



SHELLY HUGGINS, CITY CLERK  
CITY OF HERRIN

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STATE OF ILLINOIS  
WILLIAMSON COUNTY  
CITY OF HERRIN

I, SHELLY HUGGINS, DO HEREBY CERTIFY that I am the duly qualified City Clerk of the City of Herrin, Illinois, Williamson County, and as such clerk, am the keeper of the records and files of the City Council of said City.

I do hereby certify that the following is a true and correct copy of the City of Herrin's Annual Audit for Fiscal Year May 1, 2020 to April 30, 2021 that was passed by the City of Herrin Council at the regular meeting of said Council on November 22, 2021.

IN WITNESS WHEREOF, I have hereunto set my hand and the official seal of the City of Herrin, Illinois at my office this 22<sup>nd</sup> day of November, 2021.

SHELLY HUGGINS, CITY CLERK  
HERRIN, ILLINOIS

SEAL



Annual  
Financial Statements  
and  
Independent Auditors' Report

City of Herrin, Illinois

Fiscal Year Ended April 30, 2021



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## Independent Auditors' Report

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To the City Council  
City of Herrin, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Herrin, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Herrin, Illinois' 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.

### Auditors' 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 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Herrin, Illinois, as of April 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Management has omitted the management discussion and analysis information, and certain disclosures and schedules related to the police and fire pensions 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 72-81 and the retirement plan schedules of changes in net pension liability, and schedules of contributions on pages 69-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The consolidated year-end financial report on page 88 is presented for the purpose of additional analysis as required by the Illinois Grant Accountability and Transparency Act (GATA) and is not a required part of the financial statements of the City of Herrin, Illinois. This required supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Herrin, Illinois 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.

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.

### **Emphasis of Matter**

The financial statements omitted substantially all the disclosures required by GASB Statement No. 67 Financial Reporting for Pension Plans, due to the information being unavailable and incomplete. The omission has no financial impact on the basic financial statements and our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021, on our consideration of the City of Herrin, Illinois' 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Herrin, Illinois' internal control over financial reporting and compliance.

*Hecker, Eck + Brueckel, LLP*

Marion, Illinois  
November 17 2021





**Independent Auditors' 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***

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To the City Council  
City of Herrin, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Herrin, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Herrin, Illinois' basic financial statements and have issued our report thereon dated November 17, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2021-01 through 2021-02 that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Herrin, Illinois' financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City of Herrin, Illinois' Response to Findings**

City of Herrin, Illinois' response to the findings identified in our audit is described in the schedule of findings and responses. City of Herrin, Illinois' 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.

*Herber, Eck + Braeckel, LLP*

Marion, Illinois  
November 17, 2021

**City of Herrin, Illinois**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the fiscal year ended April 30, 2021**

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MATERIAL WEAKNESSES

**Finding Number 2021-01 - repeat**

Criteria

Audit Journal Entries and Year-end Close

Condition and Context

Errors noted in the year end balances indicate issues with the year-end close process.

Effect

As a result, there was a total of 7 audit journal entries.

Recommendation

We recommend management formally document year-end financial closing procedures. This would include developing a list that identifies specific asset and liability accounts which needs to be reviewed and reconciled to supporting documentation. Maintaining appropriate workpapers that documents and references the conversion process provides a clear trail of the work performed. This would allow a member of management to review the work in an efficient manner. In addition, changes in key personnel due to turnover or extended periods of absence would not significantly impact the conversion process.

Management Response

The City acknowledges that additional audit and client journal entries were necessary during the FY 2021 audit process. Many of the entries in FY 2021 were to clean up old out obsolete balances. The number of entries to correct errors was reduced from prior year. Management will continue to work with their contracted CPA firm to further reduce errors in their year-end closing process.

**Finding Number 2021-02-repeat**

Criteria

Segregation of Duties

**City of Herrin, Illinois**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the fiscal year ended April 30, 2021**

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MATERIAL WEAKNESSES

**Finding Number 2021-02- repeat**

Condition and Context

During the audit, we noted segregation of duties in some of the key financial processes:

- An individual in the Treasurer's office is responsible for preparing the bank reconciliations and is also involved in preparing accounts payable, recording invoices, and printing checks.
- An individual in the Treasurer's office responsible for recording vendor invoices and printing checks, also maintains the vendor master file.
- An individual in the Treasurer's office responsible for maintaining the employee master file is also involved in processing payroll and printing payroll checks.

Due to limited staff at the City, separating the incompatible duties may not be possible or cost effective.

Effect

Segregation of duties is a key control in the accounting system. Allowing one individual to perform too many steps in an accounting process could enable an individual to commit and conceal a fraudulent act.

Recommendation

While separating the incompatible duties may not always be possible, we recommend that the City take any steps to better separate the above segregation of duties issues. In addition, we recommend the City periodically review their internal controls over processing procedures and staffing assignments for any potential incompatible duties or other internal control weakness.

Management Response

The City of Herrin continues to strive to improve its internal controls. It will take any steps possible to better separate incompatible duties. The City does contract with a third party certified public accountant who provides additional oversight and review of the financial statements and therefore mitigates some of the risk related to the incompatible duties outlined above.

City of Herrin, Illinois  
STATEMENT OF NET POSITION  
April 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,155,794	\$ 1,871,625	\$ 4,027,419	\$ 300,927
Investments	-	-	-	472,235
Receivables				
Property taxes	559,011	-	559,011	237,801
Other governments and agencies	1,184,370	-	1,184,370	-
Consumers	109,930	409,843	519,773	-
Other	-	-	-	640
Internal balance	1,619,458	(1,619,458)	-	-
Restricted assets				
Cash and cash equivalents	3,263,281	288,490	3,551,771	-
Receivables				
Other governments and agencies	41,182	-	41,182	-
Total current assets	8,933,026	950,500	9,883,526	1,011,603
<b>NONCURRENT ASSETS</b>				
Capital assets, net	7,412,670	18,988,674	26,401,344	807,001
Total noncurrent assets	7,412,670	18,988,674	26,401,344	807,001
Total assets	16,345,696	19,939,174	36,284,870	1,818,604
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - IMRF regular	816,829	439,045	1,255,874	60,531
Total deferred outflows of resources	816,829	439,045	1,255,874	60,531
Total assets & deferred outflows of resources	\$ 17,162,525	\$ 20,378,219	\$ 37,540,744	\$ 1,879,135
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 166,850	\$ 159,467	\$ 326,317	\$ 15,268
Accrued expenses	61,330	18,409	79,739	3,430
Due within one year				
General obligation bonds	494,076	-	494,076	-
Notes payable and capital leases	85,513	152,326	237,839	-
Accrued interest	54,131	-	54,131	-
Consumer deposits	-	401,829	401,829	-
Total current liabilities	861,900	732,031	1,593,931	18,698
<b>NONCURRENT LIABILITIES</b>				
General obligation bonds	3,363,225	-	3,363,225	-
Notes payable and capital leases	300,000	2,232,796	2,532,796	-
Compensated absences	789,957	176,169	966,126	-
Net pension liability	186,977	87,719	274,696	12,094
Total noncurrent liabilities	4,640,159	2,496,684	7,136,843	12,094
Total liabilities	5,502,059	3,228,715	8,730,774	30,792
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - IMRF regular	1,905,275	1,035,171	2,940,446	142,719
Total deferred inflows of resources	1,905,275	1,035,171	2,940,446	142,719
Total liabilities and deferred inflows of resources	\$ 7,407,334	\$ 4,263,886	\$ 11,671,220	\$ 173,511
<b>NET POSITION</b>				
Net investment in capital assets	\$ 3,169,856	\$ 16,603,552	\$ 19,773,408	\$ 807,001
Restricted for				
Debt service	1,967,878	-	1,967,878	-
Maintenance of roadways	821,095	-	821,095	-
Economic development	1,503,407	-	1,503,407	-
Other governmental purpose	86,269	-	86,269	-
Unrestricted (deficit)	2,206,686	(489,219)	1,717,467	898,623
Total net position	\$ 9,755,191	\$ 16,114,333	\$ 25,869,524	\$ 1,705,624

See accompanying notes to financial statements.

City of Herrin, Illinois  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended April 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Service Charges, Permits, and Fees	Operating Grants and Contributions	Primary Government			Component Unit
				Governmental Activities	Business-Type Activities	Total	
Primary government							
Governmental activities							
General government	\$ (2,185,341)	\$ 425,647	\$ -	\$ (1,759,694)	\$ -	\$ (1,759,694)	\$ -
Public safety	(4,231,645)	551,771	168,365	(3,511,509)	-	(3,511,509)	-
Transportation and public works	(2,054,796)	1,121,704	12,703	(920,389)	-	(920,389)	-
Community development	(1,207,822)	-	130,050	(1,077,772)	-	(1,077,772)	-
Interest on long term debt	(163,149)	-	-	(163,149)	(67,806)	(230,955)	-
Total governmental activities	(9,842,753)	2,099,122	311,118	(7,432,513)	(67,806)	(7,500,319)	-
Business-type activities							
Water	(2,634,262)	2,731,199	-	-	96,937	96,937	-
Solid waste	(1,185,765)	1,454,455	-	-	268,690	268,690	-
Total business-type activities	(3,820,027)	4,185,654	-	-	365,627	365,627	-
Total primary government	\$ (13,662,780)	\$ 6,284,776	\$ 311,118	(7,432,513)	297,821	(7,134,692)	-
Component unit							
Public Library	\$ (348,683)	\$ 5,097	\$ 7,896	-	-	-	(335,690)
Civic Center	(153,743)	44,128	23,720	-	-	-	(85,895)
Total component unit	\$ (502,426)	\$ 49,225	\$ 31,616	-	-	-	(421,585)
General Revenues							
Taxes							
Property tax				2,263,008	-	2,263,008	236,279
Sales tax				1,833,445	-	1,833,445	-
Gaming tax				190,346	-	190,346	-
Home rule tax				1,547,825	-	1,547,825	73,286
Gas tax				213,847	-	213,847	-
Income tax				1,623,899	-	1,623,899	-
Replacement tax				93,836	-	93,836	600
Telecommunications tax				123,011	-	123,011	-
Use tax				562,384	-	562,384	-
Auto rental tax				26	-	26	-
Cannabis tax				11,061	-	11,061	-
Foreign fire tax				25,025	-	25,025	-
Motor fuel tax				885,513	-	885,513	-
Investment earnings				6,462	4,158	10,620	5,042
Miscellaneous income				705,975	-	705,975	67,219
Interfund transfers				228,215	(228,215)	-	-
Total general revenues, intergovernmental revenue and transfers				10,313,878	(224,057)	10,089,821	382,426
Change in net position				2,881,365	73,764	2,955,129	(39,159)
Net position, beginning of year				6,873,826	16,040,569	22,914,395	1,744,783
Net position, end of year				\$ 9,755,191	\$ 16,114,333	\$ 25,869,524	\$ 1,705,624

See accompanying notes to financial statements.

**City of Herrin, Illinois**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**April 30, 2021**

	General	Tax Increment Fund #1	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,155,794	\$ -	\$ -	\$ -	\$ 2,155,794
Receivables					
Property taxes	559,011	-	-	-	559,011
Fees receivable from consumers	109,930	-	-	-	109,930
Other governments and agencies	1,184,370	-	-	-	1,184,370
Due from other funds	441,473	-	-	-	441,473
Restricted assets					
Cash and cash equivalents	-	909,139	849,052	1,505,090	3,263,281
Receivables	-	-	-	-	-
Other governments and agencies	-	-	-	41,182	41,182
Due from other funds	-	46,522	1,555,883	-	1,602,405
Total assets	4,450,578	955,661	2,404,935	1,546,272	9,357,446
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets & deferred outflows of resources	\$ 4,450,578	\$ 955,661	\$ 2,404,935	\$ 1,546,272	\$ 9,357,446
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts payable	\$ 117,182	\$ 4,578	\$ 5,028	\$ 40,062	\$ 166,850
Accrued expenses	61,330	-	-	-	61,330
Accrued interest	-	-	54,131	-	54,131
Due to other funds	-	-	377,898	46,522	424,420
Total liabilities	178,512	4,578	437,057	86,584	706,731
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows	559,011	-	-	-	559,011
Total deferred inflows of resources	559,011	-	-	-	559,011
Fund balance					
Nonspendable	-	-	-	-	-
Restricted	-	951,083	1,967,878	1,459,688	4,378,649
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	3,713,055	-	-	-	3,713,055
Total fund balances	3,713,055	951,083	1,967,878	1,459,688	8,091,704
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,450,578	\$ 955,661	\$ 2,404,935	\$ 1,546,272	\$ 9,357,446

*See accompanying notes to financial statements.*



**City of Herrin, Illinois**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**April 30, 2021**

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Total fund balances for governmental funds	\$ 8,091,704
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Total net position 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 the funds. Those assets consist of:

Land	63,884	
Buildings, net of \$3,629,265 accumulated depreciation	272,532	
Building improvements, net of \$150,439 accumulated depreciation	140,945	
Improvements other than buildings, net of \$132,586 accumulated depreciation	129,961	
Equipment, net of \$4,652,690 accumulated depreciation	1,067,003	
Infrastructure, net of \$2,418,840 accumulated depreciation	<u>5,738,345</u>	
Total capital assets		7,412,670

Other long-term assets which are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	559,011
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Deferred outflows and deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental fund balance sheet.	(1,088,446)
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities consist of:

GOB bonds payable	(3,820,000)	
Notes payable	(385,513)	
Bond premium	(37,301)	
Compensated absences	(789,957)	
Net pension liability	<u>(186,977)</u>	
Total long-term liabilities		<u>(5,219,748)</u>

Total net position of governmental activities	<u>\$ 9,755,191</u>
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*See accompanying notes to financial statements.*

**City of Herrin, Illinois**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the fiscal year ended April 30, 2021**

	<b>General</b>	<b>Tax Increment Fund #1</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Property tax	\$ 522,271	\$ 1,331,888	\$ -	\$ 325,171	\$ 2,179,330
Intergovernmental revenue	6,368,044	-	-	1,040,588	7,408,632
Licenses, & permits	335,871	-	-	-	335,871
Fines and fees	352,431	-	-	-	352,431
Charges for services	1,157,150	-	-	-	1,157,150
Interest income	2,265	1,747	1,327	1,123	6,462
Miscellaneous income	891,617	-	64,479	16,253	972,349
<b>Total revenues</b>	<b>9,629,649</b>	<b>1,333,635</b>	<b>65,806</b>	<b>1,383,135</b>	<b>12,412,225</b>
<b>EXPENDITURES</b>					
General government and administrative	2,165,291	-	-	-	2,165,291
Public safety	4,611,511	-	-	28,581	4,640,092
Transportation and public works	1,346,436	-	-	507,007	1,853,443
Community development	-	963,262	-	244,560	1,207,822
Capital outlay	161,484	-	-	-	161,484
Debt Service					
Principal	86,232	-	483,000	-	569,232
Interest	17,840	-	145,309	-	163,149
<b>Total expenditures</b>	<b>8,388,794</b>	<b>963,262</b>	<b>628,309</b>	<b>780,148</b>	<b>10,760,513</b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>1,240,855</b>	<b>370,373</b>	<b>(562,503)</b>	<b>602,987</b>	<b>1,651,712</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	72,000	-	636,700	-	708,700
Transfers out	(144,900)	-	(335,585)	-	(480,485)
<b>Total other financing sources (uses)</b>	<b>(72,900)</b>	<b>-</b>	<b>301,115</b>	<b>-</b>	<b>228,215</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,167,955</b>	<b>370,373</b>	<b>(261,388)</b>	<b>602,987</b>	<b>1,879,927</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>2,545,100</b>	<b>580,710</b>	<b>2,229,266</b>	<b>856,701</b>	<b>6,211,777</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 3,713,055</b>	<b>\$ 951,083</b>	<b>\$ 1,967,878</b>	<b>\$ 1,459,688</b>	<b>\$ 8,091,704</b>

*See accompanying notes to financial statements.*

**City of Herrin, Illinois**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the fiscal year ended April 30, 2021**

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Net change in fund balances - total governmental funds	\$ 1,879,927
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$537,825) exceeded capital outlays \$(161,484) in the current period.

	(376,341)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	171,210
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment on long-term debt	569,232	
Amortization bond premium	4,076	
	<u>573,308</u>	

The net effect of the change in deferred revenues. Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.

	83,678
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Governmental funds report pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

	<u>549,583</u>
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Change in net position of governmental activities	<u><u>\$ 2,881,365</u></u>
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*See accompanying notes to financial statements.*

**City of Herrin, Illinois**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**April 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,385,135	\$ 486,490	\$ 1,871,625
Accounts receivable			
Consumers	254,930	154,913	409,843
Due from other funds	-	-	-
Restricted assets			
Consumer deposits account			
Cash	288,490	-	288,490
Total current assets	1,928,555	641,403	2,569,958
<b>NONCURRENT ASSETS</b>			
Capital assets, net	8,115,592	10,873,082	18,988,674
Total noncurrent assets	8,115,592	10,873,082	18,988,674
Total assets	10,044,147	11,514,485	21,558,632
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - IMRF regular	319,974	119,071	439,045
Total deferred outflows of resources	319,974	119,071	439,045
Total assets and deferred outflows of resources	\$ 10,364,121	\$ 11,633,556	\$ 21,997,677
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 114,056	\$ 45,411	\$ 159,467
Accrued expenses	15,438	2,971	18,409
Current portion of capital leases	152,326	-	152,326
Due to other funds	277,210	1,342,248	1,619,458
Liabilities payable from restricted assets			
Consumer deposits	401,829	-	401,829
Total current liabilities	960,859	1,390,630	2,351,489
<b>NONCURRENT LIABILITIES</b>			
Capital leases, noncurrent portion	2,232,796	-	2,232,796
Compensated absences	75,323	100,846	176,169
Net pension liability	63,929	23,790	87,719
Total noncurrent liabilities	2,372,048	124,636	2,496,684
Total liabilities	3,332,907	1,515,266	4,848,173
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - IMRF regular	754,428	280,743	1,035,171
Total deferred inflows of resources	754,428	280,743	1,035,171
Total liabilities and deferred inflows or resources	\$ 4,087,335	\$ 1,796,009	\$ 5,883,344
<b>NET POSITION</b>			
Net investment in capital assets	\$ 5,730,470	\$ 10,873,082	\$ 16,603,552
Unrestricted	546,316	(1,035,535)	(489,219)
Total net position	\$ 6,276,786	\$ 9,837,547	\$ 16,114,333

*See accompanying notes to financial statements.*

**City of Herrin, Illinois**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended April 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,731,199	\$ 1,454,455	\$ 4,185,654
Total operating revenues	2,731,199	1,454,455	4,185,654
<b>OPERATING EXPENSES</b>			
Salaries	757,653	271,627	1,029,280
Employee benefits	122,403	60,233	182,636
Purchase of water	893,103	-	893,103
Audit	15,500	-	15,500
Utilities	16,535	88,030	104,565
Postage	34,010	-	34,010
Insurance	74,642	40,321	114,963
Health insurance claims	116,256	-	116,256
Office supplies	61,086	-	61,086
Legal and engineering	5,428	7,593	13,021
Permits	-	17,500	17,500
Supplies	99,050	37,807	136,857
Clothing allowance	9,354	4,210	13,564
Other	66,189	32,519	98,708
Repair and maintenance	3,376	241,460	244,836
Depreciation	359,677	384,465	744,142
Total operating expenses	2,634,262	1,185,765	3,820,027
Operating income (loss)	96,937	268,690	365,627
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	3,273	885	4,158
Interest expense	(67,806)	-	(67,806)
Total nonoperating revenues (expenses)	(64,533)	885	(63,648)
<b>TRANSFERS</b>			
Transfer in	46,740	288,845	335,585
Transfer out	(81,600)	(482,200)	(563,800)
Total transfers in (out)	(34,860)	(193,355)	(228,215)
<b>CHANGE IN NET POSITION</b>	(2,456)	76,220	73,764
<b>NET POSITION, BEGINNING OF YEAR</b>	6,279,242	9,761,327	16,040,569
<b>NET POSITION, END OF YEAR</b>	\$ 6,276,786	\$ 9,837,547	\$ 16,114,333

*See accompanying notes to financial statements.*

**City of Herrin, Illinois**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended April 31, 2021**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,703,848	\$ 1,433,751	\$ 4,137,599
Payments to suppliers	(1,058,252)	(736,534)	(1,794,786)
Payments to employees	(1,348,309)	(449,750)	(1,798,059)
Net cash provided by operating activities	297,287	247,467	544,754
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	(34,861)	(193,355)	(228,216)
Net cash used in noncapital financing activities	(34,861)	(193,355)	(228,216)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(77,125)	(77,125)
Principal payments on capital leases	(124,906)	-	(124,906)
Principal payments on line of credit	(25,000)	-	(25,000)
Interest and agent fees paid	(67,806)	-	(67,806)
Net cash used in capital and related financing activities	(217,712)	(77,125)	(294,837)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	3,273	885	4,158
Net cash provided by investing activities	3,273	885	4,158
Net change in cash	47,987	(22,128)	25,859
<b>CASH, BEGINNING OF YEAR</b>	1,625,637	508,618	2,134,255
<b>CASH, END OF YEAR</b>	\$ 1,673,624	\$ 486,490	\$ 2,160,114
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>			
Purchase of equipment through issuance of capital leases	\$ 56,885	\$ -	\$ 56,885
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 96,937	\$ 268,690	\$ 365,627
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	359,677	384,465	744,142
Changes in assets and liabilities			
Accounts receivable	(27,351)	(20,704)	(48,055)
Accounts payable	29,885	(153,095)	(123,210)
Accrued salaries	(15,776)	(15,009)	(30,785)
Deposits payable	16,335	-	16,335
Due to other funds	-	(113,999)	(113,999)
Deferred outflows of resources	94,789	61,912	156,701
Deferred inflows of resources	72,633	(16,760)	55,873
Net pension liability	(329,842)	(148,033)	(477,875)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	\$ 297,287	\$ 247,467	\$ 544,754

*See accompanying notes to financial statements.*

**City of Herrin, Illinois**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**April 30, 2021**

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash	\$ 476,534
Receivables	
Property taxes	2,338,444
Employee contributions receivable	7,469
Accrued interest	70,805
Total receivables	2,416,718
Investments, at fair value	
Certificates of deposit	1,174,263
Mutual funds	12,227,179
U.S. Government securities	5,119,550
Bonds	3,658,838
Total investments	22,179,830
Total assets	25,073,082
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows	-
Total deferred outflows of resources	-
<b>LIABILITIES</b>	
Federal withholding	3,968
Due to City of Herrin	164
Total liabilities	4,132
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - property taxes	2,338,444
Total deferred inflows of resources	2,338,444
<b>NET POSITION</b>	
Held in trust for pension benefits	\$ 22,730,506

*See accompanying notes to financial statement.*



**City of Herrin, Illinois**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**For the fiscal year ended April 30, 2021**

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions	
Property taxes	\$ 2,280,073
Plan member	227,009
	<u>2,507,082</u>
Total contributions	
	<u>2,507,082</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	3,253,603
Gain (loss) on sale of investments	241,818
Capital gains	94,673
Dividends	83,538
Interest	277,914
	<u>3,951,546</u>
Net investment income	
	<u>3,951,546</u>
Total additions	<u>6,458,628</u>
<b>DEDUCTIONS</b>	
Benefits	1,702,782
Legal fees	18,709
Investment fees	45,829
Audit and actuarial fees	10,260
Other expenses	16,366
	<u>1,793,946</u>
Total deductions	<u>1,793,946</u>
Change in net position held in trust for pension benefits	4,664,682
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>18,065,824</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 22,730,506</u></u>

*See accompanying notes to financial statements.*

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*1. Reporting Entity*

The City of Herrin, Illinois (the City) was incorporated April 17, 1900. The City operates as a home rule municipality under a Mayor-Aldermanic form of government comprised of the Mayor and eight alderman, who are elected for four year terms. Other officers of the City include The City Clerk and Treasurer who are elected for four year terms. Department Heads and related staff are appointed by the Mayor with the consent of the City Council. The City's major operations include police and fire protection, development services, public works, water and sewer, library, civic center, and general administrative services. The accounting policies of the City of Herrin conform to United States generally accepted accounting principles (GAAP) as applicable to governments.

As required by GAAP, these financial statements present the government and its component units, an entity for which the government is considered to be financially accountable. A blended component unit, although legally a separate entity, is, in substance, a part of the government's operations and so data from this unit is combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

The Herrin City Library is included in the City's reporting entity as a discrete component unit. The Mayor and Council have control over the Library Board. The City Council sets the annual tax levy which is the major financing source of the Library.

The Herrin Civic Center is included in the City's reporting entity as a discrete component unit. The Mayor and Council have control over the Civic Center's Board.

Complete financial statements for the discrete component unit may be obtained at the entity's administrative office.

City of Herrin, Illinois  
300 North Park Avenue  
Herrin, Illinois 62948

As of April 30, 2021, the City did not have any blended component units.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*2. Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally 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 statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

*3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City normally considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures, other than compensated absences and principal and interest on long-term debt which are recorded when due, are recorded when the related liability is incurred.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. See Note C for property tax accrual policy.

The City reports the following major governmental funds:

The General Fund is used to account for all financial transactions which are not required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including police and fire protection, street and equipment repairs and maintenance, cemeteries, development services and administration.

The Tax Increment Fund #1 is used to account for the revenues and expenses associated with Tax Increment Financing District #1.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The City reports the following major proprietary funds:

The Water Fund is used to account for provision of water to the residents of the city. Activities include administration, operations and maintenance of the water systems, and billing and collection of charges.

The Sewer Fund is used to account for provision of sanitation services to the residents of the City. Activities include administration, operations and maintenance of the sewer systems, and billing and collection of charges.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

Additionally, the government reports the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others. The following are the City's fiduciary fund types:

- a. Pension Trust Funds are used to account for pension plans established by state and local governments. The measurement focus is based on the flow of economic resources and the accrual basis of accounting.
  - i. The Firemen's Pension Fund is used to account for the accumulation of resources for pension benefit payments to qualified firemen.
  - ii. The Police Pension Fund is used to account for the accumulation of resources for pension benefit payments to qualified policemen.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for benefit of a third party and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements. Separately issued financial statements of the pension funds may be obtained from the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes or other charges between the City's water and sewer function and various other functions of the government. Eliminations of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicant for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services, rental charges and fines. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

*4. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund.

*5. Cash and Cash Equivalents*

Except where otherwise required, the City maintains all deposits in various bank accounts in the name of the City. These deposits are invested on a short-term basis with interest income being allocated to the funds based on their respective balance. The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

*6. Investments*

Investments are stated at fair value based upon quoted market prices.

*7. Accounts Receivable*

Accounts receivable consists primarily of property taxes recorded in the government funds, and charges for services accounted for in the enterprise funds. Charges for water services are accounted for in the Water Fund, sewer services are accounted for in the Sewer Fund, and garbage services in the General Fund. All receivables are recorded net of any allowances for doubtful accounts.

Credit is extended to utility customers on a partially-secured basis with a cash deposit required at the inception of service. Property tax receivables are secured by a lien on the related real estate.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*8. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of \$10,000 or more and an estimated useful life greater than one year. Such assets are recorded at cost or estimated original cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs are capitalized on capital assets of business-type activities as a component of construction in progress, based on actual interest cost of the project, less interest income earned on temporary investments of project funds. No interest expense or interest income was charged to construction in progress in Fiscal Year 2021.

Property, plant, and equipment of the City, as well as its component unit, are depreciated using the straight-line method over the estimated useful life of each asset.

The estimated useful lives are as follows:

a. Land improvements	5-25 years
b. Buildings	5-50 years
c. Building Improvements	5-50 years
d. Equipment	3-20 years
e. Infrastructure	10-50 years

*9. Compensated Absences*

Accumulated unpaid vacation and vested sick pay are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.



**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*10. Long-Term Liabilities*

In the government-wide financial statements and the enterprise fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts.

In the fund financial statements long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund.

*11. Deferred Outflows/Inflows of Resources*

In addition to assets, the financial statements 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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The governmental funds have no items that qualify for reporting in this category.

In addition to liabilities, the financial statements will sometimes report a separate section from deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow (revenue) until that time. The City has only one type of item that qualifies for the reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes, in this category. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

*12. Fund Equity and Net Position*

The following classifications describe spending constraints placed on the purposes for which resources can be used in the fund financial statements:

Nonspendable fund balance - includes fund balance amounts that cannot be spent either because it is not in spendable form (such as inventory) or because of legal or contractual constraints.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*12. Fund Equity and Net Position*

Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts a government intends to use for specific purposes; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance - amounts available for any purpose; positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes). Assigned fund balance can also be established by the passage of a resolution, or by the city manager.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal stabilization policy or minimum fund balance policy.

The City reports three types of net position in its government-wide statement of net position:

Net investment in capital assets - consists of capital asset balances less accumulated depreciation and reduced by outstanding balances of debt used to acquire, construct, or improve those assets.

Restricted net position - net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as creditors, grantors, or laws or regulations of other governments.

Unrestricted net position - consists of all other net position that does not meet the definitions of the above two components and are available for the City's general use.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*13. Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B | DEPOSITS AND INVESTMENTS**

*1. Deposits*

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City. It is the City's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance.

At year-end the carrying amount of the City's deposits totaled \$7,579,190 and the bank balances totaled \$7,886,914. Of the bank balances, \$786,083 were covered by federal depository insurance, \$7,100,831 were collateralized by U.S. Government securities held by the pledging institution's trust department in the City's name, and \$-0- were uninsured/uncollateralized.

Reconciliation to Government-Wide Statement of Net Position:

Cash and cash equivalents	\$ 4,027,419
Restricted cash and cash equivalents	<u>3,551,771</u>
	<u>\$ 7,579,190</u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE B | DEPOSITS AND INVESTMENTS**

*1. Deposits*

Custodial Credit Risk

Fiduciary Funds:

At year-end the carrying amount of the Fiduciary Fund's deposits totaled \$476,534 and the bank balances totaled \$476,534. Of the bank balances, \$368,156 were covered by federal depository insurance, \$108,156 were collateralized by U.S. Government securities held by the pledging institution's trust department in the City's name, and \$-0- were uninsured/uncollateralized.

Component Unit:

At year-end the carrying amount of the City's Component Unit deposits totaled \$773,162 and the bank balances totaled \$784,800. Of the bank balances, \$784,800 were covered by federal depository insurance and \$-0- were uninsured/uncollateralized.

Reconciliation to Government-Wide Statement of Net Position:

Cash and cash equivalents	\$ 300,927
Investments in certificates of deposit	<u>472,235</u>
	<u>\$ 773,162</u>

*2. Investments*

**Fiduciary Funds - Pension Trust Funds**

The Police and Firemen's Pension Funds investment policies require their respective investment strategies to be in full compliance with statutes of the State of Illinois and applicable rules and regulations governing the investments of the pension funds. The Police Pension Fund and Firemen's Pension Fund have engaged with Charles Schwab, Bank of Edwardsville, and Busey Wealth Management, respectively, as their investment advisor, which also acts as their investment custodian.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE B | DEPOSITS AND INVESTMENTS**

*2. Investments*

Fiduciary Funds - Pension Trust Funds

Interest Rate Risk

Both the Police and Firemen's Pension Funds invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the next term and that such changes could materially affect participants' account balances and the amounts reported in the statement of the plan net position.

Interest rate risk is the risk that the fair value of an investment will decline as interest increases. Due to the trusts' type of investments at April 30, 2021, interest rate risk is not significant.

As of April 30, 2021, the Firemen's Pension Fund had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More than 10
US Government Securities	\$ 3,045,379	\$ 115,773	\$ 1,742,497	\$ 311,683	\$ 875,426
Corporate Bonds	1,923,723	167,537	720,586	330,180	705,420
Certificates of Deposit	143,711	-	143,711	-	-
Mutual Funds	5,820,243	5,820,243	-	-	-
Foreign Bonds & Debentures	99,189	-	25,816	71,807	-
Totals	<u>\$11,032,245</u>	<u>\$ 6,103,553</u>	<u>\$ 2,632,610</u>	<u>\$ 713,670</u>	<u>\$ 1,580,846</u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE B | DEPOSITS AND INVESTMENTS**

*2. Investments*

As of April 30, 2021, the Police Pension Fund had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More than 10
US Government Securities	\$ 2,074,174	\$ -	\$ 923,055	\$ 751,556	\$ 399,563
Corporate Bonds	1,635,929	50,008	1,316,275	269,646	-
Certificates of Deposit	1,030,546	162,599	867,947	-	-
Mutual Funds	6,406,936	6,406,936	-	-	-
	<u>\$11,147,585</u>	<u>\$ 6,619,543</u>	<u>\$ 3,107,277</u>	<u>\$ 1,021,202</u>	<u>\$ 399,563</u>

Credit Risk: The Police Pension Fund and Firemen's Pension Fund limits its exposure to credit risk, the risk that the issues of debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. In order to reduce the risk of default, the Police Pension and Firemen's Pension respective investment policies states their portfolios' shall not exceed the following diversification limits:

- Interest bearing obligations that are fully guaranteed or insured as to payment of principal and interest by the United States of America.
- Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America.
- Certificates of Deposit issued by State or Federally Chartered Savings and Loans or Banks that are fully insured by the Federal Deposit Insurance Corporation.
- Separate accounts of a life insurance company, authorized to do business in Illinois, comprised of investments in common or preferred stocks, bonds, money market instruments, real estate, or first or second mortgage loans on real estate. The Pension Fund may invest up to ten percent of its assets in these contracts.
- Common and preferred stock authorized for investment of trust funds in Illinois.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE B | DEPOSITS AND INVESTMENTS**

*2. Investments*

- A properly registered mutual fund that:
  - Is managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953
  - Has been in operation for at least 5 years
  - Has total assets of \$250 million or more
  - The mutual fund is comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. United States of America government and United States of America governmental agency securities are exempt from this policy requirement. The investment policies for the Police and Firemen's Pension Funds' define the strategy in which the respective Pension Board's follow for the equity investments.

The recommended allocations between different types of investments for the Police Pension Fund are as follows:

<u>Investment Style</u>	<u>Minimum Allocation</u>	<u>Maximum Allocation</u>
Equities	30%	45%
Fixed Income	55%	70%
Cash and Cash Equivalents	0%	5%

The Police Pension Fund has four mutual funds whose market values are individually greater than 5% of the net position of the pension plan. These mutual funds in total amount to \$3,082,944.



**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE B | DEPOSITS AND INVESTMENTS**

*2. Investments*

The recommended allocations between different types of investments for the Firemen's Pension Fund are as follows:

<u>Investment Style</u>	<u>Minimum Allocation</u>	<u>Maximum Allocation</u>
Equities	30%	45%
Fixed Income	45%	70%
Cash and Cash Equivalents	0%	10%

The Firemen's Pension Fund has one mutual fund whose market value is individually greater than 5% of the net position of the pension plan. This mutual fund total amounts to \$1,680,873.

Custodial Credit Risk: The Police Pension Fund Board and Firemen's Pension Fund Board will approve custodians specifically for their respective funds. Approved custodians shall be subject to regulatory oversight. The fund utilizes the advisor as the third-party custodian for investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Police Pension Board and Firemen's Pension Fund Board will not be able to recover the value of its investments that are in the possession of an outside party.

*3. Fair Value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE B | DEPOSITS AND INVESTMENTS**

*3. Fair Value*

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying financial statements, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

*Securities*

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing service and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy; however, no Level 3 securities exist at April 30, 2021.

Investments in mutual funds and equity securities are actively traded and therefore have been classified at Level 1 valuations.

*Fair Value Measurements*

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2021:

Input levels by investment category of the component unit's financial instruments at April 30, 2021 are as follows:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1</u> <u>Inputs</u>	<u>Level 2</u> <u>Inputs</u>	<u>Level 3</u> <u>Inputs</u>
Certificates of Deposit	\$ 472,235	\$ -	\$ 472,235	\$ -

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE B | DEPOSITS AND INVESTMENTS**

3. *Fair Value*

Input levels by investment category of the Police and Fire Pension Trusts' financial instruments at April 30, 2021 are as follows:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of Deposit	\$ 1,174,263	\$ -	\$ 1,174,263	\$ -
U.S. Government Securities	5,119,550	5,119,550	-	-
Corporate Bonds	3,559,652	3,559,652	-	-
Municipal Bonds	-	-	-	-
Mutual Funds	12,227,179	12,227,179	-	-
Foreign Bonds & Debentures	99,186	99,186	-	-
Total	<u>\$ 22,179,830</u>	<u>\$ 21,005,567</u>	<u>\$ 1,174,263</u>	<u>\$ -</u>

**NOTE C | PROPERTY TAXES**

A tax levy ordinance is prepared and adopted by the City Council and filed with the County Clerk on or before the last Tuesday in December. The taxes upon real property, together with all penalties, interest and costs that may accrue thereon, become a prior and first lien on such real property, superior to all other liens and encumbrances, from and including the first day of January in the year in which the taxes are levied until the taxes, penalties, interest and costs are repaid. Property taxes are payable in two installments generally in August and October. The City receives significant distributions of tax receipts approximately one month after these due dates.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE D | RESTRICTED ASSETS**

Certain resources are classified as restricted assets on the Statement of Net Position and governmental funds balance sheet because their use is limited to a specific purpose. A summary of restricted assets at April 30, 2021 is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Restricted Assets</u>			
Debt Service			
Cash	849,052	-	849,052
Due from other funds	1,555,883	-	1,555,883
Motor Fuel Tax			
Cash	810,621	-	810,621
Due from other funds	41,182	-	41,182
Tax Increment			
Cash	1,517,339	-	1,517,339
Due from other funds	46,522	-	46,522
Foreign Fire Insurance Board			
Cash	32,331	-	32,331
Abandoned Property			
Cash	6,114	-	6,114
Grant Projects			
Cash	47,703	-	47,703
Housing			
Cash	121	-	121
Water			
Consumer Deposits	-	288,490	288,490
	<u>\$ 4,906,868</u>	<u>\$ 288,490</u>	<u>\$ 5,195,358</u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE E | CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2021 for the primary government is as follows:

	Balance April 30, <u>2020</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance April 30, <u>2021</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 63,884	\$ -	\$ -	\$ 63,884
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	63,884	-	-	63,884
Capital assets, being depreciated:				
Land Improvements	262,547	-	-	262,547
Buildings	3,901,797	-	-	3,901,797
Building Improvements	291,384	-	-	291,384
Equipment	5,612,695	188,149	(81,151)	5,719,693
Infrastructure	8,157,185	-	-	8,157,185
Total capital assets, being depreciated	18,225,608	188,149	(81,151)	18,332,606
Less accumulated depreciation for				
Land improvements	(120,624)	(11,962)	-	(132,586)
Buildings	(3,572,621)	(56,644)	-	(3,629,265)
Building improvements	(142,636)	(7,803)	-	(150,439)
Equipment	(4,474,496)	(259,345)	81,151	(4,652,690)
Infrastructure	(2,216,769)	(202,071)	-	(2,418,840)
Total accumulated depreciation	(10,527,146)	(537,825)	81,151	(10,983,820)
Total capital assets, being depreciated, net	7,698,462	(349,676)	-	7,348,786
Governmental activities capital assets, net	\$ 7,762,346	\$ (349,676)	\$ -	\$ 7,412,670

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE E | CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2021 for the business-type activities is as follows:

	Balance April 30, <u>2020</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance April 30, <u>2021</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Construction in Progress	175,295	77,125	(213,135)	39,285
Total capital assets, not being depreciated	215,295	77,125	(213,135)	79,285
Capital assets, being depreciated:				
Buildings	10,884,423	-	-	10,884,423
Building Improvements	36,386	-	-	36,386
Equipment	1,255,157	56,885	213,135	1,525,177
Infrastructure	21,544,115	-	-	21,544,115
Total capital assets, being depreciated	33,720,081	56,885	213,135	33,990,101
Less accumulated depreciation for:				
Buildings	(7,360,766)	(137,495)	-	(7,498,261)
Building Improvements	(15,938)	(1,661)	-	(17,599)
Equipment	(1,078,444)	(55,457)	-	(1,133,901)
Infrastructure	(5,881,422)	(549,529)	-	(6,430,951)
Total accumulated depreciation	(14,336,570)	(744,142)	-	(15,080,712)
Total capital assets, being depreciated, net	19,383,511	(687,257)	213,135	18,909,389
Business-type activities capital assets, net	\$ 19,598,806	\$ (610,132)	\$ -	\$ 18,988,674

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE E | CAPITAL ASSETS**

Capital asset activity for the year April 30, 2021 for the component unit is as follows:

	Balance April 30, <u>2020</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance April 30, <u>2021</u>
Capital assets, not being depreciated:				
Land	\$ 49,833	\$ -	\$ -	\$ 49,833
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	49,833	-	-	49,833
Capital assets, being depreciated:				
Land Improvements	13,095	-	-	13,095
Buildings	1,253,444	-	-	1,253,444
Building Improvements	252,349	-	-	252,349
Equipment	689,072	-	-	689,072
Total capital assets, being depreciated	2,207,960	-	-	2,207,960
Less accumulated depreciation for:				
Land improvements	(13,095)	-	-	(13,095)
Buildings	(575,526)	(31,336)	-	(606,862)
Building improvements	(142,763)	(14,519)	-	(157,282)
Equipment	(656,824)	(16,729)	-	(673,553)
Total accumulated depreciation	(1,388,208)	(62,584)	-	(1,450,792)
Total capital assets, being depreciated, net	819,752	(62,584)	-	757,168
Component units capital assets, net	\$ 869,585	\$ (62,584)	\$ -	\$ 807,001

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE E | CAPITAL ASSETS**

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

Governmental activities:	
General Government	\$ 33,923
Public Safety	203,624
Public works	<u>300,278</u>
Total depreciation expense - governmental activities	<u>\$ 537,825</u>
Business-type activities:	
Waterworks	\$ 359,677
Sewerage	<u>384,465</u>
Total depreciation expense - business-type activities	<u>\$ 744,142</u>

Depreciation expense was charged to functions/programs of the component unit as follows:

Component unit activities:	
Public Library	\$ 41,424
Civic Center	<u>21,160</u>
Total depreciation expense – component unit activities	<u>\$ 62,584</u>



**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE F | LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

General Obligation Bonds - Governmental Activities

General obligation bonds payable at April 30, 2021 are comprised of the following:

Governmental Activities

\$500,000 sales tax bonds dated April 4, 2001 due annually from December 1, 2001 through December 1, 2021 installments of \$1,000 to \$40,000. Interest is payable each June 1 and December 1 beginning December 1, 2001 with interest at 4.3% to 5.4%.	\$ 40,000
\$370,000 general obligation bonds dated December 4, 2009 due annually from February 1, 2011 through February 1, 2029 installments of \$10,000 to \$30,000. Interest is payable each August 1 and February 1 beginning August 1, 2010 with interest at 1.9% to 5.125%.	195,000
\$2,005,000 general obligation bonds dated September 28, 2011 due annually from December 1, 2012 through December 1, 2026 installments of \$35,000 to \$175,000. Interest is payable each June 1 and August 1 beginning December 1, 2012 with interest at 2% to 4%.	955,000
\$1,155,000 general obligation bonds dated April 5, 2016 due annually from December 1, 2016 through December 1, 2035 installments of \$45,000 to \$85,000. Interest is payable each June 1 and December 1 beginning June 1, 2016 with interest at 1.35% to 4.5%.	920,000

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE F | LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

Governmental Activities

\$1,815,000 general obligation bonds dated December 29, 2017 due annually from December 1, 2018 through December 1, 2027 installments of \$145,000 to \$205,000. Interest is payable each June 1 and December 1 beginning June 1, 2018 with interest at 3% to 5%.

1,340,000

\$565,000 general obligation bonds dated May 22, 2017 due annually from December 1, 2018 through December 1, 2025 installments of \$55,000 to \$80,000. Interest is payable each June 1 and December 1 beginning December 1, 2018 with interest at 1.75% to 3%.

370,000

\$ 3,820,000

\$500,000 in general obligation sales tax bonds issued on April 4, 2001 were used for the purpose of defraying the costs of a library expansion and related facilities improvements and costs.

\$370,000 in general obligation bonds issued on December 4, 2009 were used for construction and installation of, as applicable, water and sewer main replacements and facilities and improvements and land acquisition and rights in real estate and other related facilities improvements and costs, collectively.

\$2,005,000 in general obligation bonds issued on September 28, 2011 were used for construction and installation of wastewater treatment and sanitary sewer facilities, improvements and work, including renovation and repair of wastewater treatment components and hardware, replacement of pumps, installation of SCADA system, lagoon sludge removal, miscellaneous piping and valve replacement, renovation of various sewage lift stations and reducing stormwater inflow/infiltration at numerous locations, and related facilities improvements and costs.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE F | LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

Governmental Activities

\$1,155,000 in general obligation bonds issued on April 5, 2016 were used for the wastewater collection system improvements and the construction of the Beltz and Vet Lift Station and force main project costs.

\$1,815,000 in general obligation refunding bonds issued on October 11, 2017 were used to refund \$1,185,000 of the City's general obligation bonds dated January 22, 2007.

\$565,000 in general obligation refunding bonds issued on May 22, 2017 were used to finance water system projects including waterline replacement projects.

The City of Herrin is a "Home Rule" unit as established by the 1970 Illinois Constitution. As a Home Rule Community, no statutory debt limit exists.

The annual requirements to amortize all bonds outstanding as of April 30, 2021 are as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	500,000	134,739
2023	475,000	116,581
2024	495,000	102,521
2025	505,000	87,486
2026	520,000	70,793
2027-2031	955,000	159,538
2032-2036	<u>370,000</u>	<u>51,812</u>
	<u>\$ 3,820,000</u>	<u>\$ 723,470</u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE F | LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

*1. Governmental Activity Long-Term Debt Notes Payable*

The City has financed certain capital expenditures through bank borrowings and other loan agreements at April 30, 2021 as follows:

Term bank loans, due in monthly installments for an annual amount of \$47,500; term of the loans varies through May 2023; interest rates range from 3.24% to 4.33%.	\$ 278,857
Capital leases, due in monthly and semiannual installments for an annual amount of \$44,616; term of the leases varies through October 2022; interest rates range from 3.35% to 4.75%.	<u>106,656</u>
	<u><u>\$ 385,513</u></u>

All the governmental activity notes payable were used in the acquisition of equipment and vehicles for use by the City.

The annual requirements to amortize all governmental activity long-term debt notes payable as of April 30, 2021 are as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	85,513	14,170
2023	60,771	11,489
2024	24,143	9,727
2025	25,188	8,681
2026	26,280	7,590
2027-2031	104,935	24,240
2032-2034	<u>58,683</u>	<u>3,449</u>
	<u><u>\$ 385,513</u></u>	<u><u>\$ 79,346</u></u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE F | LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

*1. Governmental Activity Long-Term Debt Notes Payable*

Long-term liability activity for the year ended April 30, 2021, was as follows:

	Balance April 30, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance April 30, <u>2021</u>	Due Within <u>One Year</u>
Governmental activities					
General obligation bonds	\$ 4,303,000	\$ -	\$ (483,000)	\$ 3,820,000	\$ 500,000
Notes Payable	445,080	26,665	(86,232)	385,513	85,513
Bond Premium	41,377	-	(4,076)	37,301	4,076
Compensated absences	961,167	141,313	(312,523)	789,957	-
Net pension liability	1,119,028	-	(932,051)	186,977	-
Government activity					
Long-term liabilities	<u>\$ 6,869,652</u>	<u>\$ 167,978</u>	<u>\$ (1,817,882)</u>	<u>\$ 5,219,748</u>	<u>\$ 589,589</u>

*2. Business-Type Activity Capital Leases*

The City has financed certain capital expenditures through capital lease financing arrangements at April 30, 2021 as follows:

Capital lease, due in monthly installments of approximately \$1,618 through November 15, 2024. The lease bears an interest rate of 3.75%.	\$ 67,960
Capital lease, due in monthly installments of approximately \$1,245 through January 13, 2025. The lease bears an interest rate of 3.45%.	\$ 51,272
Capital lease, due in monthly installments of approximately \$1,016 through January 7, 2026. The lease bears an interest rate of 2.76%.	\$ 54,637
Capital lease, due in semiannual installments ranging from approximately \$73,000 to \$144,000 through March 29, 2033. The lease bears an interest rate of 2.73%.	<u>2,211,253</u>
	<u>\$ 2,385,122</u>

All the business-type activity capital leases were used in the acquisition of equipment for the use of the City.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE F | LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

*2. Business-Type Activity Capital Leases*

The annual requirements to amortize all business-type activity capital leases as of April 30, 2021 are as follows:

Year Ending April 30,	Principal	Interest
2022	152,326	64,809
2023	174,116	60,142
2024	185,652	55,014
2025	187,636	49,617
2026	172,442	44,759
2027-2031	1,002,260	148,736
2032-2033	510,690	17,932
	<u>\$ 2,385,122</u>	<u>\$ 441,009</u>

Compensated absences and the net pension liability for the business type activities are liquidated by the general fund.

	Balance April 30, 2020	Additions	Reductions	Balance April 30, 2021	Due Within One Year
Business-type activities					
Capital leases	\$ 2,453,143	\$ -	\$ (68,021)	\$ 2,385,122	\$ 152,326
Compensated absences	169,074	11,309	(4,214)	176,169	-
Net pension liability	565,595	-	(477,876)	87,719	-
Business-type activity	<u>\$ 3,187,812</u>	<u>\$ 11,309</u>	<u>\$ (550,111)</u>	<u>\$ 2,649,010</u>	<u>\$ 152,326</u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE G | LINE OF CREDIT**

On November 21, 2017, the City entered into a line of credit agreement with First Southern Bank in the amount of \$300,000. The agreement provides that the City can draw upon and pay down the balance. Interest on any unpaid balance is calculated and paid monthly at the rate of 3.75%. Outstanding advances were \$-0- at April 30, 2021.

	<u>Beginning Balance</u>	<u>Draws</u>	<u>Repayments</u>	<u>Ending Balance</u>
Line of Credit	\$ 25,000	\$ -	\$ (25,000)	\$ -

**NOTE H | RETIREMENT PLANS**

The employees of the City of Herrin are covered by one of the following defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), the Police Pension Plan, or the Firemen's Pension Plan. The Police Pension and Firemen's Pension Plans are single-employer plans and are accounted for as pension trust funds in the City's financial statements. The Illinois Municipal Retirement Fund is a multiple-employer agent PERS (Public Employee Retirement System). The Illinois Municipal Retirement Fund is not included in the balances shown in the financial statements, except for the contributions made during the year and charged to operating expenditures or expenses. City contributions to these pension plans are funded with property taxes, replacement taxes and general operating revenues.

*Illinois Municipal Retirement Fund*

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 employer 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).

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

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.

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.



**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Regular Personnel (Non-SLEP)*

Employees Covered by Benefit Terms

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

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	54
Inactive Plan Members entitled to but not yet receiving benefits	19
Active Plan Members	<u>54</u>
Total	127

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 13.57%. For the fiscal year ended April 30, 2021, the City contributed \$409,308 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.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Aggregate Entry Age Normal.
- The **Asset Valuation Method** used was 5-year smoothed market, 20% corridor.
- The **Inflation Rate** was assumed to be 2.50%
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was 7.25%

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Regular Personnel (Non-SLEP)*

Actuarial Assumptions

- **Projected Retirement Age** was from the Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016
- **Mortality**
  - For **Non-Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
  - For **Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that was applied for non-disabled lives.
  - For **Active Members**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	6.85%
International Equities	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	<u>100%</u>	

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Regular Personnel (Non-SLEP)*

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 (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 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 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE H | RETIREMENT PLANS**

*Regular Personnel (Non-SLEP)*

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2019	\$ 16,189,980	\$ 14,532,879	\$ 1,657,101
Changes for the year:			
Service Cost	298,488	-	298,488
Interest on the Total Pension Liability	1,153,348	-	1,153,348
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	155,945	-	155,945
Changes of Assumptions	(259,567)	-	(259,567)
Contributions - Employer	-	408,843	(408,843)
Contributions - Employees	-	134,749	(134,749)
Net Investment Income	-	2,065,869	(2,065,869)
Benefit Payments, including Refunds of Employee Contributions	(861,945)	(861,945)	-
Other (Net Transfer)	-	140,596	(140,596)
Net Changes	486,269	1,888,112	(1,401,843)
Balances at December 31, 2020	\$ 16,676,249	\$ 16,420,991	\$ 255,258
Primary government			\$ 255,258
Totals			\$ 255,258
Plan fiduciary net position as a percentage of the total pension liability		98.47%	
Covered Valuation payroll		\$ 2,994,427	
Net pension liability as a percentage of covered valuation payroll		8.52%	

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE H | RETIREMENT PLANS**

*Regular Personnel (Non-SLEP)*

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

The following presents the plan's 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:

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 18,874,863	\$ 16,676,249	\$ 14,940,227
Plan Fiduciary Net Position	16,420,991	16,420,991	16,420,991
Net Pension Liability	<u>\$ 2,453,872</u>	<u>\$ 255,258</u>	<u>\$ (1,480,764)</u>

Pension Expense, Deferred Outflow of Resources, and Deferred Inflow of Resources Related to Pensions

For the year ended April 30, 2021, the City recognized pension expense of \$790,892. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Deferred Amounts Related to Pensions			
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between expected and actual experience	\$ 197,761	\$ 644,419	\$ (446,658)
Changes of assumptions	227,190	380,585	(153,395)
Net difference between projected and actual earning on pension plan investments	<u>727,012</u>	<u>1,987,291</u>	<u>(1,260,279)</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>1,151,963</u>	<u>3,012,295</u>	<u>(1,860,332)</u>
Pension Contributions made subsequent to the Measurement Date	<u>125,634</u>	<u>-</u>	<u>125,634</u>
Total Deferred Amounts Related to Pensions	<u>\$ 1,277,597</u>	<u>\$ 3,012,295</u>	<u>\$ (1,734,698)</u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Regular Personnel (Non-SLEP)*

Pension Expense, Deferred Outflow of Resources, and Deferred Inflow of Resources Related to Pensions

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	\$ (456,146)
2022	(332,721)
2023	(646,886)
2024	(287,773)
2025	(11,172)
Thereafter	<u>-</u>
Total	<u>\$ (1,734,698)</u>

*Sheriff's Law Enforcement (SLEP)*

Employees Covered by Benefit Terms

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

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	1
Inactive Plan Members entitles to but not yet receiving benefits	0
Active Plan Members	<u>0</u>
Total	<u>1</u>

Contributions

As set by statute, the City's SLEP Plan Members are required to contribute 7.25% 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 14.04%. For the calendar year ended December 31, 2020, the City contributed \$40,526 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.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Sheriff's Law Enforcement (SLEP)*

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.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Aggregate Entry Age Normal.
- The **Asset Valuation Method** used was 5 year smoothed market, 20% corridor.
- The **Inflation Rate** was assumed to be 2.5%
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was 7.25%
- **Projected Retirement Age** was from the Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016
- **Mortality**
  - For **Non-Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
  - For **Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that was applied for non-disabled lives.
  - For **Active Members**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Sheriff's Law Enforcement (SLEP)*

Actuarial Assumptions

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	6.85%
International Equities	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	<u>100%</u>	

A single Discount Rate of 7.5% 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 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 7.50%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.50%.



**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE H | RETIREMENT PLANS**

*Sheriff's Law Enforcement (SLEP)*

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2018	\$ 559,173	\$ 454,284	\$ 104,889
Changes for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	39,035	-	39,035
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	3,699	-	3,699
Changes of Assumptions	468	-	468
Contributions - Employer	-	40,526	(40,526)
Contributions - Employees	-	-	-
Net Investment Income	-	71,975	(71,975)
Benefit Payments, including Refunds of Employee Contributions	(41,518)	(41,518)	-
Other (Net Transfer)	-	4,058	(4,058)
Net Changes	1,684	75,041	(73,357)
Balances at December 31, 2020	\$ 560,857	\$ 529,325	\$ 31,532
Plan fiduciary net position as a percentage of the total pension liability		94.38%	
Covered Valuation payroll		\$ -	
Net pension liability as a percentage of covered valuation payroll		0.00%	

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE H | RETIREMENT PLANS**

*Sheriff's Law Enforcement (SLEP)*

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.5%, 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:

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 618,179	\$ 560,857	\$ 511,994
Plan Fiduciary Net Position	529,325	529,325	529,325
Net Pension Liability	<u>\$ 88,854</u>	<u>\$ 31,532</u>	<u>\$ (17,331)</u>

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 19,792. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Deferred Amounts Related to Pensions			
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	-	-	-
Net difference between projected and actual earning on pension plan investments	23,580	70,870	(47,290)
Total Deferred Amounts to be recognized in pension expense in future periods	23,580	70,870	(47,290)
Pension Contributions made subsequent to the Measurement Date	15,228	-	15,228
Total Deferred Amounts Related to Pensions	<u>\$ 38,808</u>	<u>\$ 70,870</u>	<u>\$ (32,062)</u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Sheriff's Law Enforcement (SLEP)*

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

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:

Year Ending December 31,	Net Deferred Outflows of Resources
2021	\$ (674)
2022	(6,581)
2023	(18,371)
2024	(7,784)
2025	-
Thereafter	-
Total	<u>\$ (32,062)</u>

*Fire Pension Fund*

Plan Description

The Plan is a single-employer defined benefit pension plan that covers all sworn fire personnel. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The defined benefits and the employee and employer contribution levels are governed by Illinois State Statutes, Chapter 40 5/4, Article 4, and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

Membership of the plan consisted of the following at April 30, 2021 the date of the latest actuarial valuation:

Active members	12
Retirees and beneficiaries	13
Inactive, non-retiring members	<u>1</u>
Total	<u>26</u>
Participating employers	<u>1</u>

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Fire Pension Fund*

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the State legislature. Plan members are required to contribute 9.455% of their base salary to the Firemen's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs of the plan are financed through investment earnings.

Benefit Provisions

Tier I - Membership started prior to January 1, 2011

A firefighter age 50 or more with 20 years or more of creditable service who is no longer in service as a firefighter, shall receive 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service. The annual pension shall be increased by 2½% of such annual salary for each additional year of service from 20 years of service to 30 years of service, up to a maximum of 25%.

A firefighter who is separated from service having between 10 and 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at separation of service, shall receive an annual pension upon attainment of age 60 based on the monthly salary attached to rank in the fire services on the date of retirement or separation of service according to the following years of service: for 10 years, 15%; for 11 years, 17.6%; for 12 years, 20.4%; for 13 years, 23.4%; for 14 years, 26.6%; for 15 years, 30%; for 16 years, 33.6%; for 17 years, 37.4%; for 18 years, 41.4%; for 19 years, 45.6% of salary.

The annual pension of a firefighter retired from service with 20 or more years of creditable service shall increase annually, 3% of the original pension amount after the attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the amount of pension payable at the time of increase on each January 1 thereafter.

Tier II - Membership started after December 31, 2010

A firefighter age 55 or more with 10 years of creditable service who is no longer in service as a firefighter, shall receive 2½% of the final average salary for each year of service. The final average salary is defined as the average salary based on the highest consecutive 96 months of the final 120 months of service.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Fire Pension Fund*

Benefit Provisions

A firefighter who is separated from service having between 10 and 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at separation of service, shall receive an annual pension upon attainment of age 60 based on the monthly salary attached to rank in the fire services on the date of retirement or separation of service according to the following years of service: for 10 years, 15%; for 11 years, 17.6%; for 12 years, 20.4%; for 13 years, 23.4%; for 14 years, 26.6%; for 15 years, 30%; for 16 years, 33.6%; for 17 years, 37.4%; for 18 years, 41.4%; for 19 years, 45.6% of salary.

Early retirement is offered for firefighters at age 50 or greater with 10 or more creditable years of service, but with a penalty of ½% for each month prior to age 55.

The annual pension of a firefighter retired from service with 20 or more years of creditable service shall increase annually by the lesser of ½ of the Consumer Price Index - all urban consumers (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional increase of the lesser of ½ of the CPI-U or 3% of the original pension amount on each January 1 thereafter.

The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Members that terminate their participation may withdraw their contributions and forfeit future benefits.

*Police Pension Fund*

Plan Description

The Plan is a single employer defined benefit pension plan that covers all sworn police personnel. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The defined benefits and the employee and employer contribution levels are governed by Illinois State Statutes, Chapter 40 5/4, Article 3, and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H | RETIREMENT PLANS**

*Police Pension Fund*

Plan Description

Membership of the plan consisted of the following at April 30, 2021, the date of the latest actuarial valuation:

Active members	18
Retirees and beneficiaries	14
Inactive, non-retired members	<u>4</u>
Total	<u>36</u>
Participating employers	<u>1</u>

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the State legislature. Plan members are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs of the plan are financed through investment earnings.

Benefit Provisions

Tier I - Membership started prior to January 1, 2011

A police officer age 50 or more with 20 years or more of creditable service who is no longer in service as a police officer, shall receive 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service. The annual pension shall be increased by 2½% of such annual salary for each additional year of service from 20 years of service to 30 years of service, up to a maximum of 25%.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE H - RETIREMENT PLANS**

*Police Pension Fund*

Benefit Provisions

A police officer who is separated from service having between 8 and 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at separation of service, shall receive an annual pension upon attainment of age 60 in the amount of 2½% of the annual salary held in the year preceding termination times the number of years of creditable service or 2½% of the annual salary held on the last day of service times the number of years of creditable service, whichever is greater.

The annual pension of a police officer retired from service with 20 or more years of creditable service shall increase annually, 3% of the original pension amount after the attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the amount of pension payable at the time of increase on each January 1 thereafter.

Tier II - Membership started after December 31, 2010

A police officer age 55 or more with 10 years of creditable service who is no longer in service as a police officer, shall receive 2½% of the final average salary for each year of service. The final average salary is defined as the average salary based on the highest consecutive 96 months of the final 120 months of service.

A police officer who is separated from service having between 8 and 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at separation of service, shall receive an annual pension upon attainment of age 60 in the amount of 2½% of the annual salary held in the year preceding termination times the number of years of creditable service or 2½% of the annual salary held on the last day of service times the number of years of creditable service, whichever is greater.

Early retirement is offered for police officers at age 50 or greater with 10 or more creditable years of service, but with a penalty of ½% for each month prior to age 55.

The annual pension of a police officer retired from service with 20 or more years of creditable service shall increase annually by the lessor of ½ of the Consumer Price Index - all urban consumers (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional increase of the lessor of ½ of the CPI-U or 3% of the original pension amount on each January 1 thereafter.

The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Members that terminate their participation may withdraw their contributions and forfeit future benefits.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE I | INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

The following is a schedule of interfund receivables and payables at April 30, 2021:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds		
General Fund	\$ 441,473	
Debt Service Fund	1,555,883	377,898
Tax Increment Fund #1	46,522	-
Tax Increment Fund #3	-	17,143
Tax Increment Fund #4	-	29,379
		<hr/>
Total Governmental	2,043,878	424,420
		<hr/>
Enterprise Funds:		
Water Fund	-	277,210
Sewer Fund	-	1,342,248
		<hr/>
Total Enterprise Funds	-	1,619,458
		<hr/>
Total All Funds	\$ 2,043,878	\$ 2,043,878
		<hr/>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made.

Interfund balances are not expected to be repaid within one year.

The following is a schedule of operating transfers as included in the Statement of Activities of the City.



**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE I | INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 72,000	\$ 144,900
Debt Service Fund	636,700	335,585
Water Fund	46,740	81,600
Sewer Fund	288,845	482,200
Total Major Funds	<u>1,044,285</u>	<u>1,044,285</u>
 Total Transfers All Funds	 <u>\$ 1,044,285</u>	 <u>\$ 1,044,285</u>

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

**NOTE J | EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Excess of expenditures over appropriations in individual funds for the year ended April 30, 2021 are as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Budget</u>
General	\$ 8,388,794	\$ 8,090,063
TIF #1	\$ 963,262	\$ -
Debt Service	\$ 628,309	\$ -
Motor Fuel Tax	\$ 507,007	\$ -
TIF #2	\$ 136,011	\$ -
TIF #3	\$ 2,499	\$ -
TIF #4	\$ 3,862	\$ -
Foreign Fire Insurance Board	\$ 28,581	\$ -
Abandoned Property	\$ -	\$ -
Grant Projects	\$ 95,000	\$ -
Housing	\$ 29	\$ -
State Loan	\$ 7,159	\$ -
Sewer	\$ 1,185,765	\$ 1,040,800
Library	\$ 348,683	\$ 336,251
Civic Center	\$ 153,743	\$ -

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE K | FUND DEFICITS**

The Tax Increment Fund #3 and Tax Increment Fund #4 had a deficit fund balance of (\$16,357) and (\$29,379) as of April 30, 2021.

**NOTE L | RESERVES OF RETAINED EARNINGS AND FUND BALANCES**

Governmental Activities

Restricted Fund Balances

Debt Service	\$ 1,967,878
Motor Fuel Tax	821,095
Tax Increment Financing	1,503,407
Foreign Fire Insurance Board	32,331
Abandoned Property	6,114
Housing	121
State Loans	<u>47,703</u>
	<u>\$ 4,378,649</u>

Proprietary and fiduciary activities:

Proprietary funds and fiduciary funds include a number of reserves, which are maintained for specific purposes. The nature and purpose of the significant reserves are:

Reserve for Employees' Pension Benefits

The Police and Firefighter's Pension Trust Funds are single-employer, defined benefits pension plans. As a result, the net position is reserved for employees' pension benefits.

**NOTE M | 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 City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**City of Herrin, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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**NOTE N | SUBSEQUENT EVENT**

Management evaluated all events and transactions that occurred after April 30, 2021 through November 17, 2021 the issue date of these financial statements. No subsequent events were identified.

## Required Supplementary Information

City of Herrin, Illinois  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**IMRF REGULAR PLAN**  
**Last 10 Calendar Years**

Calendar year ending December 31,	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 298,488	\$ 282,860	\$ 278,136	\$ 297,319	\$ 265,290	\$ 274,774
Interest on the total pension liability	1,153,348	1,173,817	1,142,175	1,146,941	1,054,011	994,215
Benefit changes	-	-	-	-	-	-
Difference between expected and actual experience	155,945	(868,823)	(101,578)	(174,270)	608,221	193,216
Assumption changes	(259,567)	-	493,311	(558,376)	(58,730)	17,799
Benefit payments and refunds	(861,945)	(894,033)	(811,625)	(719,513)	(684,861)	(629,119)
Net change in total pension liability	486,269	(306,179)	1,000,419	(7,899)	1,183,931	850,885
Total pension liability - beginning	16,189,980	16,496,159	15,495,740	15,503,639	14,319,708	13,468,823
Total pension liability - ending (a)	\$ 16,676,249	\$ 16,189,980	\$ 16,496,159	\$ 15,495,740	\$ 15,503,639	\$ 14,319,708
Plan fiduciary net position						
Employer contributions	\$ 408,843	\$ 313,721	\$ 344,927	\$ 385,351	\$ 448,162	\$ 341,635
Employee contributions	134,749	129,170	124,302	128,128	148,412	115,664
Pension plan net investment income	2,065,869	2,431,835	(764,674)	2,230,550	803,493	56,392
Benefit payments and refunds	(861,945)	(894,033)	(811,625)	(719,513)	(684,861)	(629,119)
Other	140,596	(565,353)	30,750	(448,543)	453,934	199,791
Net change in plan fiduciary net position	1,888,112	1,415,340	(1,076,320)	1,575,973	1,169,140	84,363
Plan fiduciary net position - beginning	14,532,879	13,117,539	14,193,859	12,617,886	11,448,746	11,364,383
Plan fiduciary net position - ending (b)	\$ 16,420,991	\$ 14,532,879	\$ 13,117,539	\$ 14,193,859	\$ 12,617,886	\$ 11,448,746
Net pension liability/(asset) - ending (a) - (b)	255,258	1,657,101	3,378,620	1,301,881	2,885,753	2,870,962
Plan fiduciary net position as a percentage of total pension liability	98.47%	89.76%	79.52%	91.60%	81.39%	79.95%
Cover valuation payroll	\$ 2,994,427	\$ 2,828,868	\$ 2,677,994	\$ 2,808,008	\$ 2,826,136	\$ 2,549,519
Net pension liability as a percentage of covered valuation payroll	8.52%	58.58%	126.16%	46.36%	102.11%	112.61%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

(see independent auditors' report)

**City of Herrin, Illinois**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**IMRF SLEP PLAN**  
**Last 10 calendar years**

Calendar year ending December 31,	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	39,035	38,939	39,108	39,694	38,521	38,215
Benefit changes						
Difference between expected and actual experience	3,699	3,437	3,135	2,871	2,985	2,881
Assumption changes	468	-	13,544	(11,169)	(51,469)	(3,417)
Benefit payments and refunds	(41,518)	(40,595)	(39,669)	(38,752)	(37,873)	(36,962)
Net change in total pension liability	1,684	1,781	16,118	(7,356)	(47,836)	717
Total pension liability - beginning	559,173	557,392	541,274	548,630	596,466	595,749
Total pension liability - ending (a)	\$ 560,857	\$ 559,173	\$ 557,392	\$ 541,274	\$ 548,630	\$ 596,466
Plan fiduciary net position						
Employer contributions	\$ 40,526	\$ 44,772	\$ 49,347	\$ 44,729	\$ 28,935	\$ 29,201
Employee contributions	-	-	-	-	-	-
Pension plan net investment income	71,975	79,877	(29,995)	63,261	20,647	1,417
Benefit payments and refunds	(41,518)	(40,595)	(39,669)	(38,752)	(37,873)	(36,962)
Other	4,058	1,244	16,241	(10,427)	1,957	19,655
Net change in plan fiduciary net position	75,041	85,298	(4,076)	58,811	13,666	13,311
Plan fiduciary net position - beginning	454,284	368,986	373,062	314,251	300,585	287,274
Plan fiduciary net position - ending (b)	\$ 529,325	\$ 454,284	\$ 368,986	\$ 373,062	\$ 314,251	\$ 300,585
Net pension liability/(asset) - ending (a) - (b)	31,532	104,889	188,406	168,212	234,379	295,881
Plan fiduciary net position as a percentage of total pension liability	94.38%	81.24%	66.20%	68.92%	57.28%	50.39%
Cover valuation payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered valuation payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

(see independent auditors' report)

**City of Herrin, Illinois**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MULTIYEAR SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Calendar Years**

IMRF - Regular Plan					
Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2020	\$ 406,344 *	\$ 408,843	\$ (2,499)	\$ 2,994,427	13.65%
2019	\$ 313,721	\$ 313,721	\$ -	\$ 2,828,868	11.09%
2018	\$ 344,926	\$ 344,927	\$ (1)	\$ 2,677,994	12.88%
2017	\$ 378,800	\$ 385,351	\$ (6,551)	\$ 2,808,008	13.72%
2016	\$ 383,507	\$ 448,162	\$ (64,655)	\$ 2,826,136	15.86%
2015	\$ 341,636	\$ 341,635	\$ 1	\$ 2,549,519	13.40%

\*Estimated based on contribution rate of 13.57% and covered valuation payroll of \$2,994,427

IMRF - SLEP Plan					
Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ - *	\$ 40,526	\$ (40,526)	\$ -	-
2019	\$ -	\$ 44,772	\$ (44,772)	\$ -	-
2018	\$ -	\$ 49,347	\$ (49,347)	\$ -	-
2017	\$ -	\$ 44,729	\$ (44,729)	\$ -	-
2016	\$ -	\$ 28,935	\$ (28,935)	\$ -	-
2015	\$ -	\$ 29,201	\$ (29,201)	\$ -	-

\*Estimated based on contribution rate of 14.04% and covered valuation payroll of \$0

Notes to Schedule:  
Summary Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate\*\*

**Valuation Date:**

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	Non-Taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 27 years for most employers (three employers were financed over 28 years).
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25% including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes

There were no benefit changes during the year.

\*\* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

*(see independent auditors' report)*

**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**For the year ended April 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance Under/(Over)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property tax	\$ 540,263	\$ 540,263	\$ 522,271	\$ (17,992)
Intergovernmental revenue	5,897,600	5,897,600	6,368,044	470,444
Licenses, & permits	298,425	298,425	335,871	37,446
Fines and fees	57,500	57,500	352,431	294,931
Charges for services	1,217,100	1,217,100	1,157,150	(59,950)
Interest income	-	-	2,265	2,265
Miscellaneous income	144,075	144,075	891,617	747,542
Total revenues	8,154,963	8,154,963	9,629,649	1,474,686
<b>EXPENDITURES</b>				
General government and administrative	2,063,303	2,063,303	2,165,291	(101,988)
Public safety	4,356,650	4,356,650	4,611,511	(254,861)
Transportation and public works	1,608,300	1,608,300	1,346,436	261,864
Capital outlay	-	-	161,484	(161,484)
Debt service				
Principal	61,810	61,810	86,232	(24,422)
Interest	-	-	17,840	(17,840)
Total expenditures	8,090,063	8,090,063	8,388,794	(298,731)
Excess (Deficiency) of revenues over expenditures	64,900	64,900	1,240,855	1,175,955
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	80,000	80,000	72,000	(8,000)
Transfers out	(144,900)	(144,900)	(144,900)	-
Total other financing sources (uses)	(64,900)	(64,900)	(72,900)	(8,000)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	1,167,955	1,167,955
<b>FUND BALANCES, BEGINNING OF YEAR</b>			2,545,100	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$ 3,713,055</u>	

(see independent auditors' report)



**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**For the year ended April 30, 2021**

	Budgeted Amounts		Actual	Over/ (Under)
	Original	Final		
<b>REVENUES</b>				
Property tax				
Property tax	\$ 540,263	\$ 540,263	\$ 522,271	\$ (17,992)
Total property tax	540,263	540,263	522,271	(17,992)
Sales, service, and utility taxes				
Sales tax	1,776,000	1,776,000	1,833,444	57,444
Home rule tax	1,473,000	1,473,000	1,547,825	74,825
Gas tax	277,000	277,000	213,847	(63,153)
Telecommunication tax	162,500	162,500	123,011	(39,489)
Income tax	1,330,000	1,330,000	1,623,899	293,899
Replacement tax	83,000	83,000	93,836	10,836
Use tax	410,000	410,000	562,384	152,384
Gaming tax	218,000	218,000	190,346	(27,654)
Auto rental tax	100	100	26	(74)
Cannabis use tax	-	-	11,061	11,061
911 Grant	168,000	168,000	168,365	365
Total sales, service, and utility taxes	5,897,600	5,897,600	6,368,044	470,444
Licenses and permits				
Cable TV fees	75,000	75,000	74,760	(240)
Liquor license fees	45,000	45,000	50,794	5,794
Ameren franchise fees	116,825	116,825	134,953	18,128
Misc licenses	5,100	5,100	13,372	8,272
Building permits	5,000	5,000	6,667	1,667
Occupancy permits	14,500	14,500	16,450	1,950
Property owners permits	35,000	35,000	36,375	1,375
Golf cart license	2,000	2,000	2,500	500
Total license and permits	298,425	298,425	335,871	37,446
Fines fees				
Fines from Williamson County	57,500	57,500	64,394	6,894
Misc police fines and fees	-	-	288,037	288,037
Total fines and fees	57,500	57,500	352,431	294,931
Charges for services				
Garbage fees/collections	1,123,500	1,123,500	1,040,291	(83,209)
Excavations	20,000	20,000	25,275	5,275
Animal control	3,000	3,000	6,631	3,631
Misc. police	17,000	17,000	19,724	2,724
Misc. fire	2,000	2,000	9,091	7,091
Landfill transfer station	51,600	51,600	56,138	4,538
Total charges for services	1,217,100	1,217,100	1,157,150	(59,950)
Interest income				
Interest	-	-	2,265	2,265
Total interest income	-	-	2,265	2,265
Miscellaneous income				
Rents	45,375	45,375	43,440	(1,935)
Public hearing ads	200	200	500	300
Tile and culvert	4,000	4,000	8,047	4,047
Reimbursement of police overtime	28,500	28,500	15,904	(12,596)
Insurance reimbursement	-	-	365	365
Sale of property	11,500	11,500	7,200	(4,300)
Donation reimbursement	114,000	114,000	-	(114,000)
Railroad revenue	12,000	12,000	16,080	4,080
Road maintenance reimbursement MFT	(80,000)	(80,000)	(4,516)	75,484
Grant income	-	-	515,704	515,704
Police equipment revenue	-	-	253,670	253,670
Miscellaneous	8,500	8,500	35,223	26,723
Total miscellaneous income	144,075	144,075	891,617	747,542
Total revenues	\$ 8,154,963	\$ 8,154,963	\$ 9,629,649	\$ 1,474,686

*(see independent auditors' report)*

**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**For the year ended April 30, 2021**

	Budgeted Amounts			(Over)/ Under
	Original	Final	Actual	
EXPENDITURES				
General government and administrative				
Salary of elected officials	\$ 134,500	\$ 134,500	\$ 133,598	\$ 902
Salary of budget officers	98,800	98,800	98,726	74
Salary of clerical personnel	34,100	34,100	34,149	(49)
Salary of janitor	9,880	9,880	9,522	358
Salary of animal control	53,000	53,000	55,785	(2,785)
Group health	705,000	705,000	586,362	118,638
Workman's compensation insurance	201,000	201,000	182,400	18,600
City 457 expense	1,200	1,200	1,388	(188)
Fica city contribution	215,000	215,000	186,514	28,486
IMRF city contribution	277,800	277,800	291,169	(13,369)
Expenses by elected officials	25,000	25,000	22,839	2,161
Office supplies/equipment	10,000	10,000	12,323	(2,323)
Printing and postage	3,500	3,500	3,765	(265)
Telephone/communications/computer	2,500	2,500	2,030	470
Maintenance of building	6,500	6,500	31,564	(25,064)
Computer maintenance/supplies	7,000	7,000	9,733	(2,733)
Utilities	31,000	31,000	23,962	7,038
Liability insurance	108,000	108,000	125,737	(17,737)
Unemployment compensation	7,500	7,500	6,620	880
Civic Center expense	73,500	73,500	74,218	(718)
Animal control expense	22,000	22,000	18,308	3,692
Public notice ads	2,500	2,500	636	1,864
Demolition expenses	10,000	10,000	4,850	5,150
Engineer's fees	7,000	7,000	5,021	1,979
Audit expense	30,900	30,900	31,700	(800)
Copy machine expense	3,800	3,800	3,761	39
Legal services	62,500	62,500	32,575	29,925
Misc expenses	13,000	13,000	65,023	(52,023)
Redco	40,000	40,000	30,000	10,000
Greater Egypt	4,900	4,900	3,125	1,775
Library share of replacement	600	600	600	-
New equipment/assets	8,500	8,500	8,316	184
Energy sales tax	17,500	17,500	13,769	3,731
Library special levies	51,200	51,200	51,200	-
Employee health insurance benefit	-	-	(1,348)	1,348
Animal Control donations expenses	-	-	113	(113)
Reserves	(215,877)	(215,877)	(122,974)	(92,903)
SIEG pass through account expenses	-	-	128,212	(128,212)
Total general government and administrative	2,063,303	2,063,303	2,165,291	(101,988)

*(see independent auditors' report)*

**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**For the year ended April 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>(Over)/ Under</b>
	<b>Original</b>	<b>Final</b>		
Public safety				
Police				
Salary full time police	1,545,000	1,545,000	1,481,900	63,100
Salary full time dispatcher	530,000	530,000	565,841	(35,841)
Salary of secretary	84,500	84,500	56,379	28,121
Salary IT	40,000	40,000	22,500	17,500
Salary part time police	80,000	80,000	55,017	24,983
Salary part time dispatcher	70,000	70,000	96,364	(26,364)
Dispatcher court and overtime	25,000	25,000	36,625	(11,625)
Police court and overtime	165,000	165,000	159,572	5,428
City 457 expense	30,000	30,000	31,900	(1,900)
Uniform allowance	25,000	25,000	27,367	(2,367)
Supplies/office/postage	15,000	15,000	13,769	1,231
Gas/oil	40,600	40,600	44,501	(3,901)
Telephone/communications/computer	14,000	14,000	15,098	(1,098)
Vehicle maint	13,500	13,500	13,483	17
Radio maintenance	8,500	8,500	8,373	127
Building maintenance	10,500	10,500	5,633	4,867
Utilities	13,000	13,000	10,574	2,426
Unreimbursed liability	3,000	3,000	2,194	806
Training police	12,000	12,000	11,652	348
Service agreements	12,800	12,800	15,126	(2,326)
Misc expenses	3,500	3,500	4,550	(1,050)
Leads terminal	13,500	13,500	13,799	(299)
New equipment/cars/bldg	10,000	10,000	16,475	(6,475)
K-9 expenses	-	-	10,644	(10,644)
Police evidence expenses	-	-	2,263	(2,263)
Police equipment fund	-	-	118,920	(118,920)
IT expenses	10,000	10,000	11,743	(1,743)
HPD towing expense	-	-	34,439	(34,439)
Forfeited funds expense	-	-	-	-
<b>Total police</b>	<b>2,774,400</b>	<b>2,774,400</b>	<b>2,886,701</b>	<b>(112,301)</b>

*(see independent auditors' report)*

**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**For the year ended April 30, 2021**

	Budgeted Amounts		Actual	(Over)/ Under
	Original	Final		
Fire				
Salary full time firemen	1,116,000	1,116,000	1,149,409	(33,409)
Salary codes inspector	66,000	66,000	66,118	(118)
Call back pay	72,000	72,000	85,615	(13,615)
Overtime full time firemen	155,000	155,000	209,214	(54,214)
City 457 expense	15,600	15,600	13,615	1,985
Uniform allowance	12,650	12,650	12,934	(284)
Station supplies	4,000	4,000	3,862	138
Office supplies/equipment	2,000	2,000	1,758	242
Fire prevention	1,500	1,500	1,149	351
Volunteer fire expense	5,500	5,500	5,490	10
Telephone/communications/computer	5,500	5,500	6,789	(1,289)
Radio maintenance	2,500	2,500	4,928	(2,428)
Maintenance of building	6,000	6,000	14,032	(8,032)
Misc equipment/new equipment	25,000	25,000	23,480	1,520
Fuel/equipment maintenance	30,000	30,000	37,743	(7,743)
Utilities	15,000	15,000	12,171	2,829
Unreimbursed liability	500	500	98	402
Training/schools	10,000	10,000	9,318	682
General misc expenses	9,000	9,000	11,174	(2,174)
Misc expenses of codes inspector	8,500	8,500	9,994	(1,494)
S C B A	15,000	15,000	14,100	900
Fire truck fund expenses	-	-	26,531	(26,531)
Leased equipment	2,000	2,000	2,056	(56)
Civil defense public warning system	2,000	2,000	80	1,920
EMS Supplies	1,000	1,000	3,152	(2,152)
Total fire	1,582,250	1,582,250	1,724,810	(142,560)
Total public safety	4,356,650	4,356,650	4,611,511	(254,861)
Transportation and public works				
Streets and alleys				
Salary street and alley	640,000	640,000	539,919	100,081
Overtime	15,000	15,000	10,060	4,940
City 457 expense	22,800	22,800	19,597	3,203
Clothing allowance	13,600	13,600	12,151	1,449
Supplies/office/postage	-	-	-	-
Gas & oil	55,000	55,000	40,298	14,702
Street and alley materials	10,500	10,500	13,180	(2,680)
Street signs	3,500	3,500	3,819	(319)
Traffic signals	5,000	5,000	3,302	1,698
Telephone/communications/computer	1,500	1,500	3,413	(1,913)
Building maintenance	3,000	3,000	2,869	131
Street maintenance	25,000	25,000	27,080	(2,080)
Utilities	110,000	110,000	81,974	28,026
Unreimbursed liability	3,500	3,500	305	3,195
Misc expenses of street and alley	60,000	60,000	46,736	13,264
Leased/new equipment	63,000	63,000	-	63,000
Customer tile/culvert	6,000	6,000	4,072	1,928
Training	4,000	4,000	-	4,000
Total streets and alleys	1,041,400	1,041,400	808,775	232,625
Garbage				
Salary - garbage	92,000	92,000	107,932	(15,932)
Overtime	10,000	10,000	11,091	(1,091)
Total garbage	102,000	102,000	119,023	(17,023)

*(see independent auditors' report)*

**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**For the year ended April 30, 2021**

	Budgeted Amounts		Actual	(Over)/ Under
	Original	Final		
Transportation and public works				
Landfill				
Landfill analysis & reporting	50,000	50,000	23,008	26,992
Garbage dumping fees	156,000	156,000	143,780	12,220
Landfill closure	42,000	42,000	25,949	16,051
Total landfill	248,000	248,000	192,737	55,263
Cemetery				
Salaries cemetery	53,000	53,000	53,926	(926)
Overtime	10,000	10,000	7,536	2,464
Clothing allowance	800	800	795	5
Supplies/office/postage	1,000	1,000	314	686
Building maintenance	1,000	1,000	312	688
Vehicle/equipment maint	8,000	8,000	7,441	559
Utilities	3,500	3,500	2,986	514
New equipment	1,000	1,000	-	1,000
Herrin city cemetery association expenses	-	-	2	(2)
Total cemetery	78,300	78,300	73,312	4,988
City garage				
Salary mechanic	56,400	56,400	57,568	(1,168)
Overtime	4,000	4,000	1,450	2,550
Garage supplies	25,000	25,000	23,548	1,452
Telephone/communications/computer	3,200	3,200	2,082	1,118
Vehicle maint	50,000	50,000	67,941	(17,941)
Total city garage	138,600	138,600	152,589	(13,989)
Total transportation and public works	1,608,300	1,608,300	1,346,436	261,864
Capital outlay				
Capital outlay	-	-	161,484	(161,484)
Total capital outlay	-	-	161,484	(161,484)
Debt service				
Principal	61,810	61,810	86,232	(24,422)
Interest	-	-	17,840	(17,840)
Total debt service	61,810	61,810	104,072	(42,262)
Total expenditures	8,090,063	8,090,063	8,388,794	(298,731)
Excess (Deficiency) of revenues over expenditures	64,900	64,900	1,240,855	1,175,955
Other financing sources (uses)				
Transfers in	80,000	80,000	72,000	(8,000)
Transfers out	(144,900)	(144,900)	(144,900)	-
Total other financing sources (uses)	(64,900)	(64,900)	(72,900)	(8,000)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	1,167,955	1,167,955
<b>FUND BALANCES, BEGINNING OF YEAR</b>			2,545,100	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$ 3,713,055</u>	

(see independent auditors' report)

**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**TAX INCREMENT FUND #1**  
**For the Year ended April 30, 2021**

	Budgeted Amounts		Actual	Variance Under/(Over)
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ 1,331,888	\$ (1,331,888)
Interest income	-	-	1,747	(1,747)
Total revenues	-	-	1,333,635	(1,333,635)
<b>EXPENDITURES</b>				
Community development	-	-	963,262	(963,262)
Total expenditures	-	-	963,262	(963,262)
Excess (Deficiency) of revenues over expenditures	-	-	370,373	(370,373)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	370,373	(370,373)
<b>FUND BALANCES, BEGINNING OF YEAR</b>			580,710	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$ 951,083</u>	

*(see independent auditors' report)*

City of Herrin, Illinois  
**BUDGETARY COMPARISON STATEMENT**  
**DEBT SERVICE FUND**  
For the year ended April 30, 2021

	<b>Budgeted Amounts</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Under/(Over)</b>
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	1,327	(1,327)
	-	-	64,479	(64,479)
Total Revenues	-	-	65,806	(65,806)
<b>EXPENDITURES</b>				
Debt service				
Principal	-	-	483,000	(483,000)
Interest	-	-	145,309	(145,309)
Total expenditures	-	-	628,309	(628,309)
Excess (Deficiency) of revenues over expenditures	-	-	(562,503)	562,503
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	636,700	(636,700)
Transfers out	-	-	(335,585)	335,585
Total financing sources (uses)	-	-	301,115	(301,115)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(261,388)	261,388
<b>FUND BALANCES, BEGINNING OF YEAR</b>			2,229,266	
<b>FUND BALANCES, END OF YEAR</b>			\$ 1,967,878	

(see independent auditors' report)

**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**WATER FUND**  
**For the fiscal year ended April 30, 2021**

	<b>Budgeted Amounts</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Under/(Over)</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,795,770	\$ 2,795,770	\$ 2,731,199	\$ 64,571
Total operating revenues	2,795,770	2,795,770	2,731,199	64,571
<b>OPERATING EXPENSES</b>				
Salaries	760,500	760,500	757,653	2,847
Employee benefits	256,600	256,600	122,403	134,197
Purchase of water	930,000	930,000	893,103	36,897
Audit	15,500	15,500	15,500	-
Utilities	17,300	17,300	16,535	765
Postage	30,000	30,000	34,010	(4,010)
Insurance	64,000	64,000	74,642	(10,642)
Health insurance claims	161,500	161,500	116,256	45,244
Office supplies	23,000	23,000	61,086	(38,086)
Legal and engineering	15,000	15,000	5,428	9,572
Supplies	130,910	130,910	99,050	31,860
Clothing allowance	9,400	9,400	9,354	46
Other	295,460	295,460	66,189	229,271
Repair and maintenance	2,500	2,500	3,376	(876)
Depreciation	-	-	359,677	(359,677)
Total operating expenses	2,711,670	2,711,670	2,634,262	77,408
Operating income (loss)	84,100	84,100	96,937	(12,837)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	-	-	3,273	(3,273)
Interest expense	(2,500)	(2,500)	(67,806)	65,306
Total nonoperating revenues (expenses)	(2,500)	(2,500)	(64,533)	62,033
<b>TRANSFERS</b>				
Transfer in	-	-	46,740	(46,740)
Transfer out	(81,600)	(81,600)	(81,600)	-
Total transfers in (out)	(81,600)	(81,600)	(34,860)	(46,740)
<b>CHANGE IN NET POSITION</b>	-	-	(2,456)	2,456
<b>NET POSITION, BEGINNING OF YEAR</b>			6,279,242	
<b>NET POSITION, END OF YEAR</b>			\$ 6,276,786	

*(see independent auditors' report)*



**City of Herrin, Illinois**  
**BUDGETARY COMPARISON STATEMENT**  
**SEWER FUND**  
**For the Fiscal year ended April 30, 2021**

	<b>Budgeted Amounts</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Under/(Over)</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,523,000	\$ 1,523,000	\$ 1,454,455	\$ 68,545
Total operating revenues	1,523,000	1,523,000	1,454,455	68,545
<b>OPERATING EXPENSES</b>				
Salaries	278,000	278,000	271,627	6,373
Employee benefits	180,680	180,680	60,233	120,447
Utilities	122,500	122,500	88,030	34,470
Insurance	35,000	35,000	40,321	(5,321)
Legal and engineering	15,000	15,000	7,593	7,407
Permits	17,500	17,500	17,500	-
Supplies	25,000	25,000	37,807	(12,807)
Clothing allowance	4,800	4,800	4,210	590
Other	139,650	139,650	32,519	107,131
Repair and maintenance	222,670	222,670	241,460	(18,790)
Depreciation	-	-	384,465	(384,465)
Total operating expenses	1,040,800	1,040,800	1,185,765	(144,965)
Operating income (loss)	482,200	482,200	268,690	213,510
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	-	-	885	(885)
Total nonoperating revenues (expenses)	-	-	885	(885)
<b>TRANSFERS</b>				
Transfer in	-	-	288,845	(288,845)
Transfer out	(482,200)	(482,200)	(482,200)	-
Total transfers in (out)	(482,200)	(482,200)	(193,355)	(288,845)
<b>CHANGE IN NET POSITION</b>	-	-	76,220	(76,220)
<b>NET POSITION, BEGINNING OF YEAR</b>			9,761,327	
<b>NET POSITION, END OF YEAR</b>			\$ 9,837,547	

*(see independent auditors' report)*

## Combining Individual Fund Financial Statements

City of Herrin, Illinois  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**April 30, 2021**

		Special Revenue								Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Tax Increment Fund #2	Tax Increment Fund #3	Tax Increment Fund #4	Foreign Fire Insurance Board	Abandoned Property Fund	Grant Projects Fund	Housing Fund	State Loan Fund	
<b>ASSETS</b>										
Restricted assets										
Cash and cash equivalents	\$ 810,621	\$ 606,146	\$ 2,054	\$ -	\$ 32,331	\$ 6,114	\$ 47,703	\$ 121	-	\$ 1,505,090
Receivables										
Other governments and agencies	41,182	-	-	-	-	-	-	-	-	41,182
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 851,803	\$ 606,146	\$ 2,054	\$ -	\$ 32,331	\$ 6,114	\$ 47,703	\$ 121	-	\$ 1,546,272
<b>LIABILITIES AND FUND BALANCE</b>										
<b>LIABILITIES</b>										
Accounts payable	\$ 30,708	\$ 8,086	\$ 1,268	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 40,062
Due to other funds	-	-	17,143	29,379	-	-	-	-	-	46,522
Total liabilities	30,708	8,086	18,411	29,379	-	-	-	-	-	86,584
<b>FUND BALANCES</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	821,095	598,060	(16,357)	(29,379)	32,331	6,114	47,703	121	-	1,459,688
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	821,095	598,060	(16,357)	(29,379)	32,331	6,114	47,703	121	-	1,459,688
Total liabilities and fund balances	\$ 851,803	\$ 606,146	\$ 2,054	\$ -	\$ 32,331	\$ 6,114	47,703	\$ 121	-	\$ 1,546,272

City of Herrin, Illinois  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the year ended April 30, 2021**

	Special Revenue								Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Tax Increment Fund #2	Tax Increment Fund #3	Tax Increment Fund #4	Foreign Fire Insurance Board	Abandoned Property Fund	Grant Projects Fund	Housing Fund	State Loan Fund
<b>REVENUES</b>									
Property tax	\$ -	\$ 316,965	\$ 8,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	885,513	-	-	-	25,025	-	130,000	50	-
Interest income	1,123	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	3,550	12,703	-	-
Total revenues	886,636	316,965	8,206	-	25,025	3,550	142,703	50	-
<b>EXPENDITURES</b>									
Public safety	-	-	-	-	28,581	-	-	-	-
Transportation and public works	507,007	-	-	-	-	-	-	-	-
Community development	-	136,011	2,499	3,862	-	-	95,000	29	7,159
Health and welfare	-	-	-	-	-	-	-	-	-
Total expenditures	507,007	136,011	2,499	3,862	28,581	-	95,000	29	7,159
<b>NET CHANGE IN FUND BALANCES</b>	379,629	180,954	5,707	(3,862)	(3,556)	3,550	47,703	21	(7,159)
<b>FUND BALANCE, APRIL 30, 2020</b>	441,466	417,106	(22,064)	(25,517)	35,887	2,564	-	100	7,159
<b>FUND BALANCE, APRIL 30, 2021</b>	\$ 821,095	\$ 598,060	(16,357)	(29,379)	\$ 32,331	\$ 6,114	\$ 47,703	\$ 121	\$ -

**City of Herrin, Illinois**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**April 30, 2021**

	<b>Firemen's Pension Fund</b>	<b>Police Pension Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash	\$ 83,056	\$ 393,478	\$ 476,534
Receivables			
Property taxes	973,819	1,364,625	2,338,444
Employee contributions receivable	7,469	-	7,469
Accrued interest	45,257	25,548	70,805
Total receivables	1,109,601	1,783,651	2,893,252
Investments, at fair value			
Certificates of deposit	143,717	1,030,546	1,174,263
Mutual funds	5,820,243	6,406,936	12,227,179
U.S. Government securities	3,045,376	2,074,174	5,119,550
Bonds	2,022,909	1,635,929	3,658,838
Total investments	11,032,245	11,147,585	22,179,830
Total assets	\$ 12,141,846	\$ 12,931,236	\$ 25,073,082
<b>LIABILITIES</b>			
Federal withholding	\$ -	\$ 3,968	\$ 3,968
Due to City of Herrin	-	164	164
Total current liabilities	-	4,132	4,132
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - property taxes	973,819	1,364,625	2,338,444
Total deferred inflows of resources	973,819	1,364,625	2,338,444
<b>NET POSITION</b>			
Held in trust for pension benefits	\$ 11,168,027	\$ 11,562,479	\$ 22,730,506

**City of Herrin, Illinois**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**For the fiscal year ended April 30, 2021**

	<b>Firemen's Pension Fund</b>	<b>Police Pension Fund</b>	<b>Totals</b>
<b>ADDITIONS</b>			
Contributions			
Property taxes	\$ 913,664	\$ 1,366,409	\$ 2,280,073
Plan member	105,058	121,951	227,009
Total contributions	1,018,722	1,488,360	2,507,082
Investment income			
Net appreciation (depreciation) in fair value of investments	1,466,190	1,787,413	3,253,603
Gain (loss) on sale of investments	87,480	154,338	241,818
Capital gains	-	94,673	94,673
Dividends	83,538	-	83,538
Interest	170,404	107,510	277,914
Net investment income (loss)	1,807,612	2,143,934	3,951,546
Total additions	2,826,334	3,632,294	6,458,628
<b>DEDUCTIONS</b>			
Benefits	795,704	907,078	1,702,782
Legal fees	5,250	13,459	18,709
Investment fees	24,833	20,996	45,829
Audit and actuarial fees	-	10,260	10,260
Other expenses	14,013	2,353	16,366
Total deductions	839,800	954,146	1,793,946
Change in net position held in trust for pension benefits	1,986,534	2,678,148	4,664,682
<b>NET POSITION, BEGINNING OF YEAR</b>	9,181,493	8,884,331	18,065,824
<b>NET POSITION, END OF YEAR</b>	\$ 11,168,027	\$ 11,562,479	\$ 22,730,506

**City of Herrin, Illinois**  
**COMBINING STATEMENT OF NET POSITION - ACCRUAL BASIS**  
**COMPONENT UNITS**  
**April 30, 2021**

	Component Units		
	City Library	Civic Center	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 240,475	\$ 60,452	\$ 300,927
Investments	407,258	64,977	472,235
Accounts receivable			
Property taxes	237,801	-	237,801
Other	-	640	640
Total current assets	885,534	126,069	1,011,603
<b>NONCURRENT ASSETS</b>			
Capital assets, net	666,561	140,440	807,001
Total noncurrent assets	666,561	140,440	807,001
Total assets	1,552,095	266,509	1,818,604
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - IMRF regular	60,531	-	60,531
Total deferred outflows of resources	60,531	-	60,531
Total assets and deferred outflows of resources	\$ 1,612,626	\$ 266,509	\$ 1,879,135
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 8,172	\$ 7,096	\$ 15,268
Accrued expenses	2,199	1,231	3,430
Total current liabilities	10,371	8,327	18,698
<b>NONCURRENT LIABILITIES</b>			
Net pension liability	12,094	-	12,094
Total noncurrent liabilities	12,094	-	12,094
Total liabilities	22,465	8,327	30,792
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows - IMRF regular	142,719	-	142,719
Total deferred inflows of resources	142,719	-	142,719
Total liabilities and deferred inflows of resources	\$ 165,184	\$ 8,327	\$ 173,511
<b>NET POSITION</b>			
Net investment in capital assets	\$ 666,561	\$ 140,440	\$ 807,001
Unrestricted	780,881	117,742	898,623
Total net position	\$ 1,447,442	\$ 258,182	\$ 1,705,624

**City of Herrin, Illinois**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ACCRUAL BASIS  
COMPONENT UNITS**

**For the fiscal year ended April 30, 2021**

	<b>Component Units</b>		
	<b>City Library</b>	<b>Civic Center</b>	<b>Total</b>
<b>REVENUES</b>			
Property taxes	\$ 236,279	\$ -	\$ 236,279
Intergovernmental	67,426	73,286	140,712
Fees and fines	5,097	-	5,097
Interest income	4,621	421	5,042
Miscellaneous	8,289	67,848	76,137
Total revenues	321,712	141,555	463,267
<b>EXPENSES</b>			
Culture and recreation	348,683	153,743	502,426
Total expenses	348,683	153,743	502,426
Excess (Deficiency) of revenues over expenses	(26,971)	(12,188)	(39,159)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	-	-	-
Transfer out	-	-	-
Total other financing sources (uses)	-	-	-
<b>CHANGE IN NET POSITION</b>	(26,971)	(12,188)	(39,159)
<b>NET POSITION, BEGINNING OF YEAR</b>	1,474,413	270,370	1,744,783
<b>NET POSITION, END OF YEAR</b>	\$ 1,447,442	\$ 258,182	\$ 1,705,624



# Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

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	CSFA #	Program Name	\$ State	\$ Federal	\$ Other	\$ Total
<a href="#">View</a>	420-00-2433	Local Coronavirus Urgent Remediation Emergency (or Local CURE) & Economic Support Payments Grants Program	0	0	0	0
<a href="#">View</a>	420-75-0070	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	0	0	0	0
<a href="#">View</a>	420-75-2398	Downstate Small Business Stabilization Program	0	70,000	0	70,000
<a href="#">View</a>	494-00-0967	High-Growth Cities Program	0	0	0	0
<a href="#">View</a>	494-00-1000	Illinois Transportation Enhancements Program	0	0	0	0
<a href="#">View</a>	494-00-1488	Motor Fuel Tax Program	488,792	0	0	488,792
<a href="#">View</a>	494-00-2356	Local REBUILD ILLNOIS Bond Program	0	0	0	0
<a href="#">View</a>	494-10-0343	State and Community Highway Safety/National Priority Safety Program	0	0	0	0
<a href="#">View</a>	546-00-2094	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	0	128,212	0	128,212
<a href="#">View</a>		Other grant programs and activities		0	0	0
<a href="#">View</a>		All other costs not allocated			12,975,776	12,975,776
Totals:			488,792	198,212	12,975,776	13,662,780

