invested in capital asset, net of related debt", or "non-spendable."
- d. *Non-spendable* - Consists of assets that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually to be maintained intact.

#### Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

- a. The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. *Restricted* fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributor, or laws and regulations.
- b. The *unrestricted* fund balance category is composed of *committed*, *assigned*, and *unassigned* resources.
- c. *Committed* fund balances are self-imposed limitations that the City's Council approved, which is the highest level of decision-making authority with the City. Only the Council can remove or change the constraints placed on committed fund balances.
- d. *Assigned* fund balances are resources constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed.
- e. The *unassigned* fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as *unassigned*.

#### Q. Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

**City of Benton, Illinois**  
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**R. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Additionally, the City has deferred outflows related to pension expense to be recognized in future periods and for pension contributions made after the measurement dates. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports unavailable/unearned property taxes in this category. The City also reports deferred inflows related to pensions.

**S. Use of Estimates**

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

**Note 2. Deposits and Investments:**

The City and Pension Funds categorize the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices on active markets for identical assets. Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

Permitted Deposits and Investments – The City’s investment policy allows for deposits and investments in interest-bearing savings accounts, certificates of deposits, any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, Bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States, bond, note indentures or similar obligations held by an agency of the United States, and the State of Illinois Public Treasurer’s Investment Pool.

The pension trust fund’s investment policies allows for the same investments as the City plus investments in general and separate accounts that are managed by life insurance companies with certain restrictions, corporate bonds with certain restrictions, and mutual funds which meet certain restrictions.

**City of Benton, Illinois**  
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**A. Deposits**

**Custodial Credit Risk Related to Deposits with Financial Institutions**

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned to it. The City requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be protected by collateralization with securities eligible for City investment or any other high-quality, interest bearing security. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

At April 30, 2021, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$10,346,705 (excludes \$2,345 in cash on hand held at the City). The bank balance was \$10,215,280. As of April 30, 2021, none of the City's bank balances (certificates of deposit, checking, and savings accounts) were exposed to custodial credit risk.

During the year ended April 30, 2021, the depository banks used by the City had pledged \$7,751,407 in federal securities to secure the City's deposits in excess of the amounts insured by the FDIC. The pledged securities are held by the pledging financial institutions' trust department or agent but not in the City's name.

**B. Investments**

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

As of April 30, 2021, the City, including pension trust funds, had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)				Moody's Rating
		Less Than 1	1-5	6-10	More Than 10	
Corporate Bonds	\$ 1,139,227	\$ 121,200	\$ 955,183	\$ 62,864	\$ -	AAA-A1
Mutual Funds	907,250	907,250	-	-	-	N/A
Federal Home Loan Bank	102,732	102,732	-	-	-	AAA
Federal Home Loan Mortgage Corp.	50,571	-	442	-	50,129	N/A
Federal National Mortgage Association	29,037	-	826	-	28,211	N/A
Federal Farm Credit Bank	110,051	-	110,051	-	-	AAA
Farm Credit System	-	-	-	-	-	AAA
Government National Mortgage Association	407,105	-	736	3,421	402,948	N/A
Tennessee Valley	196,957	59,954	137,003	-	-	N/A
United States Treasury	646,533	-	646,533	-	-	N/A
Insurance Contracts	342,103	342,103	-	-	-	N/A
Illinois Funds Money Market	1,765,844	1,765,844	-	-	-	N/A
Exchange - Traded Funds	<u>3,222,398</u>	<u>3,228,398</u>	-	-	-	N/A
<b>Total</b>	<b><u>\$ 8,919,808</u></b>	<b><u>\$ 6,527,481</u></b>	<b><u>\$ 1,850,754</u></b>	<b><u>\$ 66,285</u></b>	<b><u>\$ 481,288</u></b>	

**City of Benton, Illinois  
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All of the investments listed above, except for Illinois Money Market which is valued using Level 2, are valued using Level 1 inputs.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates 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. One of the ways the City manages its exposure to interest rate risk is by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. Another way the City manages its exposure to interest rate risk is by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

**Investments with Fair Values Highly Sensitive to Interest Rate Risk**

The City's investments include the following investments that are highly sensitive to interest rate fluctuations:

<u>Highly Sensitive Investments</u>	<u>Fair Value at Year End</u>
Federal agency securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 699,496

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City minimizes its exposure to credit risk by limiting its investments to the safest types of securities; by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers which the City will do business; and by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, exchange-traded funds, external investment pools and investments issued or guaranteed by the U.S. government.

**City of Benton, Illinois**  
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The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Illinois Government Code.  
**Foreign Currency Risk**

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The City had no foreign currency risk as of April 30, 2021.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments, other than the following provision for investments: a list will be maintained of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000) and at least five years of operation. These may include primary dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). At year end, none of the City's investments were subject to custodial credit risk due to one of the following:

- Investments were part of an insured pool
- Investments were book-entry only in the name of the City and were fully insured
- Investments were part of a mutual fund
- Investments were held by an agent in the City's name

**Note 3. Restricted Assets:**

**Governmental Funds**

	<u>General Fund</u>					
	<u>Police Department</u>	<u>Grants and Donations Fund</u>	<u>Restricted Sale Fund</u>	<u>DCEO/IHDA Recapture Fund</u>	<u>Housing Grant Fund</u>	<u>I-57/IL14 Interchange Fund</u>
Cash	<u>\$ 56,251</u>	<u>\$ 14,017</u>	<u>\$ 109,757</u>	<u>\$ 3,202</u>	<u>\$ 99,615</u>	<u>\$ 373,718</u>

**City of Benton, Illinois**  
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Restricted assets of the General Fund are for police department use. Restricted assets of the DCEO/IHDA Recapture Fund and Housing Grant Fund, are for grant expenditures. Restricted assets of the Restricted Sale Fund are for capital improvements.

Enterprise Fund

Water and Sewer

Cash	\$ <u>1,490,893</u>
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Restricted assets of the Water and Sewer Department are for sewer renovations.

**Note 4. Property Tax Revenues:**

Receivables and Allowance

Property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the County Collector, the property taxes are not "available" to finance current year expenditures.

The Road and Bridge Fund taxes received are pro-rata portion of such taxes collected by Franklin County, Illinois, and are not extended separately for the City of Benton, Illinois.

The Tax Increment Financing taxes received are calculated based on the increase in the assessed valuation of the property located within the TIF district.

The City's property tax is levied each year on all taxable real property located in the City. Property taxes attach as an enforceable lien on property as of January 1 and were payable in two installments on September 11, 2020 and October 23, 2020. The City receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from 2019 and prior tax levies.

**Allowance for Uncollectible Amounts:**

The allowance for doubtful accounts is analyzed as follows:

	<u>Enterprise</u>
Balance at April 30, 2020	\$ 30,610
<u>Add</u> - Provision for uncollectibles	
- Recoveries	
<u>Less</u> - Charge-offs	<u>565</u>
Balance at April 30, 2021	<u>\$ 30,045</u>

At April 30, 2021 the allowance for doubtful accounts was 10.78% of accounts receivables for the Enterprise Fund.

**City of Benton, Illinois**  
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**Note 5. Capital Assets:**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 988,680	\$ -	\$ -	\$ 988,680
Construction in progress	<u>541,881</u>	<u>190,167</u>	<u>-</u>	<u>732,048</u>
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 1,530,561</b>	<b>\$ 190,167</b>	<b>\$ -</b>	<b>\$ 1,720,728</b>
<b>Capital assets being depreciated:</b>				
Land improvements	\$ 11,336,605	\$ 675,321	\$ -	\$ 12,011,926
Improvements	88,235	85,652	-	173,887
Equipment	3,962,044	131,910	-	4,093,954
Buildings	<u>2,229,342</u>	<u>-</u>	<u>-</u>	<u>2,229,342</u>
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 17,616,226</b>	<b>\$ 892,883</b>	<b>\$ -</b>	<b>\$ 18,509,109</b>
<b>Less accumulated depreciation for:</b>				
Land improvements	\$ 5,359,534	\$ 471,904	\$ -	\$ 5,831,438
Improvements	21,250	6,508	-	27,758
Equipment	2,701,257	225,068	-	2,926,325
Buildings	<u>427,604</u>	<u>48,335</u>	<u>-</u>	<u>475,939</u>
<b>Total Accumulated Depreciation</b>	<b>\$ 8,509,645</b>	<b>\$ 751,815</b>	<b>\$ -</b>	<b>\$ 9,261,460</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 9,106,581</b>	<b>\$ 141,068</b>	<b>\$ -</b>	<b>\$ 9,247,649</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 10,637,142</b>	<b>\$ 331,235</b>	<b>\$ -</b>	<b>\$ 10,968,377</b>
<b>Business-Type Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 206,275	\$ -	\$ -	\$ 206,275
Construction in progress	<u>154,436</u>	<u>173,217</u>	<u>-</u>	<u>327,653</u>
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 360,711</b>	<b>\$ 173,217</b>	<b>\$ -</b>	<b>\$ 533,928</b>
<b>Capital assets being depreciated:</b>				
Buildings	\$ 14,892,625	\$ -	\$ -	\$ 14,892,625
Equipment	730,660	39,346	-	770,006
Vehicles	368,422	-	-	368,422
Transmission and distribution systems	5,534,250	56,050	-	5,590,300
Capital improvements	<u>8,165,436</u>	<u>-</u>	<u>-</u>	<u>8,165,436</u>
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 29,691,393</b>	<b>\$ 95,396</b>	<b>\$ -</b>	<b>\$ 29,786,789</b>
<b>Less accumulated depreciation for:</b>				
Buildings	\$ 693,978	\$ 319,218	\$ -	\$ 1,013,196
Equipment	639,209	27,183	-	666,392
Vehicles	368,422	-	-	368,422
Transmission and distribution systems	2,878,333	138,936	-	3,017,269
Capital improvements	<u>4,297,577</u>	<u>151,684</u>	<u>-</u>	<u>4,449,261</u>
<b>Total Accumulated Depreciation</b>	<b>\$ 8,877,519</b>	<b>\$ 637,021</b>	<b>\$ -</b>	<b>\$ 9,514,540</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 20,813,874</b>	<b>\$ (541,625)</b>	<b>\$ -</b>	<b>\$ 20,272,249</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 21,174,585</b>	<b>\$ (368,408)</b>	<b>\$ -</b>	<b>\$ 20,806,177</b>



**City of Benton, Illinois**  
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Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General government	\$ 157,938
Public health and safety	177,818
Streets, alleys and cemeteries	393,340
Cultural and recreation	11,515
Unallocated infrastructure	<u>11,204</u>
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ <u>751,815</u></b>
<b>Business-Type activities:</b>	
Water	\$ 318,511
Sewer	<u>318,510</u>
<b>Total Business-Type Activities Depreciation Expense</b>	<b>\$ <u>637,021</u></b>

**Note 6. Legal Debt Margin and Changes in Long-Term Debt:**

**Legal Debt Margin**

The City of Benton is a home rule municipality. Under the Illinois Compiled Statutes, home rule government may issue notes and bonds in excess of any statutory limitation and they shall not reduce the debt incurring power otherwise authorized for any such unit of government. Therefore, the City of Benton has no legal debt limitation.

**Changes in Long-Term Debt for Governmental Activities**

Other Contractual Liabilities

The following is a summary of other contractual liability transactions for governmental-type activities of the City for the fiscal year ended April 30, 2021:

	<u>Balance</u> <u>May 1, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>April 30, 2021</u>	<u>Amounts Due</u> <u>Within One Year</u>
<b>Governmental-Type Activities -</b>					
Fire truck	\$ 393,395	\$ -	\$ 85,443	\$ 307,952	\$ 87,525
Accrued vacation	137,193	725	-	137,918	-
Accrued sick	131,367	-	9,761	121,606	-
Accrued personal	2,166	-	1,360	806	-
Net pension liability	<u>4,621,156</u>	<u>-</u>	<u>1,284,647</u>	<u>3,336,509</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>5,285,277</u></b>	<b>\$ <u>725</u></b>	<b>\$ <u>1,381,211</u></b>	<b>\$ <u>3,904,791</u></b>	<b>\$ <u>87,525</u></b>

For governmental activities the General Fund makes payments on the accrued vacation, sick, personal, fire truck, and net pension liability.

Governmental fund contractual obligations at April 30, 2021, are comprised of the following individual note payable:

- A. 2.41% lease purchase to US Bancorp for a fire truck in monthly installments of \$7,832 including interest through September 5, 2024. \$ 307,952

For the year ended April 30, 2021, total interest was \$8,541, all of which was charged to expense.

**City of Benton, Illinois**  
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The annual requirements to amortize all other contractual liabilities of government-type activities as of April 30, 2021 are as follows:

Fiscal Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 87,525	\$ 6,459	\$ 93,984
2023	89,658	4,326	93,984
2024	91,843	2,142	93,985
2025	<u>38,926</u>	<u>235</u>	<u>39,161</u>
<b>Total</b>	<b><u>\$ 307,952</u></b>	<b><u>\$ 13,162</u></b>	<b><u>\$ 321,114</u></b>

The following is a summary of other contractual liability transactions for business-type activities of the City for the fiscal year ended April 30, 2021:

	<u>Balance May 1, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance April 30, 2021</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities -					
State of Illinois	\$ 6,895,601	\$ -	\$ 163,787	\$ 6,731,814	\$ 331,887
Accrued vacation	28,326	6,129	-	34,455	-
Accrued sick	24,200	-	358	23,842	-
Accrued personal	3,129	2,271	-	5,400	-
Net pension liability	<u>349,851</u>	<u>-</u>	<u>349,851</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 7,301,107</u></b>	<b><u>\$ 8,400</u></b>	<b><u>\$ 513,996</u></b>	<b><u>\$ 6,795,511</u></b>	<b><u>\$ 331,887</u></b>

Enterprise Fund contractual obligations at April 30, 2021, are comprised of the following individual notes payable:

- A. 1.75% note payable to the State of Illinois for sewer capital projects, due in semi-annual installments of \$224,123 beginning November 1, 2018 through May 1, 2038 \$ 6,731,814

Debt Service requirements to maturity for notes payable are as follows:

Fiscal Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 331,887	\$ 116,361	\$ 448,248
2023	337,720	110,528	448,248
2024	343,656	104,592	448,248
2025	349,696	98,552	448,248
2026	355,843	92,405	448,248
2027-2031	1,875,260	365,979	2,241,239
2032-2036	2,045,959	195,280	2,241,239
2037-2039	<u>1,091,793</u>	<u>28,826</u>	<u>1,120,619</u>
<b>Total</b>	<b><u>\$ 6,731,814</u></b>	<b><u>\$ 1,112,523</u></b>	<b><u>\$ 7,844,337</u></b>

**City of Benton, Illinois**  
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The City's outstanding note is from direct borrowings related to business-type activities of \$6,731,814 and contains a provision that in an event of default, the outstanding amount becomes due if the City is unable to make payment.

The City's outstanding note is from direct borrowings related to governmental activities of \$307,952 is secured with collateral of a fire truck. The outstanding note from direct borrowings related to governmental activities of \$307,952 contains a provision that in the event of default the above equipment must be delivered to US Bancorp. The City would be responsible for the payment of any damages to complete repair, restoration, modification or improvement after default.

The City has a \$500,115 line of credit of which \$190,000 has been used. The line bears interest at 3.50% and expires on October 7, 2021.

**Note 7. Lease Obligations:**

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the City's asset or liability accounts.

**Note 8. Defined Benefit Pension Plans:**

Summary:

Net Pension Liability

Net Pension Liability is reported in the accompanying statement of net position as follows:

	<u>Net Pension Liability</u>
Fire Pension Fund	\$ 662,259
Police Pension Fund	2,674,250
<b>Total Aggregate Net Pension Liability</b>	<b>\$ 3,336,509</b>

Deferred Inflows and Outflows of Resources

Deferred Inflows and Outflows of Resources are reported in the accompanying statement of net position as follows:

	<u>Differences Between Expected &amp; Actual Experience</u>	<u>Employer Contributions</u>	<u>Net Differences Between Projected and Actual Earnings</u>	<u>Change in Assumptions</u>
Illinois Municipal Retirement Fund	\$ (129,834)	\$ (43,874)	\$ (632,688)	\$ (7,556)
Fire Pension Fund	(96,113)	-	(376,387)	402,772
Police Pension Fund	(90,950)	-	(313,939)	385,804
<b>Totals</b>	<b>\$ (316,897)</b>	<b>\$ (43,874)</b>	<b>\$ (1,323,014)</b>	<b>\$ 781,020</b>

**City of Benton, Illinois**  
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**Pension Expense**

Pension expenses are included in the accompanying statement of revenues, expense, and changes in net position as follows:

	<u>Pension Expense (Income)</u>
Illinois Municipal Retirement Fund	\$ (182,898)
Fire Pension Fund	105,930
Police Pension Fund	274,372
<b>Total Pension Expense</b>	<b>\$ 197,404</b>

**Illinois Municipal Retirement Fund**

**A. 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 a 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriffs Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

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

**IMRF 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 a 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

**Employees Covered by Benefit Terms**

As of December 31, 2020, the following employees were covered by the benefit terms:

	<b><u>IMRF</u></b>
Retirees and beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>24</u>
Total	<u><u>64</u></u>

**Contributions**

As set by statute, the City's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2020 was 11.28%. For the fiscal year ended April 30, 2021, the City contributed \$141,885 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.

**Net Pension Liability**

The City's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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**Actuarial Assumptions**

**Methods and Assumptions Used to Determine Total Pension Liability at December 31, 2020**

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

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<u>Asset class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Fixed Income	28.00%	1.30%
Real estate	9.00%	6.20%
Alternative Investments	7.00%	2.85-6.95%
Cash Equivalents	1.00%	0.70%
<b>Total</b>	<u>100.00%</u>	

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.00%

**Changes in the Net Pension Liability**

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A)-(B)</u>
<b>Balances at December 31, 2019</b>	<b>\$ 7,465,522</b>	<b>\$ 7,137,734</b>	<b>\$ 327,788</b>
<b>Changes for the year:</b>			
Service Cost	\$ 129,555	\$ -	\$ 129,555
Interest on the Total Pension Liability	532,656	-	532,656
Differences Between Expected and Actual Experience of the Total Pension Liability	(75,882)	-	(75,882)
Changes of Assumptions	(56,551)	-	(56,551)
Contributions – Employer	-	140,405	(140,405)
Contributions – Employees	-	56,013	(56,013)
Net Investment Income	-	1,026,477	(1,026,477)
Benefit Payments, including Refunds of Employee Contributions	(366,632)	(366,632)	-
Other (Net Transfer)	-	(17,422)	17,422
<b>Net Changes</b>	<b>\$ 163,146</b>	<b>\$ 838,841</b>	<b>\$ (675,695)</b>
<b>Balances at December 31, 2020</b>	<b>\$ 7,628,668</b>	<b>\$ 7,976,575</b>	<b>\$ (347,907)</b>



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**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plans net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<u>1% Lower (6.25%)</u>	<u>Current Discount (7.25%)</u>	<u>1% Higher (8.25%)</u>
Net Pension Liability/(Asset)	\$ 568,631	\$ (347,907)	\$(1,084,820)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2021, the City recognized pension income of \$182,898. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Deferred Amounts Related to Pensions</b>		
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ -	\$ 129,834
Changes of assumptions	33,272	40,828
Net difference between projected and actual earnings on pension plan investments	<u>356,020</u>	<u>988,708</u>
<b>Total Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>	<u>389,292</u>	<u>1,159,370</u>
<b>Pension Contributions Made Subsequent to the Measurement Date</b>	<u>43,874</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u>\$ 433,166</u>	<u>\$ 1,159,370</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ (253,788)
2022	(138,600)
2023	(274,533)
2024	<u>(103,157)</u>
<b>Total</b>	<u>\$ (770,078)</u>

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**Police Pension Fund**

**A. 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 pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The police pension board consists of five members. Two are elected by active plan members. One is elected by the retired members and two are appointed by the City. At April 30, 2021, the Police Pension Plan membership consisted of:

Active members	10
Retirees and beneficiaries	0
Inactive, non-retired members	<u>12</u>
<u>Total</u>	<u>22</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan now has a two Tier coverage. Tier 1 coverage is for policemen employed prior to January 1, 2011. Tier 2 coverage is for policemen employed after December 31, 2010. Tier 1 employees attaining the age of 50 or more with 20 years of creditable service are entitled to receive a monthly benefit of ½ the month salary attached to the rank held in the police service at the date of retirement. Tier 2 employees must attain the age of 55 or more with 10 years of creditable service to receive a monthly benefit computed by multiplying 2.50% for each year of service completed by the final average salary (as defined in the statutes). Tier 1 employees with at least 8 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit. Tier 2 employees attaining the age 50 with 10 or more years of creditable service may retire with a reduced benefit. The maximum pension under Tier 1 or Tier 2 is 75% of the computed salary. The monthly benefit of Tier 1 employees who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of 55 years by 3% of the original pension and 3% compounded annually thereafter. The monthly benefit of Tier 2 employees shall be increased on January 1<sup>st</sup> occurring either on or after the attainment of age 60. Each annual increase shall be the lesser of ½ of the Consumer Price Index-Urban or 3% of the original pension.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. For the year ended April 30, 2021, the City's contribution was 67.87% of covered payroll.

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A separate report on the Police Pension Fund may be obtained at the City Clerk's Office in City Hall.

**B. Net Pension Liability**

The City's net pension liability was measured as of April 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions**

**Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates**

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Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Equivalent Single Amortization Period	100% Funded Over 22 years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation (CPI-U)	2.50%
Total Payroll Increases	3.50%
Individual Pay Increases	1.1220% to 4.8611%
Investment Rate of Return	6.50%
Mortality Rates	Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. 50% of active member deaths are assumed to be in the Line of Duty.
Retirement Rates	Retiree Mortality follows the L & A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

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**Notes to Financial Statements**  
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Disability Rates	Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
Spouse Mortality Rates	Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
Other Actuarial Assumptions	Other actuarial assumptions (demographic) rates are based on a review of the L & A Assumption Study for Police 2020.

**D. Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b><u>Portfolio Target Percentage</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Equities	45.0%	6.90%
Fixed Income	52.5%	2.10%
Cash	<u>2.5%</u>	0.40%
<b>Total</b>	<b><u>100%</u></b>	

**E. Single Discount Rate**

A Single Discount Rate of 6.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.50%, the municipal bond rate is 2.56%, and the resulting single discount rate is 6.50%

**F. Changes in Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net pension (Asset) Liability (a) – (b)</b>
<b>Balances Beginning at May 1, 2020</b>	<u><b>\$6,749,562</b></u>	<u><b>\$3,580,915</b></u>	<u><b>\$3,168,647</b></u>
<b>Changes for the year:</b>			
Service Cost	182,851	-	182,851
Interest	446,154	-	446,154
Actuarial Experience	270,129	-	270,129
Change in Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions—Employer	-	467,681	(467,681)
Contributions—Members	-	68,865	(68,865)
Net Investment Income	-	868,125	(868,125)
Benefit Payments and Refunds	(311,559)	(311,559)	-
Administrative Expenses	<u>-</u>	<u>(11,136)</u>	<u>11,136</u>
<b>Net Changes</b>	<u><b>\$ 587,575</b></u>	<u><b>\$1,081,976</b></u>	<u><b>\$ (494,401)</b></u>
<b>Balances Ending at April 30, 2021</b>	<u><b>\$7,337,137</b></u>	<u><b>\$4,662,891</b></u>	<u><b>\$2,674,246</b></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			63.55%

**G. Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<b>1% Lower (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Higher (7.50%)</b>
Net Pension Liability	\$ 3,859,723	\$ 2,674,246	\$ 1,724,419

**City of Benton, Illinois**  
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H. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2021, the City recognized pension expense of \$274,372. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 254,922	\$ (345,872)
Changes in assumptions	505,562	(119,758)
Net difference between projected and actual earnings on pension plan investments	<u>188,793</u>	<u>(502,732)</u>
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 949,277	\$ (968,362)
<b>Pension Contributions made subsequent to the Measurement Date</b>	<u>-</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u>\$ 949,277</u>	<u>\$ (968,362)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending April 30</b>	<b>Net Deferred Outflows/Inflows of Resources</b>
2021	\$ (53,062)
2022	(57,394)
2023	(35,262)
2024	(43,869)
2025	92,285
Thereafter	<u>78,217</u>
<b>Total</b>	<u>\$ (19,085)</u>

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**Fire Pension Fund**

**A. Plan Description**

Fire-sworn personnel are covered by the Fire 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 contribution levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The fire pension board consists of five members. Two are elected by active plan members. One is elected by the retired members and two are appointed by the City. At April 30, 2021, the Fire Pension Plan membership consisted of:

Active members	6
Retirees and beneficiaries	7
Inactive, non-retired members	<u>1</u>
<u>Total</u>	<u>14</u>

The Fire Pension Plan provides retirement benefits as well as death and disability benefits. The Fire Pension Plan now has a two Tier coverage. Tier 1 coverage is for firefighters employed prior to January 1 2011. Tier 2 coverage is for firefighters employed after December 31, 2010. Tier 1 employees attaining the age of 50 or more with 20 years of creditable service are entitled to receive a monthly benefit of 1/2 the monthly salary attached to the rank held in the fire service at the date of retirement. Tier 2 employees must attain the age of 55 or more with 10 years of creditable service to receive a monthly benefit computed by multiplying 2.50% for each year of service completed by the final average salary (as defined in the statutes). Tier 1 employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit. Tier 2 employees attaining the age 50 with 10 or more years of creditable service may retire with a reduced benefit. The maximum pension under Tier 1 or Tier 2 is 75% of the computed salary. The monthly benefit of Tier 1 employees who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of 55 years by 3% of the original pension and 3% compounded annually thereafter. The monthly benefit of Tier 2 employees shall be increased on January 1st occurring either on or after the attainment of age 60. Each annual increase shall be the lesser of 1/2 of the Consumer Price Index-Urban or 3% of the original pension.

Covered employees are required to contribute 9.455% of their base salary to the Fire Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 2011, the City has until the year 2040 to fund the plan in an amount sufficient to bring the total assets of the fire pension fund up to 90% of the total actuarial liabilities. For the year ended April 30, 2021, the City's contribution was 52.40% of covered payroll.

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**B. Net Pension Liability**

The City's net pension liability was measured as of April 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions**

**Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates**

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Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Equivalent Single Amortization Period	100% Funded Over 21 years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation (CPI-U)	2.50%
Total Payroll Increases	3.50%
Individual Pay Increases	1.12% - 4.86%
Expected Rate of Return on Investments	6.50%
Mortality Rates	Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. 50% of active member deaths are assumed to be in the Line of Duty.
Retirement Rates	Retiree Mortality follows the L & A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.



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Disability Rates	Disabled Mortality follows the L & A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.
Spouse Mortality Rates	Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
Other Actuarial Assumptions	Other actuarial assumptions (demographic) rates are based on a review of the L & A Assumption Study for Firefighters 2020.

**D. Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b><u>Portfolio Target Percentage</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Equities	45.0%	6.90%
Fixed Income	52.5%	2.10%
Cash	<u>2.5%</u>	0.4%
<b>Total</b>	<b><u>100%</u></b>	

**City of Benton, Illinois**  
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**E. Single Discount Rate**

A Single Discount Rate of 6.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.50%, the municipal bond rate is 2.56%, and the resulting single discount rate is 6.50%.

**F. Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
<b>Balances Beginning at May 1, 2020</b>	<u>\$ 5,393,386</u>	<u>\$ 3,918,814</u>	<u>\$ 1,474,572</u>
<b>Changes for the year:</b>			
Service Cost	106,542	-	106,542
Interest	335,937	-	335,937
Actuarial Experience	(73,234)	-	(73,234)
Change in Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions—Employer	-	192,811	(192,811)
Contributions—Members	-	34,794	(34,794)
Net Investment Income	-	964,429	(964,429)
Benefit Payments and Refunds	(281,447)	(281,447)	-
Administrative Expenses	-	(10,474)	10,474
<b>Net Changes</b>	<u>\$ 87,798</u>	<u>\$ 900,113</u>	<u>\$ (812,315)</u>
<b>Balances Ending at April 30, 2021</b>	<u>\$ 5,481,184</u>	<u>\$ 4,818,927</u>	<u>\$ 662,257</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			87.92%

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**G. Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<b>1% Lower (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Higher (7.50%)</b>
Net Pension Liability	\$ 1,419,281	\$ 662,257	\$ 44,030

**H. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2021, the City recognized pension expense of \$105,930. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 17,376	\$ (113,489)
Changes in assumptions	407,614	(4,842)
Net difference between projected and actual earnings on pension plan investments	193,049	(569,436)
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 618,039	\$ (687,767)
<b>Pension Contributions made subsequent to the Measurement Date</b>	-	-
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 618,039</b>	<b>\$ (687,769)</b>

**City of Benton, Illinois**  
**Notes to Financial Statements**  
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending April 30</u>	<u>Net Deferred Outflows/Inflows of Resources</u>
2021	\$ (23,924)
2022	(13,793)
2023	(20,367)
2024	(77,670)
2025	67,470
Thereafter	(1,444)
Total	<u>\$ (69,728)</u>

**Risks and Uncertainties**

Contributions to the Plans and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. Investment securities are exposed to various risks, such as interest rate, market and credit. It is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the statement of net position available for benefits.

**Note 9. Fund Balance Reporting:**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

**A. Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**B. Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the City. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has the following restricted fund balances:

**City of Benton, Illinois**  
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**April 30, 2021**

Restricted for maintenance of roads. This was created by enabling legislation (state and local) to fund the maintenance and upkeep of City streets.

Restricted for public safety expenditures. This was created to restrict the use of 911 fees, DUI, drug enforcement fees, vehicle fund, and foreign fire insurance collected for police and fire department expenditures.

Restricted for grant expenditures. This was created by grant agreements for specific grant expenditures per the agreements.

Restricted for TIF development. This was created to restrict the use of all resources collected or earned by the Tax Increment Financing Funds for development of private and public projects in the TIF districts.

Restricted by ordinance. This restriction was created by the City's tax levy ordinance to restrict expenditures for the purpose levied.

**C. Committed Fund Balance**

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (City Council). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action (resolution or ordinance) it employed to previously commit those amounts.

By council action, the City has committed to capital improvement projects.

**D. Assigned Fund Balance**

The assigned fund balance classification refers to amounts that are constrained by the City's management and/or commissioners to be used for a specific purpose, but are neither restricted nor committed. Assigned fund balance amounts are shown in the General Fund Types.

At the direction of management and administration, fees are imposed for the use of the auxiliary police and for the impounding of noncompliant vehicles.

At the direction of management and administration, donations have been received for the use of the police department.

Rental receipts from the Twin Oaks are assigned for Twin Oaks expenditures.

Service charges and fees are imposed for the use of the city ambulance.

**E. Unassigned Fund Balance**

The unassigned fund balance classification is the residual classification for amounts in the general fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund Types.

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**F. Expenditures of Fund Balance**

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Governmental Funds</u>
Fund Balances				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted for -				
Public health and safety	33,733	39,048	-	72,781
Grants	-	102,817	-	102,817
Restricted tax levies	-	811,189	-	811,189
Maintenance of roadways	-	1,306,372	-	1,306,372
TIF development	-	508,282	-	508,282
Committed for -				
Capital projects	109,757	-	373,425	483,182
Assigned for -				
Public health and safety	59,647	-	-	59,647
Ambulance	2,832	-	-	2,832
Twin Oaks	15,409	-	-	15,409
Unassigned	<u>3,034,502</u>	<u>-</u>	<u>-</u>	<u>3,034,502</u>
Total Fund Balances	<u>\$ 3,255,880</u>	<u>\$ 2,767,708</u>	<u>\$ 373,425</u>	<u>\$ 6,397,013</u>

There was no deficit fund equity as of April 30, 2021.

**Note 10. Interfund Transactions:**

During the course of normal operations, the City has numerous transactions between funds. Individual fund interfund receivable and payable balances at April 30, 2021 arising from these transactions were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 40,729	\$ 24,717
Water and Sewer Fund	7,689	33,901
Airport Fund	183	-
Municipal Insurance Fund	100	-
Municipal Retirement Fund	<u>9,917</u>	<u>-</u>
<u>Total</u>	<u>\$ 58,618</u>	<u>\$ 58,618</u>

Interfund balances result from the timing difference between when payments are made or receipts received and when transfers are made to and from other funds.

Interfund balances are expected to be repaid within one year.

Schedule of transfers used for general operations within the reporting entity:

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
<u>General Fund Types -</u>		
General Fund	\$ -	\$ 95,450
Capital Improvement Fund	22,132	-
Utility Tax Fund	100,000	-
	<u>122,132</u>	<u>95,450</u>
<u>Special Revenue Funds -</u>		
Airport Fund	-	22,132
Housing Grant Fund	-	50
	<u>-</u>	<u>22,182</u>
<u>Enterprise Fund -</u>		
Water and Sewer Fund	737,631	742,131
	<u>737,631</u>	<u>742,131</u>
 <u>Total</u>	 <u>\$ 859,763</u>	 <u>\$ 859,763</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund types to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 11. Tax Abatement:**

As of April 30, 2021, the City provides tax rebates through Tax Increment Financing District Redevelopment Agreements.

Tax Increment Financing District Redevelopment Agreements

This type of agreement is authorized by the Illinois Statute 65 ILCS 5/11-74.4 et. Seq., the "Tax Increment Allocation Redevelopment Act", the "TIF Act". The TIF Act allows developers to be reimbursed certain eligible projects costs for developments within the TIF District. The eligible costs are reimbursed to the developer through a combination of sales tax increment and real estate tax increment rebates or just real estate tax increment rebates. In all cases, the developer must first pay the tax and then request reimbursement of the tax pay along with proof of payment.

Any real estate rebate is a percentage of the real estate taxes generated above a baseline amount. This baseline amount in most cases is the amount of equal assessed valuation at the time the TIF district is created. The developer will receive rebates until the earlier of the eligible project costs are reimbursed or the TIF ends. Specific details such as eligibility, special provisions, percentage of rebate, type of rebate, commitments by Developers, etc. would be specific to each Redevelopment Agreement, but all the terms in the contracts are per an approved Redevelopment Agreement entered into pursuant to the TIF Act. The following is the amount of taxes rebated during the year ending April 30, 2021 by TIF District.

**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

<u>Tax Increment District</u>	<u>Amount of Real Estate Tax Rebated</u>
IJRL Airport TIF	\$ 62,258
Central Benton Redevelopment TIF	<u>162,550</u>
<u>Total</u>	<u>\$ 224,808</u>

The City is required to file an annual report on each TIF District with the Illinois State Comptroller. Those reports can be reviewed on the Comptroller's website.

**Note 12. Contingent Liabilities:**

**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; and natural disasters for which the government carries commercial insurance.

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended April 30, 2021, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**Litigation**

The City is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

**Grants**

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Development**

The City has TIF districts for which they are contingently liable to developers as costs are incurred over a period of years. As eligible redevelopment costs are incurred, the City receives real estate taxes. The City in turn refunds a percentage of the tax increment to the developer based on the percentages specified in the TIF redevelopment agreement.



**City of Benton, Illinois**  
**Notes to Financial Statements**  
**April 30, 2021**

**Note 13. Segment Information for Enterprise Funds:**

The following Enterprise Funds have been created to provide various services to the general public:

Water Department - established to account for the operation of the City's water utility services.

Sewer Department - established to account for the operation of the City's sewer system.

Segment information for these Enterprise Funds is summarized below for the year ended April 30, 2021:

	<u>Water Department</u>	<u>Sewer Department</u>
Operating revenues	\$ 1,395,380	\$ 1,356,917
Depreciation	318,511	318,510
Operating income (loss)	(209,002)	(380,220)
Property, plant, and equipment additions	268,613	-

As of April 30, 2021, there were approximately 3,592 individual customer accounts and 164,688,596 gallons of water sold on the Water Department books.

**Required Supplemental Information**

**City of Benton, Illinois**  
**General Fund Types**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget and Actual**  
**April 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 100,000	\$ 100,000	\$ 132,352	\$ 32,352
Sales taxes	1,130,000	1,130,000	1,406,463	276,463
Franchise fees and other taxes	595,000	595,000	626,601	31,601
Licenses and permits	62,000	62,000	83,310	21,310
Intergovernmental revenue	916,200	916,200	1,231,166	314,966
Service charges and fees	398,230	398,230	522,611	124,381
Grant revenue	-	-	366,596	366,596
Investment income	1,500	1,500	2,258	758
Miscellaneous income	91,200	91,200	125,011	33,811
<b>Total Revenues</b>	<u>3,294,130</u>	<u>3,294,130</u>	<u>4,496,368</u>	<u>1,202,238</u>
<b>Expenditures</b>				
General government	955,746	955,746	864,876	(90,870)
Public health and safety	2,017,639	2,017,639	1,964,855	(52,784)
Streets, alleys, and cemeteries	456,200	456,200	489,879	33,679
Culture and recreation	49,300	49,300	50,810	1,510
Development	2,500	2,500	-	(2,500)
Debt service				
Principal	95,000	95,000	85,443	(9,557)
Interest	-	-	8,541	8,541
Capital outlay	316,301	316,301	152,135	(164,166)
<b>Total Expenditures</b>	<u>\$ 3,892,686</u>	<u>\$ 3,892,686</u>	<u>3,616,539</u>	<u>\$ (276,147)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>			<u>\$ 879,829</u>	

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

**City of Benton, Illinois**  
**Motor Fuel Tax Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget and Actual**  
**April 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenue	\$ 278,000	\$ 278,000	\$ 251,416	\$ (26,584)
Grant revenue	-	-	233,531	233,531
Investment income	7,000	7,000	1,147	(5,853)
<b>Total Revenues</b>	<u>285,000</u>	<u>285,000</u>	<u>486,094</u>	<u>201,094</u>
<b>Expenditures</b>				
Streets, alleys, and cemeteries	265,000	265,000	207,283	(57,717)
Capital outlay	100,000	100,000	-	(100,000)
<b>Total Expenditures</b>	<u>\$ 365,000</u>	<u>\$ 365,000</u>	<u>207,283</u>	<u>\$ (157,718)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>			<u>\$ 278,811</u>	

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

**City of Benton, Illinois**  
**Notes to Required Supplemental Information**  
**April 30, 2021**

The City Council annually passes a budget ordinance which includes all fund types using the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. All unexpended budget amounts lapse at the end of each fiscal year.

Each fund's budget is prepared on a detailed line item basis. Expenditures are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. This constitutes the legal level of control. Expenditures may not exceed the budget at this level. Within these control levels, management may transfer budget lines without Board approval.

The fund financial statements in this report are prepared on the modified accrual basis. The budget ordinance is prepared using the cash basis of accounting. The following schedule reconciles the difference between the legally enacted budget and major general and special revenue fund expenditures:

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Over (Under) Budget
<b>General Fund:</b>					
<b>Revenues</b>					
Property taxes	\$ 129,927	\$ 2,425	\$ 132,352	\$ 100,000	\$ 32,352
Sales taxes	1,589,815	(183,352)	1,406,463	1,130,000	276,463
Franchise fees and other taxes	622,756	3,845	626,601	595,000	31,601
Licenses and permits	83,310	-	83,310	62,000	21,310
Intergovernmental revenue	1,330,134	(98,968)	1,231,166	916,200	314,966
Service charges and fees	519,275	3,336	522,611	398,230	124,381
Grant revenue	366,596	-	366,596	-	366,596
Investment income	2,258	-	2,258	1,500	758
Miscellaneous income	125,011	-	125,011	91,200	33,811
<b>Total Revenues</b>	<b><u>\$ 4,769,082</u></b>	<b><u>\$ (272,714)</u></b>	<b><u>\$ 4,496,368</u></b>	<b><u>\$ 3,294,130</u></b>	<b><u>\$ 1,202,238</u></b>
<b>Expenditures</b>					
General government	\$ 852,167	\$ 12,709	\$ 864,876	\$ 955,746	\$ (90,870)
Public health and safety	1,959,360	5,495	1,964,855	2,017,639	(52,784)
Streets, alleys, and cemeteries	491,368	(1,489)	489,879	456,200	33,679
Culture and recreation	50,653	157	50,810	49,300	1,510
Development	-	-	-	2,500	(2,500)
Debt service					
Principal	85,443	-	85,443	95,000	(9,557)
Interest	8,541	-	8,541	-	8,541
Capital outlay	151,387	748	152,135	316,301	(164,166)
<b>Total Expenditures</b>	<b><u>\$ 3,598,919</u></b>	<b><u>\$ 17,620</u></b>	<b><u>\$ 3,616,539</u></b>	<b><u>\$ 3,892,686</u></b>	<b><u>\$ (276,147)</u></b>
<b>Motor Fuel Tax Fund:</b>					
<b>Revenues</b>					
Intergovernmental revenue	\$ 253,744	\$ (2,328)	\$ 251,416	\$ 278,000	\$ 26,584
Grant revenue	311,375	(77,844)	233,531	-	(233,531)
Miscellaneous income	1,147	-	1,147	7,000	5,853
<b>Total Revenues</b>	<b><u>\$ 566,266</u></b>	<b><u>\$ (80,172)</u></b>	<b><u>\$ 486,094</u></b>	<b><u>\$ 285,000</u></b>	<b><u>\$ (201,094)</u></b>
<b>Expenditures</b>					
Streets, alleys, and cemeteries	\$ 207,283	\$ -	\$ 207,283	\$ 265,000	\$ 57,717
Capital outlay	-	-	-	100,000	100,000
<b>Total Expenditures</b>	<b><u>\$ 207,283</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 207,283</u></b>	<b><u>\$ 365,000</u></b>	<b><u>\$ 157,718</u></b>

The City operated within the legal confines of the budget ordinance prepared on the cash basis of accounting.

**City of Benton, Illinois**  
**Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios**  
**IMRF**  
**Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014
<b>Calendar Year Ended December 31,</b>							
<b>Total Pension Liability</b>							
Service cost	\$ 129,555	\$ 133,665	\$ 125,663	\$ 133,357	\$ 135,764	\$ 132,920	\$ 140,845
Interest on the total pension liability	532,656	522,005	509,199	509,395	492,360	491,056	445,437
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	(75,882)	(138,700)	(66,146)	(57,501)	(31,477)	(240,660)	153,962
Changes of assumptions	(56,551)	-	206,408	(214,707)	(16,894)	8,259	235,524
Benefit payments, including refunds of employee contributions	<u>(366,632)</u>	<u>(369,358)</u>	<u>(367,417)</u>	<u>(371,204)</u>	<u>(366,733)</u>	<u>(366,865)</u>	<u>(342,753)</u>
<b>Net Change in Total Pension Liability</b>	<b>163,146</b>	<b>147,612</b>	<b>407,707</b>	<b>(660)</b>	<b>213,020</b>	<b>24,710</b>	<b>633,015</b>
<b>Total Pension Liability – Beginning</b>	<b><u>7,465,522</u></b>	<b><u>7,317,910</u></b>	<b><u>6,910,203</u></b>	<b><u>6,910,863</u></b>	<b><u>6,697,843</u></b>	<b><u>6,673,133</u></b>	<b><u>6,040,118</u></b>
<b>Total Pension Liability – Ending (A)</b>	<b><u>\$ 7,628,668</u></b>	<b><u>\$ 7,465,522</u></b>	<b><u>\$ 7,317,910</u></b>	<b><u>\$ 6,910,203</u></b>	<b><u>\$ 6,910,863</u></b>	<b><u>\$ 6,697,843</u></b>	<b><u>\$ 6,673,133</u></b>
<b>Plan Fiduciary Net Position</b>							
Contributions – Employer	\$ 140,405	\$ 119,020	\$ 131,050	\$ 140,717	\$ 138,027	\$ 134,923	\$ 139,705
Contributions – Employees	56,013	56,676	53,515	56,894	58,395	56,838	54,667
Net investment income	1,026,477	1,189,445	(387,800)	1,081,325	402,419	30,706	362,794
Benefit payments, including refunds of employee contributions	(366,632)	(369,358)	(367,417)	(371,204)	(366,733)	(366,865)	(342,753)
Other (Net transfer)	<u>(17,422)</u>	<u>(115,212)</u>	<u>79,455</u>	<u>(277,569)</u>	<u>96,395</u>	<u>(292,567)</u>	<u>(7,195)</u>
<b>Net change in plan fiduciary net position</b>	<b>838,841</b>	<b>880,571</b>	<b>(491,197)</b>	<b>630,163</b>	<b>326,503</b>	<b>(437,165)</b>	<b>207,218</b>
<b>Plan fiduciary net position – Beginning</b>	<b><u>7,137,734</u></b>	<b><u>6,257,163</u></b>	<b><u>6,748,360</u></b>	<b><u>6,118,197</u></b>	<b><u>5,791,694</u></b>	<b><u>6,228,859</u></b>	<b><u>6,021,641</u></b>
<b>Plan fiduciary net position – Ending (B)</b>	<b><u>\$ 7,976,575</u></b>	<b><u>\$ 7,137,734</u></b>	<b><u>\$ 6,257,163</u></b>	<b><u>\$ 6,748,360</u></b>	<b><u>\$ 6,118,197</u></b>	<b><u>\$ 5,791,694</u></b>	<b><u>\$ 6,228,859</u></b>
<b>Net Pension Liability – Ending (A)-(B)</b>	<b><u>\$ (347,907)</u></b>	<b><u>\$ 327,788</u></b>	<b><u>\$ 1,060,747</u></b>	<b><u>\$ 161,843</u></b>	<b><u>\$ 792,666</u></b>	<b><u>\$ 906,149</u></b>	<b><u>\$ 444,274</u></b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	104.56%	95.61%	85.50%	97.66%	88.53%	86.47%	93.34%
<b>Covered Valuation Payroll</b>	\$ 1,244,734	\$ 1,259,464	\$ 1,189,209	\$ 1,264,305	\$ 1,204,422	\$ 1,258,611	\$ 1,214,825
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	(27.95)%	26.03%	89.20%	12.80%	65.81%	72.00%	36.57%

Additional years will be added to the schedule annually until 10 years of data is presented.

**City of Benton, Illinois**  
**Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Fire Pension Fund**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>							
Service cost	\$ 106,542	\$ 95,457	\$ 93,983	\$ 100,480	\$ 88,817	\$ 90,185	\$ 76,940
Interest on the total pension liability	335,937	293,986	287,908	279,254	272,429	263,868	265,671
Changes of benefit terms	-	13,926	-	-	-	-	-
Differences between expected and actual experience	(73,234)	20,080	(35,246)	(7,847)	(21,587)	8,284	(101,671)
Changes of assumptions	-	569,688	-	-	-	-	(33,290)
Benefit payments	<u>(281,447)</u>	<u>(245,214)</u>	<u>(240,990)</u>	<u>(236,851)</u>	<u>(232,795)</u>	<u>(228,820)</u>	<u>(240,940)</u>
Net change in total pension liability	\$ 87,798	\$ 747,923	\$ 105,655	\$ 135,036	\$ 108,864	\$ 133,517	\$ (33,290)
Total pension liability – Beginning of period	<u>5,393,386</u>	<u>4,645,463</u>	<u>4,539,808</u>	<u>4,404,772</u>	<u>4,297,908</u>	<u>4,164,391</u>	<u>4,197,681</u>
Total pension liability – End of period	<u>\$ 5,481,184</u>	<u>\$ 5,393,386</u>	<u>\$ 4,645,463</u>	<u>\$ 4,539,808</u>	<u>\$ 4,404,772</u>	<u>\$ 4,297,908</u>	<u>\$ 4,164,391</u>
<b>Plan Fiduciary Net Position</b>							
Member contributions	\$ 34,794	\$ 35,324	\$ 33,522	\$ 33,234	\$ 31,860	\$ 31,177	\$ 31,106
Employer contributions	192,811	172,946	131,145	113,620	88,996	108,071	131,098
Contributions – Other	-	3,427	-	-	-	-	-
Net investment income	984,429	(26,145)	191,394	215,683	305,828	(31,995)	198,097
Benefit payments	(281,447)	(245,214)	(240,990)	(236,851)	(232,795)	(228,820)	(240,940)
Other (Net transfer)	<u>(10,474)</u>	<u>(10,859)</u>	<u>(10,316)</u>	<u>(11,534)</u>	<u>(8,150)</u>	<u>(10,364)</u>	<u>(7,608)</u>
Net change in plan fiduciary net position	\$ 900,113	\$ (70,521)	\$ 104,755	\$ 114,152	\$ 185,739	\$ (131,931)	\$ 111,753
Plan fiduciary net position – Beginning of period	<u>3,918,814</u>	<u>3,989,334</u>	<u>3,884,578</u>	<u>3,770,426</u>	<u>3,584,687</u>	<u>3,716,618</u>	<u>3,604,865</u>
Plan fiduciary net position – End of period	<u>\$ 4,818,927</u>	<u>\$ 3,918,813</u>	<u>\$ 3,989,333</u>	<u>\$ 3,884,578</u>	<u>\$ 3,770,426</u>	<u>\$ 3,584,687</u>	<u>\$ 3,716,618</u>
<b>Net Pension Liability/(Asset)</b>	<u>\$ 662,257</u>	<u>\$ 1,474,573</u>	<u>\$ 656,130</u>	<u>\$ 655,230</u>	<u>\$ 634,346</u>	<u>\$ 713,221</u>	<u>\$ 447,773</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	87.92%	72.66%	85.88%	85.57%	85.60%	83.41%	89.25%
<b>Covered Valuation Payroll</b>	\$ 367,991	\$ 373,602	\$ 366,884	\$ 351,924	\$ 348,897	\$ 346,267	\$ 286,281
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	179.97%	394.69%	178.84%	186.19%	181.81%	205.97%	156.41%

Additional years will be added to the schedule annually until 10 years of data is presented.

**City of Benton, Illinois**  
**Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Police Pension Fund**  
**Last Ten Fiscal years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>							
Service cost	\$ 182,851	\$ 159,628	\$ 153,457	\$ 143,352	\$ 139,061	\$ 144,564	\$ 146,940
Interest on the total pension liability	446,154	381,562	372,649	358,768	353,694	345,882	375,260
Changes of benefit terms	-	33,677	-	-	-	-	-
Differences between expected and actual experience	270,129	(220,866)	(65,148)	39,786	(97,017)	(79,133)	(241,158)
Changes of assumptions	-	681,718	-	-	-	-	(448,821)
Benefit payments	<u>(311,559)</u>	<u>(312,696)</u>	<u>(309,206)</u>	<u>(344,554)</u>	<u>(294,933)</u>	<u>(287,896)</u>	<u>(281,042)</u>
Net change in total pension liability	\$ 587,575	\$ 723,023	\$ 151,752	\$ 197,352	\$ 100,805	\$ 123,417	\$ (448,821)
Total pension liability – Beginning of period	<u>6,749,562</u>	<u>6,026,539</u>	<u>5,874,787</u>	<u>5,677,435</u>	<u>5,576,630</u>	<u>5,453,213</u>	<u>5,902,034</u>
Total pension liability – End of period	<u>\$ 7,337,137</u>	<u>\$ 6,749,562</u>	<u>\$ 6,026,539</u>	<u>\$ 5,874,787</u>	<u>\$ 5,677,435</u>	<u>\$ 5,576,630</u>	<u>\$ 5,453,213</u>
<b>Plan Fiduciary Net Position</b>							
Member contributions	\$ 68,865	\$ 67,153	\$ 58,507	\$ 57,392	\$ 51,743	\$ 52,456	\$ 50,971
Employer contributions	467,681	451,800	391,716	353,071	338,364	443,771	316,889
Net investment income	868,125	(43,008)	147,791	162,334	188,271	63,183	89,706
Benefit payments	(311,559)	(312,696)	(309,206)	(344,554)	(294,933)	(287,896)	(281,042)
Other (Net transfer)	<u>(11,136)</u>	<u>(10,616)</u>	<u>(11,998)</u>	<u>(12,742)</u>	<u>(9,005)</u>	<u>(11,602)</u>	<u>(8,475)</u>
Net change in plan fiduciary net position	\$ 1,081,976	\$ 152,633	\$ 276,810	\$ 215,501	\$ 274,440	\$ 259,912	\$ 168,049
Plan fiduciary net position – Beginning of period	<u>3,580,915</u>	<u>3,428,283</u>	<u>3,151,473</u>	<u>2,935,972</u>	<u>2,661,532</u>	<u>2,401,620</u>	<u>2,233,571</u>
Plan fiduciary net position – End of period	<u>\$ 4,662,891</u>	<u>\$ 3,580,916</u>	<u>\$ 3,428,283</u>	<u>\$ 3,151,473</u>	<u>\$ 2,935,972</u>	<u>\$ 2,661,532</u>	<u>\$ 2,401,620</u>
<b>Net Pension Liability/(Asset)</b>	<u>\$ 2,674,246</u>	<u>\$ 3,168,646</u>	<u>\$ 2,598,256</u>	<u>\$ 2,723,314</u>	<u>\$ 2,741,463</u>	<u>\$ 2,915,098</u>	<u>\$ 3,051,593</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	63.55%	53.05%	56.89%	53.64%	51.71%	47.73%	44.04%
<b>Covered Valuation Payroll</b>	\$ 689,117	\$ 677,238	\$ 609,649	\$ 550,628	\$ 533,416	\$ 536,473	\$ 514,956
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	388.07%	467.88%	426.19%	494.58%	513.94%	543.38%	592.59%

Additional years will be added to the schedule annually until 10 years of data is presented.



**City of Benton, Illinois**  
**Multiyear Schedule of Employer Contributions**  
**IMRF**  
**Last Ten Fiscal Years**

<u>Calendar Year Ended December 31</u>	<u>Required Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2020	\$ 140,406	\$ 140,405	\$ 1	\$ 1,244,734	11.28%
2019	119,019	119,020	(1)	1,259,464	9.45%
2018	131,051	131,050	1	1,189,209	11.02%
2017	140,717	140,717	-	1,264,305	11.13%
2016	138,027	138,027	-	1,204,422	11.46%
2015	134,923	134,922	1	1,258,611	10.72%
2014	139,705	139,705	-	1,214,825	11.50%

Additional years will be added to the schedule annually until ten years of data is presented.

**City of Benton, Illinois  
Multiyear Schedule of Contributions  
Fire Pension Fund  
Last Ten Fiscal Years**

<b><u>FY Ending April 30</u></b>	<b><u>Actuarially Determined Contribution</u></b>	<b><u>Actual Contribution</u></b>	<b><u>Contribution Deficiency (Excess)</u></b>	<b><u>Covered Valuation Payroll</u></b>	<b><u>Actual Contribution as a Percentage of Covered Valuation Payroll</u></b>
2021	\$ 120,946	\$ 192,811	\$ (71,865)	\$ 367,991	52.40%
2020	129,561	172,946	(43,385)	373,602	46.29%
2019	120,946	131,145	(10,199)	366,884	35.75%
2018	129,561	113,620	15,941	351,924	32.29%
2017	112,347	88,996	23,351	348,897	25.51%
2016	105,124	108,071	(2,947)	346,267	31.21%
2015	93,573	131,098	(37,525)	286,281	45.79%
2014	100,679	135,070	(34,391)	330,309	40.89%
2013	117,671	127,907	(10,236)	319,084	40.09%
2012	126,150	125,321	829	316,364	39.61%
2011	86,484	86,023	461	250,101	34.40%

**City of Benton, Illinois  
Multiyear Schedule of Contributions  
Police Pension Fund  
Last Ten Fiscal Years**

<u>FY Ending April 30</u>	<u>Required Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2021	\$ 322,574	\$ 467,681	\$ (145,107)	\$ 689,117	67.87%
2020	325,602	451,800	(126,198)	677,238	66.71%
2019	322,574	391,716	(69,142)	609,649	64.25%
2018	325,602	353,071	(27,469)	550,628	64.12%
2017	320,461	338,364	(17,903)	533,416	63.43%
2016	332,135	443,771	(111,636)	536,473	82.72%
2015	347,576	316,889	30,687	514,956	61.54%
2014	307,081	318,857	(11,776)	501,711	63.55%
2013	299,627	293,879	5,748	484,882	60.61%
2012	289,764	278,083	11,681	467,720	59.46%
2011	181,461	213,346	(31,885)	394,351	54.10%

**Other Supplemental Information**

**City of Benton, Illinois**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**April 30, 2021**

	<u>Special Revenue Funds</u>	<u>Capital Project Fund</u>	<u>Total Non-Major Governmental Funds</u>
<b>Assets</b>			
Cash and investments	\$ 1,643,015	\$ 5,039	\$ 1,648,054
Restricted cash and investments	102,817	373,718	476,535
Accounts receivable	81,055	-	81,055
Property taxes receivable	842,126	-	842,126
Grant receivable	-	-	-
Due from other funds	10,200	-	10,200
<b>Total Assets</b>	<u>\$ 2,679,213</u>	<u>\$ 378,757</u>	<u>\$ 3,057,970</u>
<b>Liabilities, Deferred Inflows and Fund Balances</b>			
Accounts payable	\$ 1,250	\$ 5,332	\$ 6,582
Accrued payroll related expenses	155	-	155
<b>Total Liabilities</b>	<u>1,405</u>	<u>5,332</u>	<u>6,737</u>
<b>Deferred Inflow of Resources</b>			
Unavailable revenue - property taxes	800,540	-	800,540
<b>Fund Balances</b>			
Restricted	1,877,268	-	1,877,268
Committed	-	373,425	373,425
<b>Total Fund Balances</b>	<u>1,877,268</u>	<u>373,425</u>	<u>2,250,693</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,679,213</u>	<u>\$ 378,757</u>	<u>\$ 3,057,970</u>

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

**City of Benton, Illinois**  
**Non-Major Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended April 30, 2021**

	<u>Special Revenue Funds</u>	<u>Capital Project Fund</u>	<u>Total Non- Major Governmental Funds</u>
<b>Revenues</b>			
Property taxes	\$ 818,634	\$ -	\$ 818,634
Sales taxes	64,330	-	64,330
Franchise fees and other taxes	20,359	-	20,359
Intergovernmental revenue	6,090	-	6,090
Service charges and fees	49,021	-	49,021
Grant revenue	933,681	-	933,681
Investment income	2,610	502	3,112
Miscellaneous income	250	197,088	197,338
	<u>1,894,975</u>	<u>197,590</u>	<u>2,092,565</u>
<b>Total Revenues</b>			
<b>Expenditures</b>			
General government	551,888	-	551,888
Public health and safety	2,239	5,337	7,576
Streets, alleys, and cemeteries	17,226	-	17,226
Development	526,903	-	526,903
Debt service			
Principal	190,000	-	190,000
Interest	1,693	-	1,693
Capital outlay	744,203	187,460	931,663
	<u>2,034,152</u>	<u>192,797</u>	<u>2,226,949</u>
<b>Total Expenditures</b>			
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(139,177)</u>	<u>4,793</u>	<u>(134,384)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out)	22,182		22,182
Proceeds for long term debt	190,000	-	190,000
	<u>212,182</u>	<u>-</u>	<u>212,182</u>
<b>Total Other Financing Sources</b>			
<b>Net Changes in Fund Balances</b>	73,005	4,793	77,798
<b>Fund Balances - Beginning of Year</b>	<u>1,804,263</u>	<u>368,632</u>	<u>2,172,895</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,877,268</u>	<u>\$ 373,425</u>	<u>\$ 2,250,693</u>

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

**City of Benton, Illinois**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**April 30, 2021**

	<u>DCEO/IHDA</u>	<u>Audit Fund</u>	<u>IJRL TIF #2</u>	<u>Road and Bridge Fund</u>	<u>Home Rule Street Improvement Fund</u>
<b>Assets</b>					
Cash and investments	\$ -	\$ 14,622	\$ 328,430	\$ 294,814	\$ 115,268
Restricted cash and investments	3,202	-	-	-	-
Accounts receivable	-	-	-	-	5,850
Property taxes receivable	-	15,000	136,998	58,630	-
Due from other funds	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 3,202</u>	<u>\$ 29,622</u>	<u>\$ 465,428</u>	<u>\$ 353,444</u>	<u>\$ 121,118</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll related expenses	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	-	15,000	87,490	58,630	-
<b>Fund Balances</b>					
Restricted	<u>3,202</u>	<u>14,622</u>	<u>377,938</u>	<u>294,814</u>	<u>121,118</u>
<b>Total Fund Balances</b>	<u>3,202</u>	<u>14,622</u>	<u>377,938</u>	<u>294,814</u>	<u>121,118</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 3,202</u>	<u>\$ 29,622</u>	<u>\$ 465,428</u>	<u>\$ 353,444</u>	<u>\$ 121,118</u>

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

**City of Benton, Illinois  
Non-Major Special Revenue Funds  
Combining Balance Sheet  
April 30, 2021**

<u>Foreign Fire Insurance Fund</u>	<u>Airport Fund</u>	<u>Housing Grant Fund</u>	<u>Municipal Insurance Fund</u>	<u>Municipal Retirement Fund</u>	<u>Benton TIF Special Account Fund</u>	<u>Totals</u>
\$ 39,048	\$ 189,701	\$ -	\$ 409,129	\$ 113,737	\$ 138,266	\$ 1,643,015
-	-	99,615	-	-	-	102,817
-	75,205	-	-	-	-	81,055
-	23,000	-	325,000	114,000	169,498	842,126
-	183	-	100	9,917	-	10,200
<u>\$ 39,048</u>	<u>\$ 288,089</u>	<u>\$ 99,615</u>	<u>\$ 734,229</u>	<u>\$ 237,654</u>	<u>\$ 307,764</u>	<u>\$ 2,679,213</u>
\$ -	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ 1,250
-	-	-	155	-	-	155
-	1,250	-	155	-	-	1,405
-	23,000	-	325,000	114,000	177,420	800,540
<u>39,048</u>	<u>263,839</u>	<u>99,615</u>	<u>409,074</u>	<u>123,654</u>	<u>130,344</u>	<u>1,877,268</u>
<u>39,048</u>	<u>263,839</u>	<u>99,615</u>	<u>409,074</u>	<u>123,654</u>	<u>130,344</u>	<u>1,877,268</u>
<u>\$ 39,048</u>	<u>\$ 288,089</u>	<u>\$ 99,615</u>	<u>\$ 734,229</u>	<u>\$ 237,654</u>	<u>\$ 307,764</u>	<u>\$ 2,679,213</u>

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



**City of Benton, Illinois**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended April 30, 2021**

	<b>DECO/HDA Recapture Fund</b>	<b>Audit Fund</b>	<b>IJRL TIF #2</b>	<b>Road and Bridge Fund</b>	<b>Home Rule Street Improvement Fund</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ 14,415	\$ 127,865	\$ 58,630	\$ -
Sales taxes	-	-	-	-	64,330
Franchise fees and other taxes	-	-	-	-	-
Intergovernmental revenue	-	-	-	6,090	-
Service charges and fees	-	-	-	-	-
Grant revenue	-	-	-	197,644	-
Investment income	6	-	602	237	311
Miscellaneous income	-	-	-	-	-
<b>Total Revenues</b>	<b>6</b>	<b>14,415</b>	<b>128,467</b>	<b>262,601</b>	<b>64,641</b>
<b>Expenditures</b>					
General government	-	6,900	-	-	-
Public health and safety	-	-	-	-	-
Streets, alleys, and cemeteries	-	-	-	14,628	2,598
Development	-	-	76,334	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	227,434	74,100
<b>Total Expenditures</b>	<b>-</b>	<b>6,900</b>	<b>76,334</b>	<b>242,062</b>	<b>76,698</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>6</b>	<b>7,515</b>	<b>52,133</b>	<b>20,539</b>	<b>(12,057)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in (out)	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>6</b>	<b>7,515</b>	<b>52,133</b>	<b>20,539</b>	<b>(12,057)</b>
<b>Fund Balances - Beginning of Year</b>	<b>3,196</b>	<b>7,107</b>	<b>325,805</b>	<b>274,275</b>	<b>133,175</b>
<b>Fund Balances - End of Year</b>	<b>\$ 3,202</b>	<b>\$ 14,622</b>	<b>\$ 377,938</b>	<b>\$ 294,814</b>	<b>\$ 121,118</b>

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

**City of Benton, Illinois**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended April 30, 2021**

Foreign Fire Insurance Fund	Airport Fund	Housing Grant Fund	Municipal Insurance Fund	Municipal Retirement Fund	Benton TIF Special Account Fund	Totals
\$ -	\$ 22,162	\$ -	\$ 313,059	\$ 109,792	\$ 172,711	\$ 818,634
-	-	-	-	-	-	64,330
20,359	-	-	-	-	-	20,359
-	-	-	-	-	-	6,090
-	49,021	-	-	-	-	49,021
-	441,358	294,679	-	-	-	933,681
-	157	-	372	394	531	2,610
-	250	-	-	-	-	250
<u>20,359</u>	<u>512,948</u>	<u>294,679</u>	<u>313,431</u>	<u>110,186</u>	<u>173,242</u>	<u>1,894,975</u>
-	130,430	-	278,648	135,910	-	551,888
2,239	-	-	-	-	-	2,239
-	-	-	-	-	-	17,226
-	-	195,164	-	-	255,405	526,903
-	190,000	-	-	-	-	190,000
-	1,693	-	-	-	-	1,693
-	395,547	-	-	-	47,122	744,203
<u>2,239</u>	<u>717,670</u>	<u>195,164</u>	<u>278,648</u>	<u>135,910</u>	<u>302,527</u>	<u>2,034,152</u>
<u>18,120</u>	<u>(204,722)</u>	<u>99,515</u>	<u>34,783</u>	<u>(25,724)</u>	<u>(129,285)</u>	<u>(139,177)</u>
-	22,132	50	-	-	-	22,182
-	190,000	-	-	-	-	190,000
-	212,132	50	-	-	-	212,182
18,120	7,410	99,565	34,783	(25,724)	(129,285)	73,005
<u>20,928</u>	<u>256,429</u>	<u>50</u>	<u>374,291</u>	<u>149,378</u>	<u>259,629</u>	<u>1,804,263</u>
<u>\$ 39,048</u>	<u>\$ 283,839</u>	<u>\$ 99,615</u>	<u>\$ 409,074</u>	<u>\$ 123,654</u>	<u>\$ 130,344</u>	<u>\$ 1,877,288</u>

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

**City of Benton, Illinois**  
**Non-Major Capital Project Funds**  
**Combining Balance Sheet**  
**April 30, 2021**

	<u>Restricted Fund</u>	<u>I-57 Interchange Modifications Fund</u>	<u>Totals</u>
<b>Assets</b>			
Cash and investments	\$ 5,039	\$ -	\$ 5,039
Restricted cash and investments	-	373,718	373,718
<b>Total Assets</b>	<u>\$ 5,039</u>	<u>\$ 373,718</u>	<u>\$ 378,757</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 5,332	\$ -	\$ 5,332
<b>Total Liabilities</b>	<u>5,332</u>	<u>-</u>	<u>5,332</u>
<b>Fund Balances</b>			
Committed	<u>(293)</u>	<u>373,718</u>	<u>373,425</u>
<b>Total Fund Balances</b>	<u>(293)</u>	<u>373,718</u>	<u>373,425</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,039</u>	<u>\$ 373,718</u>	<u>\$ 378,757</u>

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

**City of Benton, Illinois**  
**Non-Major Capital Project Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended April 30, 2021**

	<u>Restricted Fund</u>	<u>I-57 Interchange Modifications Fund</u>	<u>Totals</u>
<b>Revenues</b>			
Investment income	\$ -	\$ 502	\$ 502
Miscellaneous income	-	197,088	197,088
<b>Total Revenues</b>	<u>-</u>	<u>197,590</u>	<u>197,590</u>
<b>Expenditures</b>			
Public health and safety	5,337	-	5,337
Capital outlay	-	187,460	187,460
<b>Total Expenditures</b>	<u>5,337</u>	<u>187,460</u>	<u>192,797</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(5,337)	10,130	4,793
<b>Fund Balances - Beginning of Year</b>	<u>5,044</u>	<u>363,588</u>	<u>368,632</u>
<b>Fund Balances - End of Year</b>	<u>\$ (293)</u>	<u>\$ 373,718</u>	<u>\$ 373,425</u>

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

**City of Benton, Illinois  
General Fund Types  
Combining Balance Sheet  
April 30, 2021**

	<u>General Fund</u>	<u>Auxiliary Police Fund</u>	<u>Benton Police Vehicle Fund</u>	<u>Impound Fee Fund</u>	<u>Police DUI Fund</u>	<u>Grants and Donations Fund</u>
<b>Assets</b>						
Cash and investments	\$ 736,776	\$ 10,073	\$ -	\$ -	\$ 6,029	\$ -
Restricted cash and investments	-	-	2,610	28,547	25,094	14,017
Accounts receivable	-	-	-	-	-	-
Property taxes receivable	130,000	-	-	-	-	-
Intergovernmental receivable	658,003	-	-	-	-	-
Due from other funds	30,812	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 1,555,591</u>	<u>\$ 10,073</u>	<u>\$ 2,610</u>	<u>\$ 28,547</u>	<u>\$ 31,123</u>	<u>\$ 14,017</u>
<b>Liabilities</b>						
Accounts payable	\$ 80,412	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	67,631	-	-	-	-	-
Accrued payroll related expenses	50,844	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>198,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - property taxes	130,000	-	-	-	-	-
<b>Total Deferred Inflow of Resources</b>	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>						
Restricted	-	-	2,610	-	31,123	-
Committed	-	-	-	-	-	-
Assigned	-	10,073	-	28,547	-	14,017
Unassigned	1,226,704	-	-	-	-	-
<b>Total Fund Balances</b>	<u>1,226,704</u>	<u>10,073</u>	<u>2,610</u>	<u>28,547</u>	<u>31,123</u>	<u>14,017</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>\$ 1,555,591</u>	<u>\$ 10,073</u>	<u>\$ 2,610</u>	<u>\$ 28,547</u>	<u>\$ 31,123</u>	<u>\$ 14,017</u>

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

**City of Benton, Illinois  
General Fund Types  
Combining Balance Sheet  
April 30, 2021**

<b>Capital Improvement Fund</b>	<b>Telecommunications Tax Fund</b>	<b>Accounts Payable Fund</b>	<b>Restricted Sale Fund</b>	<b>Ambulance Fund</b>	<b>Twin Oaks Fund</b>	<b>Utility Tax Fund</b>	<b>Hazmat Fund</b>	<b>Total - General Fund Types</b>
\$ 883,946	\$ 192,024	\$ 16,431	\$ -	\$ 2,832	\$ 17,309	\$ 599,739	\$ 7,010	\$ 2,472,169
-	-	-	109,757	-	-	-	-	180,025
8,334	17,260	-	-	-	-	30,580	-	56,174
-	-	-	-	-	-	-	-	130,000
75,094	-	-	-	-	-	-	-	733,097
-	-	-	-	-	-	-	-	30,812
<u>\$ 967,374</u>	<u>\$ 209,284</u>	<u>\$ 16,431</u>	<u>\$ 109,757</u>	<u>\$ 2,832</u>	<u>\$ 17,309</u>	<u>\$ 630,319</u>	<u>\$ 7,010</u>	<u>\$ 3,602,277</u>
\$ 810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,222
-	-	-	-	-	-	-	-	67,631
-	-	-	-	-	-	-	-	50,844
-	-	14,800	-	-	-	-	-	14,800
-	-	-	-	-	1,900	-	-	1,900
<u>810</u>	<u>-</u>	<u>14,800</u>	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>216,397</u>
-	-	-	-	-	-	-	-	130,000
-	-	-	-	-	-	-	-	130,000
-	-	-	-	-	-	-	-	33,733
-	-	-	109,757	-	-	-	-	109,757
-	-	-	-	2,832	15,409	-	7,010	77,888
<u>966,564</u>	<u>209,284</u>	<u>1,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630,319</u>	<u>-</u>	<u>3,034,502</u>
<u>966,564</u>	<u>209,284</u>	<u>1,631</u>	<u>109,757</u>	<u>2,832</u>	<u>15,409</u>	<u>630,319</u>	<u>7,010</u>	<u>3,255,880</u>
<u>\$ 967,374</u>	<u>\$ 209,284</u>	<u>\$ 16,431</u>	<u>\$ 109,757</u>	<u>\$ 2,832</u>	<u>\$ 17,309</u>	<u>\$ 630,319</u>	<u>\$ 7,010</u>	<u>\$ 3,602,277</u>

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

**City of Benton, Illinois**  
**General Fund Types**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended April 30, 2021**

	<u>General Fund</u>	<u>Auxiliary Police Fund</u>	<u>Benton Police Vehicle Fund</u>	<u>Impound Fee Fund</u>	<u>Police DUI Fund</u>	<u>Grants and Donations Fund</u>
<b>Revenues</b>						
Property taxes	\$ 129,927	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,589,815	-	-	-	-	-
Franchise fees and other taxes	-	-	-	-	-	-
Licenses and permits	83,310	-	-	-	-	-
Intergovernmental revenue	999,096	-	-	-	-	-
Service charges and fees	503,784	-	148	3,200	3,143	-
Grant revenue	295,932	-	-	-	-	50,051
Investment income	429	-	-	26	-	-
Miscellaneous income	105,401	-	-	1,556	6,803	11,250
<b>Total Revenues</b>	<u>3,707,694</u>	<u>-</u>	<u>148</u>	<u>4,782</u>	<u>9,946</u>	<u>61,301</u>
<b>Expenditures</b>						
General government	783,868	-	-	-	-	-
Public health and safety	1,716,982	326	-	3,832	4,039	961
Streets, alleys, and cemeteries	475,492	-	-	-	-	-
Culture and recreation	43,018	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	5,028	-	-	50,051
<b>Total Expenditures</b>	<u>3,019,360</u>	<u>326</u>	<u>5,028</u>	<u>3,832</u>	<u>4,039</u>	<u>51,012</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>688,334</u>	<u>(326)</u>	<u>(4,880)</u>	<u>950</u>	<u>5,907</u>	<u>10,289</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in (out)	95,450	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>95,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	783,784	(326)	(4,880)	950	5,907	10,289
<b>Fund Balances - Beginning of Year</b>	<u>442,920</u>	<u>10,399</u>	<u>7,490</u>	<u>27,597</u>	<u>25,216</u>	<u>3,728</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,226,704</u>	<u>\$ 10,073</u>	<u>\$ 2,610</u>	<u>\$ 28,547</u>	<u>\$ 31,123</u>	<u>\$ 14,017</u>

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

**City of Benton, Illinois**  
**General Fund Types**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended April 30, 2021**

<u>Capital Improvement Fund</u>	<u>Telecommunications Tax Fund</u>	<u>Accounts Payable Fund</u>	<u>Restricted Sale Fund</u>	<u>Ambulance Fund</u>	<u>Twin Oaks Fund</u>	<u>Utility Tax Fund</u>	<u>Hazmat Fund</u>	<u>Total - General Fund Types</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,927
-	-	-	-	-	-	-	-	1,589,815
105,959	73,239	-	-	-	-	443,558	-	622,756
-	-	-	-	-	-	-	-	83,310
331,038	-	-	-	-	-	-	-	1,330,134
-	-	-	-	-	9,000	-	-	519,275
20,613	-	-	-	-	-	-	-	366,596
1,020	179	-	114	-	-	490	-	2,258
-	-	1	-	-	-	-	-	125,011
<u>458,630</u>	<u>73,418</u>	<u>1</u>	<u>114</u>	<u>-</u>	<u>9,000</u>	<u>444,048</u>	<u>-</u>	<u>4,769,082</u>
-	60,831	-	-	56	-	7,412	-	852,167
7,526	16,221	-	-	1,443	-	207,300	730	1,959,360
15,876	-	-	-	-	-	-	-	491,368
-	-	-	-	-	7,635	-	-	50,653
-	-	-	-	-	-	85,443	-	85,443
-	-	-	-	-	-	8,541	-	8,541
<u>96,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,387</u>
<u>119,710</u>	<u>77,052</u>	<u>-</u>	<u>-</u>	<u>1,499</u>	<u>7,635</u>	<u>308,696</u>	<u>730</u>	<u>3,598,919</u>
<u>338,920</u>	<u>(3,634)</u>	<u>1</u>	<u>114</u>	<u>(1,499)</u>	<u>1,365</u>	<u>135,352</u>	<u>(730)</u>	<u>1,170,163</u>
<u>(22,132)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(26,682)</u>
<u>(22,132)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(26,682)</u>
316,788	(3,634)	1	114	(1,499)	1,365	35,352	(730)	1,143,481
<u>649,776</u>	<u>212,918</u>	<u>1,630</u>	<u>109,643</u>	<u>4,331</u>	<u>14,044</u>	<u>594,967</u>	<u>7,740</u>	<u>2,112,399</u>
<u>\$ 966,564</u>	<u>\$ 209,284</u>	<u>\$ 1,631</u>	<u>\$ 109,757</u>	<u>\$ 2,832</u>	<u>\$ 15,409</u>	<u>\$ 630,319</u>	<u>\$ 7,010</u>	<u>\$ 3,255,880</u>

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



**Annual Federal Financial Compliance Section**

**City of Benton, Illinois**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended April 30, 2021**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Revenues 5/1/20 - 4/30/2021	Expenditures 5/1/20 - 4/30/2021
U.S. Department of Housing and Urban Development passed through the Illinois Department of Commerce and Economic Opportunity: Community Development Block Grant	14.228		<u>294,679</u>	<u>294,679</u>
(M) U.S. Department of Transportation passed through the Illinois Department of Transportation:				
Airport Improvement Program	20.106	H96-4656	421,358	421,358
Airport Improvement Program	20.106	H96-4853	<u>20,000</u>	<u>20,000</u>
Total U.S. Department of Transportation			<u>441,358</u>	<u>441,358</u>
Department of Treasury passed through the Illinois Department of Commerce and Economic Opportunity: COVID-19 Coronavirus Relief Fund	21.019		<u>292,360</u>	<u>292,360</u>
Delta Regional Authority States' Economic Development Assistance Program		IL-53945	<u>126,364</u>	<u>126,364</u>
U.S. Department of Homeland Security passed through the Illinois Emergency Management Agency: Assistance to Firefighters Grant	97.044	EMW-2018-F0-05665	<u>45,143</u>	<u>45,143</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 1,199,903</u>	<u>\$ 1,199,903</u>

(M) Denotes a major federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards.

**City of Benton, Illinois**  
**Notes to Schedule of Expenditures of Federal Awards**  
**for the Year Ended April 30, 2021**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Benton, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 - Indirect Facilities & Administration Costs**

The City of Benton did not elected to use the 10% de minimis cost rate.

**Note 3 - Subrecipients**

The City of Benton, Illinois did not provide federal awards to any subrecipients.

**Note 4 - Non-cash Assistance**

There was no non-cash assistance reported in the schedule of expenditures of federal awards.

**Note 5 - Insurance**

There is no insurance involving federal expenditures.

**Note 6 - Loan Outstanding**

There are no loans outstanding involving federal funds.

**City of Benton, Illinois**  
**Schedule of Findings and Questioned Costs**  
**for the Year Ended April 30, 2021**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weaknesses identified?        X   yes      no
- Significant deficiencies identified that are not considered to be material weaknesses?        X   yes      none reported

Noncompliance material to financial statements noted?         yes     X   no

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified        X   yes      no
- Significant deficiencies identified that are not considered to be material weaknesses        X   yes      none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with §200.516(a)         yes     X   no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Amount of Federal Program
20.106	Airport Improvement Program	\$441,358
Total federal expenditures for 5/1/20 – 4/30/21		\$1,199,903
% tested as major		36.78%
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		<u>  </u> yes <u>  X  </u> no

## **Section II – Financial Statement Findings**

### **2007-1 Finding –**

The treasurer/bookkeeper has responsibility for the operation of and the conduct of many financial transactions. As such, there is an inadequate segregation of duties. This individual performs the following duties: issues disbursements, records receipts and disbursements, reconciles bank accounts, prepares monthly general ledgers and controls investments.

#### **Recommendation –**

If possible a separation of duties should be implemented.

#### **Management Comments –**

This is not practical due to the staff size and finances.

### **2018-1 Finding –**

The city has not retained copies of all grant reports and grant agreements.

#### **Recommendation –**

As grant administrators receive grant agreements and file grant reports on behalf of the city, copies should be provided to the city clerk for the city's records.

#### **Management Comments –**

The City has conveyed the importance of our receiving timely copies of all paper work concerning all grants to the grant administrators. They have agreed to provide all future reports and copies in a timely fashion.

### **2018-10 Finding –**

Uncollectible receivables for unpaid water and sewer bills are not being written-off in a timely manner.

#### **Recommendation –**

Accounts receivable should be reviewed regularly for possible write-offs. Inactive customers with uncollectible balances should be written-off.

#### **Management Comments –**

Legal council is reviewing the cities process to write off uncollectible balances in a timely fashion. The City will be developing a written policy and procedures for the Billing Clerk to follow.

### **Section III – Major Federal Award Findings and Questioned Costs – Major Federal Programs**

#### **2018-1 Finding –**

The city has not retained copies of all grant reports and grant agreements.

#### **Recommendation –**

As grant administrators receive grant agreements and file grant reports on behalf of the city, copies should be provided to the city clerk for the city's records.

#### **Management Comments –**

The City has conveyed the importance of our receiving timely copies of all paper work concerning all grants to the grant administrators. They have agreed to provide all future reports and copies in a timely fashion.

**City of Benton, Illinois  
Summary Schedule of Prior Audit Findings  
April 30, 2021**

**Section II – Financial Statement Findings**

<b><u>Finding Number</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
2007-1	Lack of segregation of duties	No change from prior year
2018-1	Insufficient documentation in relation to grant reports and grant agreements	No change from prior year
2018-10	Untimely review of uncollectible receivables	No change from prior year
2019-2		Corrected

**Section III – Major Federal Award Findings and Questioned Costs – Major Federal Programs**

Not applicable – The City of Benton, Illinois was not required to have single audit performs in accordance with Uniform Guidance, OMB Compliance Supplement.



**COMMISSIONERS**  
Lee Messersmith  
Don Storey  
Cathy Ann Garavalia  
Ian Zane Perkins

**Thomas Malkovich**  
City Attorney & Corporate Counsel

**Lisa Meno**  
City Treasurer

**Brook Craig**  
City Clerk

# City of Benton Illinois

P.O. Box 640 • Benton, Illinois 62812 • Telephone: 618.439.6131 • Facsimile: 618.435.2610

**Fred Kondritz, Mayor**

## City of Benton, Illinois Corrective Action Plan for Current Year Audit Findings Year Ending April 30, 2021

### Corrective Action Plan

Finding No.: 2007-1

Condition:

Internal controls are limited due to small staff size.

Plan:

No current plan of action.

Anticipated Date of Completion: N/A

Name of Contact Person: Cathy Ann Garavalia, Finance Commissioner

Management Response: This is not practical due to staff size and finances.





**COMMISSIONERS**  
Lee Messersmith  
Don Storey  
Cathy Ann Garavalia  
Ian Zane Perkins

**Thomas Malkovich**  
City Attorney & Corporate Counsel

**Lisa Meno**  
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# City of Benton Illinois

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**Fred Kondritz, Mayor**

## City of Benton, Illinois Corrective Action Plan for Current Year Audit Findings Year Ending April 30, 2021

### Corrective Action Plan

Finding No.: 2018-1

**Condition:**

The city has not retained copies of all grant reports and grant agreements.

**Plan:**

As grant administrators receive grant agreements and file grant reports on behalf of the city, copies should be provided to the city clerk for the city's records.

Anticipated Date of Completion: April 30, 2022

Name of Contact Person: Cathy Ann Garavalia, Finance Commissioner

Management Response: The City has conveyed the importance of our receiving timely copies of all paper work concerning all grants to the grant administrators. They have agreed to provide all future reports and copies in a timely fashion.



**COMMISSIONERS**

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Don Storey  
Cathy Ann Garavalia  
Ian Zane Perkins

**Thomas Malkovich**  
City Attorney & Corporate Counsel

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City Clerk

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# City of Benton Illinois

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P.O. Box 640 • Benton, Illinois 62812 • Telephone: 618.439.6131 • Facsimile: 618.435.2610

**Fred Kondritz, Mayor**

**City of Benton, Illinois  
Corrective Action Plan for Current Year Audit Findings  
Year Ending April 30, 2021**

Corrective Action Plan

Finding No.: 2018-10

Condition:

Uncollectible receivables for unpaid water and sewer bills are not being written-off in a timely manner.

Plan:

Accounts receivable should be reviewed regularly for possible write-offs. Inactive customers with uncollectible balances should be written-off.

Anticipated Date of Completion: April 30, 2022

Name of Contact Person: Cathy Ann Garavalia, Finance Commissioner

Management Response: Legal council is reviewing the cities process to write off uncollectible balances in a timely fashion. The City will be developing a written policy and procedures for the Billing Clerk to follow.