

CITY OF TUSCOLA
Tuscola, Illinois

ANNUAL FINANCIAL REPORT

April 30, 2025



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Tuscola
Tuscola, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Tuscola, Illinois, as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Tuscola, Illinois, as of April 30, 2025, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of employer contributions, and budgetary comparison information as listed in the Table of Contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tuscola, Illinois' basic financial statements. The accompanying combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of equalized assessed valuations, tax rates, taxes extended and collected but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025 on our consideration of the City of Tuscola, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Tuscola, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Tuscola, Illinois' internal control over financial reporting and compliance.

Larsson Woodyard + Henson, LLP

Tuscola, Illinois
October 15, 2025

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

Honorable Mayor and City Council
City of Tuscola
Tuscola, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Tuscola, Illinois, as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise City of Tuscola, Illinois' basic financial statements, and have issued our report thereon dated October 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Tuscola, Illinois' internal control over financial reporting (internal control) as a basis for designing 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 City of Tuscola, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Tuscola, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

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.

Larsson Hoodyard + Henson, LLP

Tuscola, Illinois
October 15, 2025

CITY OF TUSCOLA

MANAGEMENT'S DISCUSSION AND ANALYSIS APRIL 30, 2025

As management of the City of Tuscola, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City of Tuscola for the fiscal year ended April 30, 2025.

Financial Highlights

- The assets of the City of Tuscola exceeded its liabilities at the close of the most recent fiscal year by \$51,083,804 (*net position*).
- The City's total net position increased by \$1,820,313 during the year compared to last fiscal year's net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,525,742.
- City of Tuscola's total debt increased by \$30,738 during the current fiscal year. The City's only loan or bonded indebtedness is IEPA loans in the water and sewer funds and amounts to \$754,760 at April 30, 2025. This includes a loan currently in the draw period, which is being used to fund infrastructure improvements to the water system.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Tuscola's basic financial statements. The City of Tuscola's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Tuscola's finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all of the City of Tuscola's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Tuscola is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF TUSCOLA

MANAGEMENT'S DISCUSSION AND ANALYSIS APRIL 30, 2025

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Tuscola include general government, public safety, public recreation, development, public library, tourism and roadways. The business-type activities of the City of Tuscola include the City of Tuscola Water and Sewer services. The government-wide financial statements do not include funds classified as Fiduciary Funds (discussed further below), because the resources of those funds are not available to support the City's programs.

The government-wide financial statements can be found on pages 18-21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Tuscola, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Tuscola can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Tuscola maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, TIF Fund, Motor Fuel Tax Fund, Tourism Fund and Library Fund all of which are considered to be major funds.

The City of Tuscola adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for the funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-27 of this report.

Proprietary funds. The City of Tuscola maintains two proprietary funds (also called Enterprise Funds). Enterprise Funds are presented as *business-type activities* in the government-wide financial statements. The City of Tuscola uses one enterprise fund to account for its Water service activities and one enterprise fund to account for its Sewer service activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer services, which are considered to be major funds of the City of Tuscola.

CITY OF TUSCOLA

MANAGEMENT'S DISCUSSION AND ANALYSIS APRIL 30, 2025

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

Custodial funds. Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Tuscola's own programs. The City of Tuscola maintains one custodial fund. The Garbage Fund is for the purpose of billing and collecting revenue for Waste Management, the contracted garbage hauler in the City. The accounting used for custodial funds is much like that used for proprietary funds. The basic custodial fund financial statement can be found on page 31 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-59 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This supplementary information includes information concerning the City of Tuscola's progress in funding its obligation to provide pension benefits to its employees, additional information about the operation of the water and sewer funds, legal debt margin calculations and assessed valuations, tax rates, taxes extended and collected information about the property tax funding system. Required supplementary information can be found on pages 60-75 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Tuscola, assets exceeded liabilities by \$51,083,804 at the close of the most recent fiscal year.

The largest portion of the City of Tuscola's net position (*78 percent*) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Tuscola uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Tuscola's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table reflects the condensed Statement of Net position.

CITY OF TUSCOLA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2025**

Summary of City of Tuscola's Net Position

	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 7,846,356	\$ 8,241,964	\$ 4,342,938	\$ 3,762,976	\$ 12,189,294	\$ 12,004,940
Net Pension Asset	486,330	198,583	-	-	486,330	198,583
Capital Assets	<u>31,798,261</u>	<u>31,146,685</u>	<u>8,735,130</u>	<u>7,622,682</u>	<u>40,533,391</u>	<u>38,769,367</u>
Total Assets	<u>\$ 40,130,947</u>	<u>\$ 39,587,232</u>	<u>\$ 13,078,068</u>	<u>\$ 11,385,658</u>	<u>\$ 53,209,015</u>	<u>\$ 50,972,890</u>
Deferred Outflow of Resources	\$ 935,538	\$ 1,388,826	-	-	\$ 935,538	\$ 1,388,826
Defer'd Outflows of Resources	<u>\$ 935,538</u>	<u>\$ 1,388,826</u>	<u>-</u>	<u>-</u>	<u>\$ 935,538</u>	<u>\$ 1,388,826</u>
Long-term Liabilities	\$ 89,807	\$ 102,141	\$ 693,058	\$ 649,190	\$ 782,865	\$ 751,331
Other Liabilities	<u>285,430</u>	<u>396,465</u>	<u>403,511</u>	<u>247,308</u>	<u>688,941</u>	<u>643,773</u>
Total Liabilities	<u>\$ 375,237</u>	<u>\$ 498,606</u>	<u>\$ 1,096,569</u>	<u>\$ 896,498</u>	<u>\$ 1,471,806</u>	<u>\$ 1,395,104</u>
Deferred Inflows of Resources						
Def Inflows rel to Pensions	\$ 519,164	\$ 689,274	-	-	\$ 519,164	\$ 689,274
Unavai. Rev. - Intergovernmental	1,215	-	-	-	1,215	-
Unavai. Rev. - Property Taxes	<u>1,068,564</u>	<u>1,013,847</u>	<u>-</u>	<u>-</u>	<u>1,068,564</u>	<u>1,013,847</u>
Total Defer'd Inflows of Res.	<u>\$ 1,588,943</u>	<u>\$ 1,703,121</u>	<u>-</u>	<u>-</u>	<u>\$ 1,588,943</u>	<u>\$ 1,703,121</u>
Net Position:						
Net Invest. in Capital Assets	\$ 31,753,048	\$ 31,087,271	\$ 7,980,370	\$ 6,914,531	\$ 39,733,418	\$ 38,001,802
Restricted	1,438,203	1,289,295	311,814	298,638	1,750,017	1,587,933
Unrestricted	<u>5,911,054</u>	<u>6,397,765</u>	<u>3,689,315</u>	<u>3,275,991</u>	<u>9,600,369</u>	<u>9,673,756</u>
Total Net Position	<u>\$ 39,102,305</u>	<u>\$ 38,774,331</u>	<u>\$ 11,981,499</u>	<u>\$ 10,489,160</u>	<u>\$ 51,083,804</u>	<u>\$ 49,263,491</u>

An additional portion of the City of Tuscola's net position for Governmental Activities (\$1,438,203) represents resources that are subject to external restrictions on how they may be used. The remaining balance of Net position, *unrestricted net position* (\$5,911,054) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF TUSCOLA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
APRIL 30, 2025**

The following table summarizes the revenues and expenses of the City’s activities:

City of Tuscola’s Revenues, Expenses and Net Position

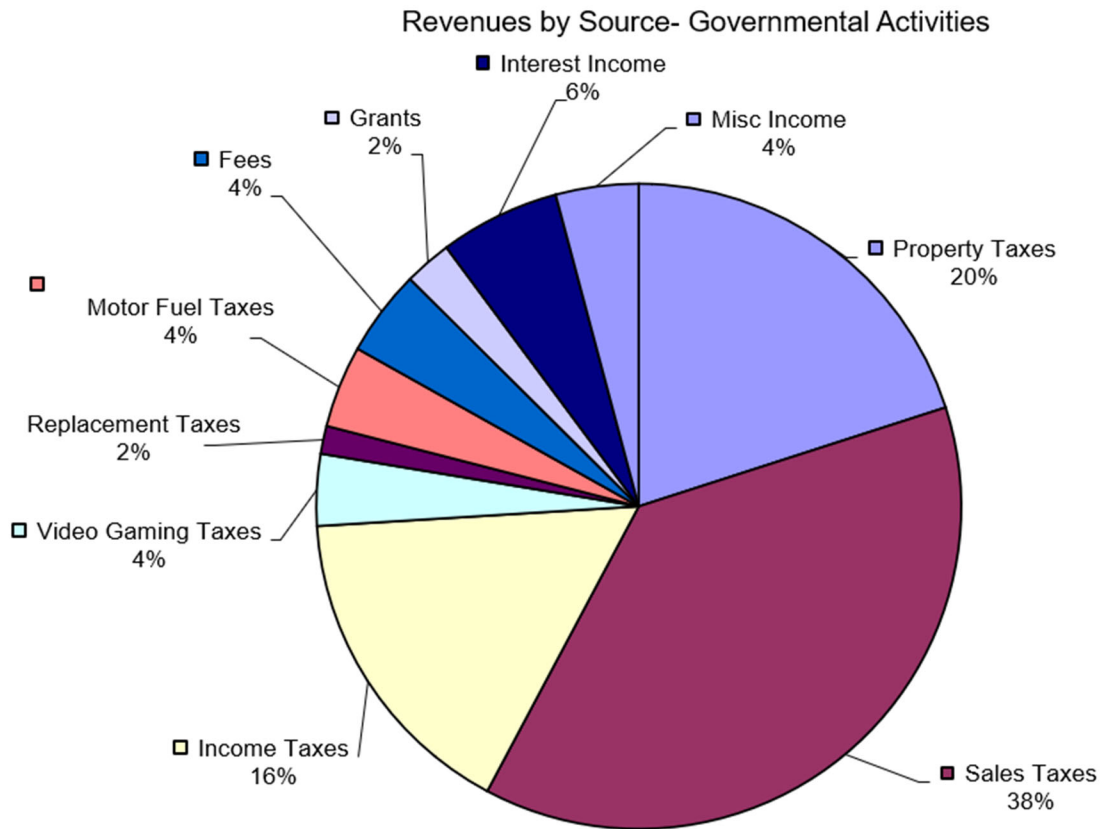
	Governmental Activities	Governmental Activities	Business- Type Activities	Business- Type Activities	Total	Total
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues						
Charges for Services	\$ 219,843	\$ 175,248	\$ 2,030,998	\$ 1,986,835	\$ 2,250,841	\$ 2,162,083
Grants & Contributions	121,107	6,838	-	-	121,107	6,838
General Revenues:						
Property Taxes	1,020,250	991,292	-	-	1,020,250	991,292
Sales Taxes	1,921,744	2,038,291	-	-	1,921,744	2,038,291
Income Taxes	826,767	771,525	-	-	826,767	771,525
Replacement Taxes	71,194	106,353	-	-	71,194	106,353
Motor Fuel Taxes	209,541	203,612	-	-	209,541	203,612
Video Gaming Taxes	182,721	167,156	-	-	182,721	167,156
Investment Earnings	306,703	498,241	174,900	176,795	481,603	675,036
Memorial Income	2,325	795	-	-	2,325	795
Gain/Loss-Asset Disp	-	-	-	(67,632)	-	(67,632)
Miscellaneous	208,989	102,020	1,447,932	15,392	1,656,921	117,412
Total Revenues	\$ 5,091,184	\$ 5,061,371	\$ 3,653,830	\$ 2,111,390	\$ 8,745,014	\$ 7,172,761
Expenses:						
General Government	792,599	557,733	-	-	792,599	557,733
Public Safety	1,532,585	1,390,555	-	-	1,532,585	1,390,555
Public Works	1,284,424	1,250,594	-	-	1,284,424	1,250,594
Culture and Recreation	730,964	688,236	-	-	730,964	688,236
Development	422,638	397,309	-	-	422,638	397,309
Interest on L-T Debt	-	-	-	-	-	-
Water Department	-	-	1,481,644	1,305,318	1,481,644	1,305,318
Sewer Department	-	-	679,847	656,100	679,847	656,100
Total Expenses	4,763,210	4,284,427	2,161,491	1,961,418	6,924,701	6,245,845
Change in Net Position	327,974	776,944	1,492,339	149,972	1,820,313	926,916
Net Position, Beginning	38,774,331	37,997,387	10,489,160	10,339,188	49,263,491	48,336,575
Net Position, Ending	\$ 39,102,305	\$ 38,774,331	\$ 11,981,499	\$ 10,489,160	\$ 51,083,804	\$ 49,263,491

Revenues for the City are generated from a number of different sources and are dependent on different financial factors. The top three revenue sources are sales taxes, property taxes, and State of Illinois levied taxes such as income taxes. Property taxes are a stable source of revenues, not dependent on economic trends and fluctuations. The City has maintained its property tax rate such that large increases in any one year should not be necessary. Sales tax revenues, conversely, are heavily dependent on economic trends and the success of a smaller number of local businesses. With the recent effects of changes to Illinois sales tax laws pertaining to on-line purchases, the City of Tuscola now captures much local sales tax from on-line purchases *delivered* to Tuscola addresses instead of only sales at brick-and-mortar stores located in Tuscola. This change has had a positive impact on sales tax collections for the

CITY OF TUSCOLA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
APRIL 30, 2025**

City. Property taxes are derived solely from local property owners, while sales taxes are partly paid by out-of-town shoppers. Keeping sales tax revenues strong and the local economy growing is taking some of the financial burden of running the City’s programs off of the local citizenry. Income taxes, and other State levied taxes, are outside of the City’s management control and are dependent on the wider economic health. The City is also dependent on the State of Illinois maintaining the local share of these taxes. Recent years have seen legislation introduced that would reduce the percentage of these revenues that are shared with the local governments. At this point, those bills have not been passed, but should one be approved by the legislature in the future, it would have a negative effect on the City’s revenues. Having a balance between revenue sources is essential to the stability of the operations of the City. As shown in the following chart, the City government has made a priority of keeping property tax levies low to keep the burden off local residents. This is possible due to the high percentage of income from sales taxes and other State of Illinois levied taxes.

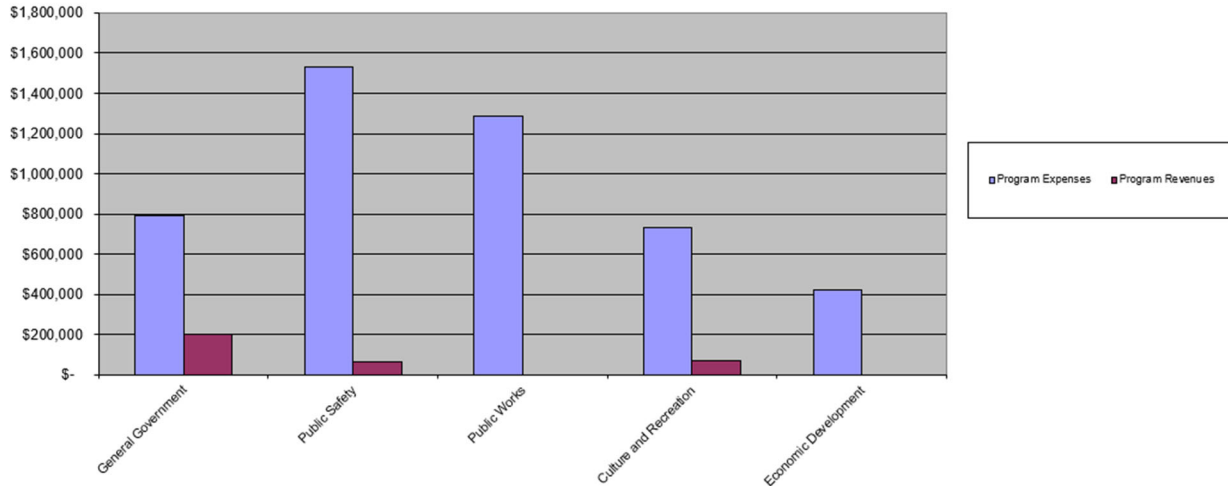


The largest program expenses for the City for the fiscal year ending April 30, 2025 were Public Safety at \$1,532,585 and Public Works at \$1,284,424. Public Works and Public Safety are high priorities for the City as it shows in the spending for those programs. Culture and Recreation expenses, which include city parks, pool and library services, were \$730,964. Economic Development expenses were \$422,638 for this year. General government expenses were at \$792,599 for the year. General government expenses account for 17% of the total program expenses. A breakdown by program of expenses and program revenues follows.

CITY OF TUSCOLA

MANAGEMENT'S DISCUSSION AND ANALYSIS APRIL 30, 2025

Program Expenses and Revenues- General Government



Financial Analysis of the Government's Funds

As noted earlier, the City of Tuscola uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Tuscola's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Tuscola's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Tuscola. At the end of the current fiscal year, total fund balance of the general fund was \$6,054,002, of that \$1,334,681 is non-spendable or restricted while \$4,790,797 is committed by the city council to specific future purposes. A portion of the restricted funds consist of a loan, in the amount of \$1,149,156 at April 30, 2025, to the TIF fund. The TIF fund is using the money to fund the Barker-Prairie TIF infrastructure improvements that will be repaid from property tax increment over the next few years until the expiration of the Barker-Prairie TIF district. This intra-government loan will ultimately save taxpayers tens of thousands of dollars over issuing bonds for this infrastructure improvement TIF project. The City's unrestricted general funds reduced significantly during the fiscal year ending April 30, 2025 due to large capital investment in new and remodeled City buildings. The City added a new state-of-the-art fire station, a police shooting range facility, an addition to the Street maintenance building, and began a large remodel of the police station during this fiscal year. These capital improvements were funded with City unrestricted funds, resulting in a draw-down of unrestricted cash balance.

The City's TIF Fund receipts are used to repay the General Fund loan for infrastructure improvements within the Barker-Prairie Street TIF district, A complete accounting of TIF funded activities is available in the annual TIF report compiled by the City and submitted to the Office of the Comptroller- State of Illinois.

CITY OF TUSCOLA

MANAGEMENT'S DISCUSSION AND ANALYSIS APRIL 30, 2025

The City Motor Fuel Tax Funds are used for local street maintenance, as approved by the Illinois Department of Transportation. Specifically, the funds were used for the annual chip & tar maintenance program, along with engineering costs for a future resurfacing of Washington, Parke, and North Central Streets, during FY 2025.

The City's Tourism Funds are derived from a 6% tax on local hotel operators. Funds derived from the tax are dedicated to tourism and marketing efforts within the City.

Proprietary funds. The City of Tuscola maintains two proprietary funds, the Water Fund and the Sewer Fund. These fund financials provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the proprietary funds at the end of the year amounted to \$11,981,499.

The Water Fund revenues come from fees charged to users of the City's water system. Expenses for the operation of the water system are paid exclusively from those funds. The City's water system, as any infrastructure system, is continually being upgraded and maintained. The Water Fund revenues are also used for debt service on Illinois EPA revolving loan funds. Those loan funds were used to complete a major pipeline upgrade and maintenance to the city's water tower. During the fiscal year ending April 30, 2025, work continued toward an effort to replace the Tuscola master meter station. Additionally, the project to replace water mains within the Meadowview Subdivision was completed. The water line replacement project within Meadowview Subdivision was completed with the assistance of a Community Development Block Grant in the amount of \$550,000. Both projects were approved for an Illinois EPA low interest loan, with 50% principal forgiveness. The loan, in the amount of \$1,300,463, will be financed at 1.36% annual interest. The IEPA will forgive, or grant, the City 50% of the principal, or \$650,231. At April 30, 2025, the City had drawn \$768,012 from those funds, and the IEPA had forgiven \$650,231, leaving a balance owed on this loan of \$117,781. Seeking available funding for these large projects will protect the fund balance of the water fund for future necessary upgrades.

CITY OF TUSCOLA

MANAGEMENT'S DISCUSSION AND ANALYSIS APRIL 30, 2025

The Sewer Fund revenues come from fees charged to users of the City's sewer system. Expenses for the operation of the sewer system are paid exclusively from those funds. The City's sewer system, as any infrastructure system, is continually being upgraded and maintained using sewer system fund balances. Illinois EPA revolving loan funds were used to upgrade the city's sewer treatment facility. Those funds are also being repaid from the sewer fund revenues.

General Fund Budgetary Highlights

The City staff develops a working budget prior to the beginning of each fiscal year. This working budget is based on City Council goals of what programs to fund, capital projects and purchases desired, levels of taxation, types and amounts of user fees, estimates of State revenues, historical operating expenses and desired cash reserves and fund balance. The working budget is presented to the City Council and adopted by majority vote. The City staff use this budget to guide operations throughout the fiscal year.

The legal spending limits of the City of Tuscola, as in many municipal governments, are set by the appropriation budget. The appropriation budget is also developed by City staff taking into account the maximum acceptable spending for operations and other possible contingencies. The appropriation budget is passed via ordinance of the City Council in accordance with State statutes. The City Council may vote to transfer appropriated amounts between departments or line items as needed during the year. But there are very few remedies, as described in the State statutes, if the total appropriation amount needs to be raised or lowered.

During the fiscal year ending April 30, 2025 there was no change in overall appropriations amounts between the original and final amended appropriation budget.

Capital Asset and Debt Administration

Capital assets. The City of Tuscola's investment in capital assets for its governmental and business-type activities as of April 30, 2025, amounts to \$40,533,391 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, water system, sewer system, storm sewer system, parks, roads, highways, and bridges. The following Comparative Statement of Capital Assets, net of depreciation shows the change in assets for the governmental and business-type activities.

CITY OF TUSCOLA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
APRIL 30, 2025**

	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Land	\$ 3,357,109	\$ 3,350,929	\$ 637,198	\$ 637,198	\$ 3,994,307	\$ 3,988,127
Land Improvements	1,967,131	2,101,569	-	-	1,967,131	2,101,569
Buildings	7,143,708	5,907,407	-	-	7,143,708	5,907,407
Plant, Machinery & Equipment	338,440	303,888	3,477,599	3,762,896	3,816,039	4,066,784
Vehicles	1,606,748	1,697,982	330,400	283,283	1,937,148	1,981,265
Distribution System	-	-	2,750,013	2,787,243	2,750,013	2,787,243
Infrastructure	17,319,511	17,701,403	-	-	17,319,511	17,701,403
SBITA	65,614	83,507	-	-	65,614	83,507
Work in Progress	-	-	1,539,920	152,062	1,539,920	152,062
	<u>\$ 31,798,261</u>	<u>\$ 31,146,685</u>	<u>\$ 8,735,130</u>	<u>\$ 7,622,682</u>	<u>\$ 40,533,391</u>	<u>\$ 38,769,367</u>

Additional information on the City of Tuscola’s capital assets can be found in Note 3 in the Notes to Financial Statements of this report.

Long-term debt. At the end of the current fiscal year, the City of Tuscola had outstanding two (2) IEPA loans totaling \$708,15. Additionally, the city recorded Subscription Based Information Technology Arrangement (SBITA) liability in the form of an agreement with Motorola for equipment, software and storage for police body camera and car camera systems. The City also incurs long-term debt in the form of accrued compensated absences and pension liabilities. Following is a comparative statement of outstanding debt:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds-						
Alternate Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IEPA Loan Payable	-	-	754,760	708,151	754,760	708,151
SBITAs	45,213	59,414	-	-	45,213	59,414
Net Pension liability	-	-	-	-	-	-
Compensated Absences	<u>79,189</u>	<u>77,470</u>	<u>15,629</u>	<u>19,018</u>	<u>94,818</u>	<u>96,488</u>
Total	<u>\$ 124,402</u>	<u>\$ 136,884</u>	<u>\$ 770,389</u>	<u>\$ 727,169</u>	<u>\$ 894,791</u>	<u>\$ 864,053</u>

The City of Tuscola’s total debt increased by \$30,738 during the current fiscal year, as the city drew IEPA loan funds for its water infrastructure projects. Additional information on the City’s long-term debt can be found in Note 3 in the Notes to Financial Statements of this report.

CITY OF TUSCOLA

MANAGEMENT'S DISCUSSION AND ANALYSIS APRIL 30, 2025

Economic Factors and Next Year's Budgets and Rates

The Outlets of Tuscola Shopping Center lies within the limits of the City of Tuscola and is a major contributor to the area's economy, as the Center is a large employer and a large generator of local Sales and Property taxes. This contribution helps make the City of Tuscola more financially sound than many communities of similar size or population. Conversely, this also creates financial vulnerabilities for the City in the event of a drastic change in the Center operation. Recent trends in brick-and-mortar retail, along with the devastating effects of the pandemic and shutdown, have taken a toll on the center with declining revenues and closing of a number of stores. Additionally, property tax reduction appeals have successfully reduced local property tax income from the property. The City is participating in on-going efforts to revitalize and market the property.

During the City's fiscal year ending April 30, 2021, Illinois' Level the Playing Field laws, based on the Federal Marketplace Fairness Act, have been fully implemented to require on-line retailers to begin collecting retail occupation taxes, including locally imposed taxes (aka "sales taxes"), on sales based on the delivery address, where there is no brick-and-mortar presence of that retailer in Illinois. Capturing those sales had an immediate and large impact on the City's sales and home rule sales tax receipts. The net overall sales tax type revenues to the City increased 11.8% from FY 22 to FY 23, with FY 23 totals the second highest receipts of sales tax type revenues in the city's history. Assuming the bulk of this increase is due to these changes in tax collection laws, the City would expect continued stabilization and improvement in the sales tax receipts. Longer term, this change in methodology of sales tax collection and distribution will change the dynamic of city revenues from being heavily dependent on local conditions to generally following state-wide or nation-wide economic trends.

A new area of interstate-adjacent, commercial properties has been developed within the City at the intersection of I-57 and Route 36. This 36-acre development is now home to a Love's Travel Center, and may house other interstate-centric businesses in the future. With the development of this area, the City of Tuscola funded the cost of the public access road. That road is a direct connection from the southbound exit of I-57 straight north into the property across Route 36. This type of road access is key to interstate retail development and should serve the area well in attracting additional business.

The City has enjoyed a very successful Tax Increment Financing District, which includes the Tuscola Outlet Mall property, downtown business district and the Route 36 corridor, since 1986. That TIF district has generated significant revenues that the City has reinvested in those retail areas of the city. That TIF district, along with the Amishland TIF district, were terminated by ordinance on October 11, 2022. The expiration of those TIF districts has caused a shift in property tax revenues from economic development functions. The City will necessarily work to revise economic development spending priorities and sources. Additionally, that shift has resulted in an increase in EAV for general government taxing authority and additional general government revenues.

The rate setting (not including Barker/Prairie ST TIF EAV of (\$1,057,209) equalized assessed value (EAV) of taxable property in the City for 2024 levy year was \$104,130,704 which represents one-third market value. That EAV was an increase in the rate setting EAV of 15.8% from the prior year. This increase was due to Douglas County increasing county property values overall to meet State assessment levels, Residential properties made up 69% of the EAV for the 2024 levy year. Commercial developments constitute 28% of the EAV. Keeping the City's tax rate low has been a long-standing goal of the City's leadership. That goal has resulted in over 20 years of maintaining a city plus library rate around \$1 per \$100 of EAV.

CITY OF TUSCOLA

MANAGEMENT'S DISCUSSION AND ANALYSIS APRIL 30, 2025

The State of Illinois collects and distributes sales and income tax revenues to the City of Tuscola, as it does to all local governments. Those tax revenues are a significant portion of the general fund revenues for the City. At various times in the past, Illinois lawmakers have proposed changes to these taxes. Recently, the State of Illinois approved a repeal of the State's 1% tax on groceries. All of that 1% grocery tax collected is currently remitted back to local governments, including the City. The repeal would equate to a reduction of annual city revenues of approximately \$95,000 per year. The legislation did include a provision that allows local governments to implement an equal tax on groceries within their own jurisdictions. In 2025, the City approved an ordinance to implement such a tax. That tax will go into effect January 1, 2026, the same day the State's tax will be eliminated. This will result in no change for grocery retailers or customers, and the City of Tuscola revenues should remain constant.

There are currently no other known contingencies that would force a major change in the City's budgeting, spending, or taxation.

Requests for Information

This financial report is designed to provide a general overview of the City of Tuscola's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Tuscola, 214 N. Main St., Tuscola, IL 61953.

BASIC FINANCIAL STATEMENTS

CITY OF TUSCOLA

**STATEMENT OF NET POSITION
APRIL 30, 2025**

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 5,743,310	\$ 3,462,945	\$ 9,206,255
Due from Douglas County	1,069,695	-	1,069,695
Due from State of Illinois	476,127	-	476,127
Receivables, net	53,939	188,587	242,526
Prepaid items	110,055	22,050	132,105
Investment in joint venture	-	321,311	321,311
Restricted cash	393,230	348,045	741,275
Total Current Assets	<u>7,846,356</u>	<u>4,342,938</u>	<u>12,189,294</u>
Noncurrent Assets			
Capital assets (not being depreciated):			
Land	3,357,109	637,198	3,994,307
Construction in Progress	-	1,539,920	1,539,920
Capital assets (net of accumulated depreciation):			
Land improvements	1,967,131	-	1,967,131
Buildings	7,143,708	-	7,143,708
Plant, machinery and equipment	338,440	3,477,599	3,816,039
Vehicles	1,606,748	330,400	1,937,148
Intangible asset-SBITA	65,614	-	65,614
Infrastructure	17,319,511	2,750,013	20,069,524
Total Capital Assets	<u>31,798,261</u>	<u>8,735,130</u>	<u>40,533,391</u>
Net pension asset	486,330	-	486,330
Total Noncurrent Assets	<u>32,284,591</u>	<u>8,735,130</u>	<u>41,019,721</u>
Total Assets	<u>40,130,947</u>	<u>13,078,068</u>	<u>53,209,015</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions	935,538	-	935,538
Total Deferred Outflows of Resources	<u>935,538</u>	<u>-</u>	<u>935,538</u>

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

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CITY OF TUSCOLA

**STATEMENT OF NET POSITION (CONCLUDED)
APRIL 30, 2025**

<u>LIABILITIES</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Liabilities			
Accounts payable	220,575	284,616	505,191
Accrued payroll	30,260	4,109	34,369
Accrued interest	-	1,224	1,224
Customer deposits	-	36,231	36,231
Accrued compensated absences - current	19,967	5,266	25,233
Debt - due within one year	14,628	72,065	86,693
Total Current Liabilities	<u>285,430</u>	<u>403,511</u>	<u>688,941</u>
Noncurrent Liabilities			
Accrued compensated absences	59,222	10,363	69,585
Debt - due after more than one year	30,585	682,695	713,280
Total Noncurrent Liabilities	<u>89,807</u>	<u>693,058</u>	<u>782,865</u>
Total Liabilities	<u>375,237</u>	<u>1,096,569</u>	<u>1,471,806</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions	519,164	-	519,164
Unavailable revenue - property taxes	1,068,564	-	1,068,564
Unavailable revenue - intergovernmental	1,215	-	1,215
Total Deferred Inflows of Resources	<u>1,588,943</u>	<u>-</u>	<u>1,588,943</u>
	<u>NET POSITION</u>		
Net investment in capital assets, net of related debt	31,753,048	7,980,370	39,733,418
Restricted for:			
General services	63,519	-	63,519
Public safety	34,461	-	34,461
Debt service	-	80,500	80,500
Transportation projects	726,483	-	726,483
Development	613,740	-	613,740
Required bond reserve	-	231,314	231,314
Unrestricted	5,911,054	3,689,315	9,600,369
Total Net Position	<u>\$ 39,102,305</u>	<u>\$ 11,981,499</u>	<u>\$ 51,083,804</u>

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

CITY OF TUSCOLA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2025**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 792,599	\$ 82,824	\$ 121,107	\$ -
Public safety	1,532,585	66,003	-	-
Public works	1,284,424	-	-	-
Culture and recreation	730,964	71,016	-	-
Development	422,638	-	-	-
Total Governmental Activities	4,763,210	219,843	121,107	-
Business-type activities:				
Water	1,481,644	1,404,868	-	-
Sewer	679,847	626,130	-	-
Total Business-Type Activities	2,161,491	2,030,998	-	-
Total Primary Government	\$6,924,701	\$2,250,841	\$ 121,107	\$ -
General Revenues:				
Property taxes				
Sales taxes				
Income taxes				
Replacement taxes				
Motor fuel taxes				
Video gaming taxes				
Interest income				
Memorial income				
Gain/Loss on disposal of capital assets				
Miscellaneous income				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - Ending				

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

**Net (Expenses) Revenue and
Changes in Net Position**

<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
\$ (588,668)	\$ -	\$ (588,668)
(1,466,582)	-	(1,466,582)
(1,284,424)	-	(1,284,424)
(659,948)	-	(659,948)
(422,638)	-	(422,638)
(4,422,260)	-	(4,422,260)
-	(76,776)	(76,776)
-	(53,717)	(53,717)
-	(130,493)	(130,493)
(4,422,260)	(130,493)	(4,552,753)
1,020,250	-	1,020,250
1,921,744	-	1,921,744
826,767	-	826,767
71,194	-	71,194
209,541	-	209,541
182,721	-	182,721
306,703	174,900	481,603
2,325	-	2,325
-	-	-
208,989	1,447,932	1,656,921
4,750,234	1,622,832	6,373,066
327,974	1,492,339	1,820,313
38,774,331	10,489,160	49,263,491
<u>\$ 39,102,305</u>	<u>\$ 11,981,499</u>	<u>\$ 51,083,804</u>

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

CITY OF TUSCOLA

**BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2025**

	General	Tax Increment Financing Funds	Motor Fuel Tax
Assets			
Cash and cash equivalents	\$ 4,472,185	\$ -	\$ 709,727
Due from Douglas County	777,842	75,261	-
Due from State of Illinois	456,218	-	16,756
Due from other Funds	1,149,156	-	-
Accounts receivable	34,942	-	-
Prepaid items	87,545	-	-
Restricted cash	97,980	-	295,250
Total Assets	<u>\$ 7,075,868</u>	<u>\$ 75,261</u>	<u>\$ 1,021,733</u>
Liabilities			
Accounts payable	\$ 216,211	\$ -	\$ -
Accrued salaries	28,219	-	-
Due to other funds	-	1,149,156	-
Total Liabilities	<u>244,430</u>	<u>1,149,156</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	776,711	75,261	-
Unavailable revenue - intergovernmental	725	-	-
Total Deferred Inflows of Resources	<u>777,436</u>	<u>75,261</u>	<u>-</u>
Fund Balances			
Non-spendable:			
Prepaid items	87,545	-	-
Long term receivables	1,149,156	-	-
Restricted:			
General services	63,519	-	-
Public safety	34,461	-	-
Park improvements	-	-	-
Development	-	-	295,250
Debt service	-	-	-
Restrictions by state statutes	-	-	726,483
Assigned:			
Reserve funds	2,142,067	-	-
Capital replacement funds	2,648,730	-	-
Development	-	-	-
Culture and recreation	-	-	-
Unassigned	(71,476)	(1,149,156)	-
Total Fund Balances	<u>6,054,002</u>	<u>(1,149,156)</u>	<u>1,021,733</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,075,868</u>	<u>\$ 75,261</u>	<u>\$ 1,021,733</u>

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

<u>Tourism</u>	<u>Library</u>	<u>Total Governmental Funds</u>
\$ 318,490	\$ 242,908	\$ 5,743,310
-	216,592	1,069,695
-	3,153	476,127
-	-	1,149,156
18,997	-	53,939
18,687	3,823	110,055
-	-	393,230
<u>\$ 356,174</u>	<u>\$ 466,476</u>	<u>\$ 8,995,512</u>
\$ 2,650	\$ 1,714	\$ 220,575
185	1,856	30,260
-	-	1,149,156
<u>2,835</u>	<u>3,570</u>	<u>1,399,991</u>
-	216,592	1,068,564
490	-	1,215
<u>490</u>	<u>216,592</u>	<u>1,069,779</u>
18,687	3,823	110,055
-	-	1,149,156
-	-	63,519
-	-	34,461
-	-	-
318,490	-	613,740
-	-	-
-	-	726,483
-	-	2,142,067
-	-	2,648,730
15,672	-	15,672
-	242,491	242,491
-	-	(1,220,632)
<u>352,849</u>	<u>246,314</u>	<u>6,525,742</u>
<u>\$ 356,174</u>	<u>\$ 466,476</u>	<u>\$ 8,995,512</u>

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

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CITY OF TUSCOLA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
APRIL 30, 2025

Total Fund Balance - Governmental Funds	\$ 6,525,742
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities, net of accumulated depreciation, are not financial resources and, therefore, are not reported in the funds.	31,798,261
Net pension assets are not current financial resources and, therefore, are not reported in the funds.	486,330
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore are not reported in the governmental funds as follows:	
Deferred outflows of resources	935,538
Deferred inflows of resources	(519,164)
Long-term liabilities, as listed below, are not due and payable in the current period, and therefore, are not reported as fund liabilities	
SBITAs	(45,213)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities are as follows:	
Accrued compensated absences	(79,189)
Net Position of Governmental Activities	<u>\$ 39,102,305</u>

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

CITY OF TUSCOLA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2025**

	<u>General</u>	<u>Tax Increment Financing Funds</u>	<u>Motor Fuel Tax</u>
Revenues			
Property taxes	\$ 743,888	\$ 68,954	\$ -
Sales taxes	1,754,606	-	-
State income taxes	826,767	-	-
Replacement taxes	56,699	-	-
Motor fuel taxes	-	-	209,541
Sales taxes - city	-	-	-
Video gaming taxes	182,721	-	-
Fines and fees	31,151	-	-
Grant income	114,217	-	-
Licenses and permits	51,629	-	-
Rent	12,990	-	-
Franchise fees	31,195	-	-
Interest income	240,754	-	36,012
Fire insurance	16,329	-	-
Pool income	58,026	-	-
Memorial funds	-	-	-
Miscellaneous	206,773	-	-
Total Revenues	<u>4,327,745</u>	<u>68,954</u>	<u>245,553</u>
Expenditures			
Current:			
General government	703,212	-	-
Public safety	1,351,733	-	-
Public works	631,015	-	-
Culture and recreation	301,129	-	-
Development	178,414	55,639	-
Capital Outlay	1,706,992	-	85,340
Total Expenditures	<u>4,872,495</u>	<u>55,639</u>	<u>85,340</u>
Excess of revenues over (under) expenditures	(544,750)	13,315	160,213
Fund Balances - Beginning	<u>6,598,752</u>	<u>(1,162,471)</u>	<u>861,520</u>
Fund Balances - Ending	<u>\$ 6,054,002</u>	<u>\$ (1,149,156)</u>	<u>\$ 1,021,733</u>

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

Tourism	Library	Total Governmental Funds
\$ -	\$ 207,408	\$ 1,020,250
-	-	1,754,606
-	-	826,767
-	14,495	71,194
-	-	209,541
167,138	-	167,138
-	-	182,721
11,433	7,090	49,674
-	6,890	121,107
-	-	51,629
-	-	12,990
-	-	31,195
17,295	12,642	306,703
-	-	16,329
-	-	58,026
-	2,325	2,325
-	2,216	208,989
<u>195,866</u>	<u>253,066</u>	<u>5,091,184</u>
-	-	703,212
-	-	1,351,733
-	-	631,015
-	202,188	503,317
202,785	-	436,838
-	13,390	1,805,722
<u>202,785</u>	<u>215,578</u>	<u>5,431,837</u>
(6,919)	37,488	(340,653)
<u>359,768</u>	<u>208,826</u>	<u>6,866,395</u>
<u>\$ 352,849</u>	<u>\$ 246,314</u>	<u>\$ 6,525,742</u>

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

CITY OF TUSCOLA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2025**

Net change in fund balances - total governmental funds \$ (340,653)

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

Governmental funds report capital outlays as expenditures while government activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital asset purchases capitalized	1,805,722
Gain (Loss) on Asset Disposal	(25,508)
Depreciation and Amortization expense	(1,128,637)

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.

Reduction of benefit liability, net	4,569
-------------------------------------	-------

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 the governmental funds as follows:

Accrued compensated absences	(1,719)
Additional SBITA equipment expense	14,200

Change in Net Position of Governmental Activities	\$ 327,974
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The notes to the financial statements are an integral part of this statement.

CITY OF TUSCOLA

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS
APRIL 30, 2025**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,071,453	\$ 2,391,492	\$ 3,462,945
Accounts receivable, net	131,409	57,178	188,587
Prepaid items	10,529	11,521	22,050
Cash and cash equivalents-restricted	307,570	40,475	348,045
Investment in joint venture	321,311	-	321,311
Total Current Assets	<u>1,842,272</u>	<u>2,500,666</u>	<u>4,342,938</u>
Noncurrent Assets			
Capital assets:			
Property, plant and equipment	9,683,704	12,158,368	21,842,072
Accumulated Depreciation	(5,030,917)	(8,076,025)	(13,106,942)
Total Noncurrent Assets	<u>4,652,787</u>	<u>4,082,343</u>	<u>8,735,130</u>
Total Assets	<u>6,495,059</u>	<u>6,583,009</u>	<u>13,078,068</u>
Liabilities			
Current Liabilities			
Accounts payable	265,673	18,943	284,616
Customer deposits	36,231	-	36,231
Accrued payroll	2,043	2,066	4,109
Accrued interest	1,038	186	1,224
Accrued compensated absences - current	2,631	2,635	5,266
IEPA loans - current	62,675	9,390	72,065
Total Current Liabilities	<u>370,291</u>	<u>33,220</u>	<u>403,511</u>
Noncurrent Liabilities			
Accrued compensated absences	5,124	5,239	10,363
IEPA loans	613,584	69,111	682,695
Total Noncurrent Liabilities	<u>618,708</u>	<u>74,350</u>	<u>693,058</u>
Total Liabilities	<u>988,999</u>	<u>107,570</u>	<u>1,096,569</u>
Net Position			
Net investment in capital assets	3,976,528	4,003,842	7,980,370
Restricted:			
Restricted for debt service	70,000	10,500	80,500
Required bond reserves	201,339	29,975	231,314
Unrestricted	1,258,193	2,431,122	3,689,315
Total Net Position	<u>\$ 5,506,060</u>	<u>\$ 6,475,439</u>	<u>\$ 11,981,499</u>

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

CITY OF TUSCOLA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2025**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 1,404,868	\$ 626,130	\$ 2,030,998
Joint Venture Income	208,524	-	208,524
Miscellaneous	39,177	-	39,177
Total Operating Revenues	<u>1,652,569</u>	<u>626,130</u>	<u>2,278,699</u>
Operating Expenses			
Personnel services	213,906	196,466	410,372
Supplies and materials	85,924	63,238	149,162
Contractual services	934,892	109,197	1,044,089
Depreciation and amortization	239,270	306,956	546,226
Total Operating Expenses	<u>1,473,992</u>	<u>675,857</u>	<u>2,149,849</u>
Operating Income (Loss)	<u>178,577</u>	<u>(49,727)</u>	<u>128,850</u>
Non-Operating Revenues (Expenses)			
Interest income	62,739	112,161	174,900
Grant Income	1,200,231	-	1,200,231
Sprayfield farm income (loss), net	-	(2,944)	(2,944)
Interest expense	(7,652)	(1,046)	(8,698)
Total Non-Operating Revenues (expenses)	<u>1,255,318</u>	<u>108,171</u>	<u>1,363,489</u>
Change in net position	<u>1,433,895</u>	<u>58,444</u>	<u>1,492,339</u>
Net Position - Beginning	<u>4,072,165</u>	<u>6,416,995</u>	<u>10,489,160</u>
Net Position - Ending	<u>\$ 5,506,060</u>	<u>\$ 6,475,439</u>	<u>\$ 11,981,499</u>

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

CITY OF TUSCOLA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2025**

Cash Flows from Operating Activities	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Receipts from users	\$ 1,383,596	\$ 626,866	\$ 2,010,462
Payments to suppliers	(832,754)	(184,026)	(1,016,780)
Payments to employees	(224,309)	(204,690)	(428,999)
Other receipts (payments)	231,350	-	231,350
Net cash provided (used) by operating activities	<u>557,883</u>	<u>238,150</u>	<u>796,033</u>
Cash Flows from Capital and Related Financing Activities			
Sale (Purchase) of capital assets	(1,656,535)	(2,138)	(1,658,673)
Interest paid on capital debt	(7,562)	(1,068)	(8,630)
Capital Debt Proceeds	117,781	-	117,781
Principal paid on capital debt	(61,899)	(9,274)	(71,173)
Net cash provided (used) by capital and related financing activities	<u>(1,608,215)</u>	<u>(12,480)</u>	<u>(1,620,695)</u>
Cash Flows from Investing Activities			
Interest on cash and investments	62,738	112,160	174,898
Grant income	1,200,231	-	1,200,231
Sprayfield farm income (loss)	-	(2,944)	(2,944)
Net cash provided (used) by investing activities	<u>1,262,969</u>	<u>109,216</u>	<u>1,372,185</u>
Net increase (decrease) in cash and cash equivalents	212,637	334,886	547,523
Cash and cash equivalents, beginning of the year	<u>1,166,386</u>	<u>2,097,081</u>	<u>3,263,467</u>
Cash and cash equivalents, end of the year	<u>\$ 1,379,023</u>	<u>\$ 2,431,967</u>	<u>\$ 3,810,990</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities			
Operating income (loss)	\$ 178,577	\$ (49,727)	\$ 128,850
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	239,270	306,956	546,226
Change in assets and liabilities:			
(Increase) decrease-accounts receivable	(16,981)	736	(16,245)
(Increase) decrease-prepaid insurance	1,165	(1,008)	157
(Increase) decrease-joint venture equity	(16,350)	-	(16,350)
Increase (decrease)-accounts payable	186,898	(10,584)	176,314
Increase (decrease)-accrued payroll	(8,578)	(6,661)	(15,239)
Increase (decrease)-customer deposits	(4,291)	-	(4,291)
Increase (decrease)-accrued compensated absences	(1,827)	(1,562)	(3,389)
Net Cash Provided (Used) By Operating Activities	<u>\$ 557,883</u>	<u>\$ 238,150</u>	<u>\$ 796,033</u>

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

CITY OF TUSCOLA

**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
APRIL 30, 2025**

	Custodial Funds
ASSETS	
Accounts receivable	\$ 37,294
Total Assets	37,294
LIABILITIES	
Accounts payable	37,294
Total Liabilities	37,294
NET POSITION	
Total Net Position	\$ -

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
NET POSITION- FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2025**

	Custodial Funds
ADDITIONS	
Garbage fees	\$ 335,558
DEDUCTIONS	
Payments to the garbage company	333,992
Due to garbage company	1,234
Bad debt write off	332
Total Deductions	335,558
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - Ending	\$ -

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

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

General Statement

The City of Tuscola (City) complies with generally accepted accounting principles (GAAP) as applied to governmental units. This requires the use of the accrual basis of accounting for government-wide financial statements and proprietary funds financial statements and a modified accrual basis of accounting for the governmental funds financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial reporting entity, basis of accounting, and other significant policies employed by the City are summarized as follows:

Financial Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Tuscola (the primary government) and all funds of the City.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditure or expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

The City has decided all funds will be presented as major funds.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

Fund Financial Statements (Concluded)

The funds of the financial reporting entity are described below:

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund – To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The reporting entity includes the following special revenue funds:

TIF Fund – To account for the incremental property taxes realized within the TIF Districts of the City. Expenditures of these revenues are restricted to capital improvements and redevelopment.

Motor Fuel Tax Fund – To account for revenues received and expenditures paid for street maintenance.

Tourism Fund – To account for revenues and expenditures for promoting tourism in the City. Hotel/motel taxes provide revenues for operations.

Library Fund – To account for revenues received and expenditures paid for library operations.

The City has presented the following major proprietary funds:

Water Fund – To account for the operation of water services to the residents of the City.

Sewer Fund – To account for the operation of sewer services to the residents of the City.

Custodial funds report resources held in trust by the City as an agent for individuals or private organizations. The City has the following agency fund:

Garbage Fund – To account for amounts billed and collected for sanitary services provided to residents of the City.

The City's agency fund is presented in the custodial fund financial statement. Since by definition these assets are being held for the benefit of a third party (see above) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. (The City’s deferred outflows of resources and deferred inflows of resources are noncurrent.) Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Custodial funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Custodial funds are presented using the accrual basis of accounting.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Concluded)

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include employee license taxes, property taxes, grants, entitlements, and donations. The City considers property taxes as available in the year for which the taxes were levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The revenues susceptible to accrual are taxes, intergovernmental, interest revenue, and charges for services. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Unearned Revenue

The City reports unearned revenue on its government-wide Statement of Net Position and the fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, "cash and cash equivalents" includes all demand and savings accounts of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts and certificates of deposit, or short-term investments with an original maturity of three months or less.

Cash deposits and certificates of deposit are reported at carrying amount which reasonably estimates fair value. Additional cash disclosures are presented in Note 3.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Receivables

Major receivable balances for the governmental activities include property taxes, intergovernmental receivables, hotel/motel taxes, and tax increment financing note receivables. Business-type activities report amounts owed for utility services as their major receivables.

In the fund financial statements, receivables in governmental funds include revenue accruals such as hotel/motel taxes and other similar intergovernmental revenues, as well as, tax increment financing note receivables since they are usually both measurable and available.

Non-exchange transactions collectible but not available are deferred. Interest and investment earnings are recorded when earned only if paid within sixty days since they would be considered both measurable and available. Proprietary fund receivables include revenues earned at year-end and not yet received. Utility accounts receivable compose all of the proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3 for details of interfund transactions, including receivables and payables, at year-end.

Prepaid Items

In the government-wide and fund financial statements, prepaid expenditures/expenses are deferred and expensed over the term when the services are received.

Capital Assets

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statement

In the government-wide financial statements, property, plant and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004.

Assets capitalized have an original cost of \$5,000. Prior to May 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Concluded)

Government-Wide Statement (Concluded)

Capital assets of the primary government are depreciated over the estimated useful lives using the straight-line method. Depreciation of all exhaustible capital assets is recorded as all allocated expense in the Statement of Activities, with the accumulated depreciation reflected in the Statement of Net Position. The estimated useful lives are as follows:

Land improvements	30-50 Years
Buildings	5-100 Years
Building improvements	30-50 Years
Infrastructure	30-125 Years
Equipment	5-30 Years
Furnishings and fixtures	5-30 Years
Vehicles	3-30 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Leases and Subscription-Based Information Technology Arrangements (SBITAs)

The City follows Government Accounting Standards Board (GASB) Statement No. 87 Lease Accounting Standard. Under GASB 87, lessees must recognize a lease liability and a right to use lease in the government-wide financial statements asset for all qualified leases. At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a straight-line basis over the shorter of the asset useful life or lease term.

The City evaluated their current leases and determined there are no material differences that would impact the reliability of the financial statements. The City will evaluate new leases at the lease inception to determine if they will have a material impact on the financial statements.

The City is the lessee for a lease of Subscription-Based Information Technology Arrangements (SBITA). The City recognizes a right-to-use subscription asset – an intangible asset- and a corresponding subscription liability in the government-wide financial statements. At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of the payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the asset useful life or the SBITA term.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Leases and Subscription-Based Information Technology Arrangements (SBITAs) (Concluded)

The City generally uses the incremental borrowing rate for governmental entities as the discount rate for all leases and SBITAs. The City records all material leases and SBITAs. The City will continue to monitor changes in circumstances that would require a remeasurement of its leases and SBITAs and will remeasure amounts if certain changes occur that are expected to significantly affect the recorded amounts.

Deferred Outflows/Inflows of Resources

Government-Wide Statement

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents the consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualifies for reporting in the category. These are the deferred charges on refunding and deferred outflows related to pensions (deferred pension contributions and deferred difference between projected and actuarial earnings on pension plans investments reported in the Statement of Net Position).

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

A deferred pension contribution results from pension contributions subsequent to the measurement date of the pension plan. This amount is deferred and recognized as a component of the change in pension plan liability in the next measurement period. A difference between projected and actuarial earnings on pension plan investments results from actual investment earnings above or below actuarial projected earnings. This item, difference between projected and actuarial earnings on pension plan investments, is deferred and amortized over 5 years in future periods as a component of the pension expense.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Government has only one type of item related to the City's pension plans that qualifies for reporting in this category. A difference between projected and actuarial earnings on pension plan investments results from actual investment earnings above or below actuarial projected earnings. This item, difference between projected and actuarial earnings on pension plan investments, is deferred and amortized over 5 years in future periods as a component of the pension expense.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Concluded)

Fund Financial Statements

The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting as deferred inflows of resources. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for two sources: property taxes and intergovernmental taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Restricted Assets

Certain proceeds of enterprise fund debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited to applicable bond covenants.

Certain resources in the governmental funds are set aside and classified as restricted because their use has been limited by legal or contractual provisions. Additional cash disclosures are presented in Note 3.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, loans payable and accrued compensated absences.

Accumulations for paid time off (PTO) are recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report only the matured compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

Governmental fund equity is classified as fund balance and displayed in five components:

- a. Non-spendable fund balance includes amounts that are not in a spendable form or are required to be maintained intact indefinitely.
- b. Restricted fund balance includes amounts that can be spent only for the specific purpose stipulated by creditors, grantors, contributors, or laws or regulations of other governments.
- c. Committed fund balance includes amounts that can be used only for the specific purposes determined by the City Council through the approval of City ordinances. Commitments may be changed or lifted only by the City Council making the same formal action that imposed the constraint originally.
- d. Assigned fund balance comprises the amounts intended to be used for a specific purpose. Intent can be expressed by the City Council. No formal action is required.
- e. Unassigned fund balance is the residual balance not contained in non-spendable fund balance or restricted fund balance or committed fund balance or assigned fund balance.

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Interfund Transactions

Amounts provided with a requirement for repayment are reported as interfund receivables and payables. Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers.

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 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.

Operating and Non-Operating Revenues and Expenses – Proprietary Funds

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by function:	Current (further classified by character)
	Debt Service
	Capital Outlay

Proprietary Fund – by operating and non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Concluded)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Stewardship, Compliance, and Accountability

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual regulations. An analysis of the City’s compliance with significant laws and regulations and demonstration of its stewardship over City resources follows.

Fund Accounting Requirements

The City complies with all state and local laws and regulations requiring the use of separate funds.

Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements or contractual agreements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Motor Fuel Tax	Projects approved by the State of Illinois
Grants	Grant Program Expenditures
Bond Proceeds	Defeasance of debt and Capital Projects

For the year ended April 30, 2025, the City complied in all material respects with these revenue restrictions.

Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 15, 2025, the date financial statements were available to be issued.

On June 23, 2025, the City Council awarded a contract with Ezell Excavating for the demolition of the building at 307 S. Court Street in the amount of \$139,600.

On July 14, 2025, the City Council approved an ordinance Implementing a Municipal Grocery Retailers’ Occupation Tax and Municipal Grocery Service Occupation Tax for the City of Tuscola. This tax is set to go into effect, and replace, the same tax the State of Illinois repealed, effective January 1, 2026. The passage of this ordinance will preserve the estimated \$95,000 annual sales tax income the City would have lost without the passage of this ordinance.

On July 28, 2025, the City Council approved a quote from Natural Structures for replacement of the swimming pool slide in the amount of \$63,253, as well as, a contract to Akra Builders for renovation of the pool house in the amount of \$577,911. Council further approved for those construction funds to be paid from the Rainy-Day Reserve funds within the City’s General Fund.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 2 - Property Taxes

Property tax bills are prepared by the County and issued on or about May 1 of each year. City property tax revenues are recorded as a receivable when assessed because the City has an enforceable legal claim to the resources. At this time, the receivable is offset by a deferred inflow since this amount is normally not collected within a time period to be available and is intended to finance the operations of fiscal year ending April 30, 2025. Property taxes are recognized during the period for which they are levied.

The due dates and collection period for all property taxes for the fiscal year ended April 30, 2025, are as follows:

<u>Description</u>	<u>Date</u>
Assessment and enforceable lien	January 1, 2024
Levy	December 9, 2024
Face value amount payment dates	1 st half by July 2, 2025 2 nd half by September 2, 2025

No provision has been made for delinquent property taxes since the amount has historically been immaterial to the financial statements.

Note 3 - Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

Deposits and Investments

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's investment policy requires all investments be made in accordance with applicable legal requirements with consideration of investment safety. Accordingly, the City maintains collateral agreements with its financial institutions. Deposits are secured with collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). Every banking institution has FDIC insurance. At each banking institution, time deposit accounts are insured up to \$250,000 by FDIC insurance, and demand accounts are insured up to \$250,000 by FDIC insurance. The City's investment in The Illinois Funds is not subject to custodial credit risk.

All deposits of the City's reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging financial institution's trust department or agent in the name of the City. During the year ended April 30, 2025, the City's cash and cash equivalents consisted of demand deposits, deposits in The Illinois Funds (described below), restricted cash, and petty cash of \$350. At year-end, the carrying amount of the City's demand deposits were \$295,079. The bank balance was subject to deposit risk as follows:

Deposits covered by FDIC insurance	\$ 295,080
Uninsured and collateral held by third party bank in the City's name	<u>0</u>
Total	<u>\$ 295,080</u>

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Deposits and Investments (Concluded)

The City maintains deposits in The Illinois Funds. The activities of The Illinois Funds are governed by the Treasurer’s published investment policies, which were developed in accordance with the State statute. Deposits in The Illinois Funds are valued at share price, the price for which the investment could be sold. As of April 30, 2025, \$9,678,166 was deposited into accounts with The Illinois Funds.

Credit rating risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the City’s investing activities are managed under the custody of the City’s Treasurer. Investing is performed in accordance with investment policies adopted by the City Council, complying with State Statutes. The Illinois Funds investment pools were rated AAmmf by Fitch Ratings, Inc. as of January 2025.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are diversified to minimize the risk of loss resulting from overconcentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Interest rate risk is minimized by having maturities of less than 1 year for 100% of the City’s investments.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City policy states that investments are subject to concentration of credit risk when 5% or more of the total are in securities of a single issuer. As of April 30, 2025, the City’s investment in The Illinois Funds represents more than 5% of the total cash investment portfolio.

Capital Assets

Capital asset activity for the year ended April 30, 2025, was as follows:

Governmental Activities:	Balance			Balance
	May 1, 2024	Increases	Decreases	April 30, 2025
Capital assets, not being depreciated:				
Land	\$ 1,944,381	\$ 6,180	\$ 0	\$ 1,950,561
Land-Rights of way	1,406,548	0	0	1,406,548
Total capital assets, not being depreciated	<u>3,350,929</u>	<u>6,180</u>	<u>0</u>	<u>3,357,109</u>
Capital assets, being depreciated:				
Land improvements	3,379,973	5,659	19,993	3,365,639
Buildings	9,101,874	1,430,631	0	10,532,505
Infrastructure	28,710,757	148,795	58,870	28,800,682
Equipment & Vehicles	3,572,926	105,346	267,447	3,410,825
Intangible asset-RTU, SBITA Software	89,472	0	0	89,472
PME-Portable Machinery/Equip	1,214,537	95,721	137,512	1,172,746
Library Collection	370,592	13,390	20,124	363,858
Totals at historical cost	<u>46,440,131</u>	<u>1,799,542</u>	<u>503,946</u>	<u>47,735,727</u>

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Capital Assets (Continued)

Governmental Activities (Concluded):

Less accumulated depreciation:

Land improvements	1,278,404	140,096	19,993	1,398,507
Buildings	3,194,467	194,331	0	3,388,798
Infrastructure	11,009,354	530,687	58,870	11,481,171
Equipment & Vehicles	1,874,944	175,427	246,294	1,804,077
PME-Portable Machinery/Equip	967,032	53,816	133,156	887,692
Intangible asset-SBITA Software	5,965	17,894	0	23,859
Library Collection	314,209	16,386	20,124	310,471
Total accumulated depreciation	<u>18,644,375</u>	<u>1,128,637</u>	<u>478,437</u>	<u>19,294,575</u>
Total capital assets, being depreciated, net	<u>27,795,756</u>	<u>670,905</u>	<u>25,509</u>	<u>28,441,152</u>

GOVERNMENTAL

ACTIVITIES CAPITAL

ASSETS, NET

\$ 31,146,685	\$ 677,085	\$ 25,509	\$ 31,798,261
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Depreciation expense was charged to governmental activities as follows:

General government	\$ 66,729
Public Safety	180,852
Public Works	653,409
Culture and Recreation	<u>227,647</u>
Total Depreciation Expense	
Governmental Activities	<u>\$ 1,128,637</u>

	Balance			Balance
Business-Type Activities:	May 1, 2024	Increases	Decreases	April 30, 2025
Capital assets, not being depreciated:				
Land	\$ 637,198	\$ 0	\$ 0	\$ 637,198
Construction in Progress	<u>152,062</u>	<u>1,387,858</u>	<u>0</u>	<u>1,539,920</u>
Total capital assets, not being depreciated	<u>789,260</u>	<u>1,387,858</u>	<u>0</u>	<u>2,177,118</u>
Capital assets, being depreciated:				
Infrastructure	7,300,494	165,600	0	7,466,094
Plant/mechanical	11,689,328	31,298	2,674	11,717,952
Vehicles & equipment	361,549	69,641	0	431,190
PME-Portable Machinery/Equip	86,180	4,277	40,740	49,717
Totals at historical cost	<u>19,437,551</u>	<u>270,816</u>	<u>43,414</u>	<u>19,664,953</u>

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Capital Assets (Concluded)

Business-Type Activities (Concluded):

Less accumulated depreciation:

Infrastructure	4,513,251	202,830	0	4,716,081
Plant/mechanical	7,939,278	312,407	2,674	8,249,011
Vehicles & equipment	78,266	22,524	0	100,790
PME-Portable Machinery/Equip	<u>73,334</u>	<u>8,465</u>	<u>40,740</u>	<u>41,059</u>
Total accumulated depreciation	<u>12,604,129</u>	<u>546,226</u>	<u>43,414</u>	<u>13,106,941</u>
Total capital assets, being depreciated, net	<u>6,833,422</u>	<u>(275,410)</u>	<u>0</u>	<u>6,558,012</u>

BUSINESS-TYPE ACTIVITIES CAPITAL

ASSETS, NET	<u>\$ 7,622,682</u>	<u>\$ 1,112,448</u>	<u>\$ 0</u>	<u>\$ 8,735,130</u>
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Depreciation expense was charged to business-type activities as follows:

Water	\$ 239,270
Sewer	<u>306,956</u>
 Total Depreciation Expense Business-type Activities	 \$ <u>546,226</u>

Subscription Based Information Technology Arrangement

The City has one qualifying subscription-based information technology arrangement (SBITA) with Motorola Solutions under GASB 96 in which it is acting as the lessee. The City generally records subscription liabilities and right to use subscription assets based on the present value of payments (as lessee), over the non-cancellable terms of the respective leases. Renewal and termination options are not included in the lease terms unless they are reasonably certain of exercise. Variable payments that are not fixed in nature are not included in the SBITA liability. The City generally uses the incremental borrowing rate (IBR) for governmental entities as the discount rate for all leases.

As of April 30, 2025, the schedule fiscal year maturities of SBITA liabilities and related interest expenses are as follows:

<u>Year</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 14,628	\$ 1,356
2027	15,066	918
2028	<u>15,519</u>	<u>466</u>
	<u>\$ 45,213</u>	<u>\$ 2,740</u>

Accounts Payable

Payables in the governmental and proprietary funds are composed of payables to vendors and accrued expenditures.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Long-Term Liabilities

The City's long-term liabilities are segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities

As of April 30, 2025, the governmental long-term liabilities consisted of the following:

Accrued compensated absences:	
Current portion	\$ 19,967
Noncurrent portion	<u>59,222</u>
Total Accrued Compensated Absences	<u>\$ 79,189</u>

Business-Type Activities

As of April 30, 2025, the long-term liabilities payable from proprietary fund resources consisted of the following:

Loans payable:	
Current portion	\$ 72,065
Noncurrent portion	<u>682,695</u>
Total Loans Payable Payments	<u>\$ 754,760</u>
Accrued compensated absences:	
Current portion	\$ 5,266
Noncurrent portion	<u>10,363</u>
Total Accrued Compensated Absences	<u>\$ 15,629</u>

Loans Payable

Illinois Environmental Protection Agency – On October 1, 2014, the City entered into a loan agreement (Project L17-3758) in the amount of \$948,769, including capitalized interest of \$22,516, with the Illinois Environmental Protection Agency to finance the acquisition and installation of various capital projects to increase capacity in the water supply lines in the central/west side of the City. \$228,896 of the loan agreement will not be repaid as it was forgiven by the Illinois Environmental Protection Agency. Interest is charged at a rate 1.25%. Interest paid on said loan is payable on April 24th and October 24th in each year until paid. Both principal and interest on said loan shall be payable at the office of Amalgamated Bank of Chicago, the authorized trustee of the Illinois Environmental Protection Agency, Water Revolving Fund, in Chicago, Illinois. The note is required to be fully paid within 20 years from the date of issue and is backed by the full faith and credit of the City. The ordinance requires that moneys be accumulated in debt service accounts in the Water Fund, named “Bond and Interest”, which should consist of 1/6th of the interest next due and 1/12th of the principal next due, with a restriction for paying principal and interest on bonds; “Depreciation”, which should consist of 1/120th of 10% of the principal of the bonds per month, with a restriction for extraordinary repairs and maintenance of the system; and “Bond Reserve”, which should consist of 1/24th maximum annual debt service, with a restriction to prevent or remedy payment default.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Long-Term Liabilities (Continued)

Loans Payable (Concluded)

Illinois Environmental Protection Agency – On July 1, 2014, the City entered into a loan agreement (Project L17-4835) in the amount of \$601,231 with the Illinois Environmental Protection Agency to finance the painting and maintenance to the elevated water storage tank. \$150,890 of the loan agreement will not be repaid as it was forgiven by the Illinois Environmental Protection Agency. Interest is charged at a rate 1.25%. Interest paid on said loan is payable on January 14th and July 14th in each year until paid. Both principal and interest on said loan shall be payable at the office of Amalgamated Bank of Chicago, the authorized trustee of the Illinois Environmental Protection Agency, Water Revolving Fund, in Chicago, Illinois. The note is required to be fully paid within 20 years from the date of issue and is backed by the full faith and credit of the City. The ordinance requires that moneys be accumulated in debt service accounts in the Water Fund, named “Bond and Interest”, which should consist of 1/6th of the interest next due and 1/12th of the principal next due, with a restriction for paying principal and interest on bonds; “Depreciation”, which should consist of 1/120th of 10% of the principal of the bonds per month, with a restriction for extraordinary repairs and maintenance of the system; and “Bond Reserve”, which should consist of 1/24th maximum annual debt service, with a restriction to prevent or remedy payment default.

Illinois Environmental Protection Agency – On February 21, 2014, the City entered into a loan agreement (Project L17-3671) in the amount of \$238,466 with the Illinois Environmental Protection Agency to finance the wastewater supply system project. \$59,987 of the loan agreement will not be repaid as it was forgiven by the Illinois Environmental Protection Agency. Interest is charged at a rate 1.25%. Interest paid on said loan is payable on February 21st and August 21st in each year until paid. Both principal and interest on said loan shall be payable at the office of Amalgamated Bank of Chicago, the authorized trustee of the Illinois Environmental Protection Agency, Water Revolving Fund, in Chicago, Illinois. The note is required to be fully paid within 20 years from the date of issue and is backed by the full faith and credit of the City. The ordinance requires that moneys be accumulated in debt service accounts in the Sewer Fund, named “Bond and Interest”, which should consist of 1/6th of the interest next due and 1/12th of the principal next due, with a restriction for paying principal and interest on bonds; “Depreciation”, which should consist of 1/120th of 10% of the principal of the bonds per month, with a restriction for extraordinary repairs and maintenance of the system; and “Bond Reserve”, which should consist of 1/24th maximum annual debt service, with a restriction to prevent or remedy payment default.

Illinois Environmental Protection Agency – On June 26, 2024, the City entered into a loan agreement (Project L17-3672) in the amount of \$1,300,462 with the Illinois Environmental Protection Agency to finance the public water supply system project. \$650,231 of the loan agreement will not be repaid as it was forgiven by the Illinois Environmental Protection Agency. Interest is charged at a rate 1.36%. Interest paid on said loan is payable on May 25th and November 25th in each year until paid. Both principal and interest on said loan shall be payable at the office of Amalgamated Bank of Chicago, the authorized trustee of the Illinois Environmental Protection Agency, Water Revolving Fund, in Chicago, Illinois. The note is required to be fully paid within 20 years from the date of issue and is backed by the full faith and credit of the City. This loan is currently in the draw period, as the construction of the project continues. At April 30, 2025, the City had drawn \$768,012 of this loan. The principal forgiveness of \$650,231 was reported as grant income in the fiscal year ending April 30, 2025, leaving a liability of \$117,781.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Long-Term Liabilities (Concluded)

Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended April 30, 2025:

Type of Liability:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
SBITAs	59,414	0	(14,201)	45,213	14,628
Accrued compensated Absences	<u>77,470</u>	<u>164,977</u>	<u>(163,258)</u>	<u>79,189</u>	<u>19,967</u>
TOTAL GENERAL LONG- TERM LIABILITIES	<u>\$ 136,884</u>	<u>\$ 164,977</u>	<u>\$(177,460)</u>	<u>\$ 124,401</u>	<u>\$ 34,595</u>
Business-type activities:					
<i>Loans payable:</i>					
Project L17-3758	387,312	0	(38,644)	348,668	39,129
Project L17-4835	233,064	0	(23,254)	209,810	23,546
Project L17-3671	87,775	0	(9,274)	78,501	9,390
Project L17-3672	0	768,012	(650,231)	117,781	0
<i>Total loans payable</i>	<u>708,151</u>	<u>768,012</u>	<u>(721,403)</u>	<u>754,760</u>	<u>72,065</u>
Accrued compensated Absences	<u>19,018</u>	<u>33,386</u>	<u>(36,775)</u>	<u>15,629</u>	<u>5,266</u>
TOTAL BUSINESS LONG- TERM LIABILITIES	<u>\$ 727,169</u>	<u>\$ 801,398</u>	<u>\$(758,178)</u>	<u>\$ 770,389</u>	<u>\$ 77,330</u>

Annual Debt Service Requirements

The annual debt service requirements to maturity for bonds and loans as of April 30, 2025, are as follows:

Year	Business-Type Activities	
	Principal	Interest
2026	\$ 72,065	\$ 7,737
2027	72,969	6,834
2028	73,883	5,919
2029	74,809	4,992
2030	75,748	4,055
2031-2035	267,505	6,634
IEPA loan not finalized	117,781	n/a
	<u>\$ 754,760</u>	<u>\$ 36,171</u>

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Legal Debt Margin

2023 Equalized Assessed Valuation	\$	89,881,771
		<u>8.625%</u>
Legal Debt Margin		<u>7,752,303</u>
Margin Used		<u>754,760</u>
Margin Remaining	\$	<u><u>6,997,543</u></u>

Accrued Compensated Absences

Compensated absence obligations arise from amounts due to City employees for vested amounts of vacation pay and sick pay which will be payable in the future. Typically, the compensated absence obligations have been paid by the General Fund, Tax Increment Financing Fund, Tourism Fund, Library Fund, Water Fund and Sewer Fund. Amounts accrued at April 30, 2025, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accrued paid time off	\$ 79,189	\$ 15,629
Less current portion	(19,967)	(5,266)
LONG-TERM PORTION	<u>\$ 59,222</u>	<u>\$ 10,363</u>

Other Post-Employment Benefits (OPEB)

The City does not maintain a retiree healthcare plan. The City is not required by law or contractual agreement to provide funding for retiree health costs other than the pay-as-you-go amount necessary to provide current benefits to retirees. Any participating retired plan members would contribute 100 percent of their premium costs. An implicit rate subsidy exists though any retirees would contribute 100 percent of their premium because of the pooled aspects of providing health benefit coverage. The subsidy is generated as a result of the basic nature of insurance – one risk group subsidizes another to arrive at a blended premium. In all likelihood, current employees who are young and healthy subsidize older retirees. The City has no unionized workers and contribution requirements can be changed by the City Council at any time.

The City has one retiree included in its healthcare premiums at April 30, 2025 or during the year ending April 30, 2025. As a result, the City’s implicit liability is some minimal amount below what is considered material for purposes of this audit report for the year ending April 30, 2025.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Revenues Due From County and State Governments

The following is a breakdown of the amounts due from the County and State governments in the government-wide financial statements at April 30, 2025:

<u>Douglas County</u>	
Property taxes	\$ 1,068,564
Police fines	1,131
Total	<u>\$ 1,069,695</u>
<u>State of Illinois</u>	
Sales tax	\$ 192,181
Home rule sales tax	70,344
Income tax	145,074
Corporate pers. repl. tax	15,485
Gaming tax	35,715
Cannabis tax	571
Motor fuel tax	16,757
Total	<u>\$ 476,127</u>

Tax Increment Financing Loans Receivable

On June 25, 2018, the City Council approved a loan agreement with Austin Apgar for \$50,120. At April 30, 2025, the agreement has expired, no business had been opened on the site and the loan balance remains at \$34,942. No interest has been charged on the loan and no payments have been received since August of 2019.

The City Council approved to lease the building at 100 N. Main St to Bend in the River, Inc. on a month-to-month basis for \$150 per month.

Tax Increment Financing Loan Project

The City approved and adopted tax increment financing in accordance with the terms of the Tax Increment Allocation Redevelopment Act of the State of Illinois. Accordingly, the City has adopted a redevelopment plan and project and designated a project area in compliance with the conditions of the Act. Under this plan, any increase in Property Tax incurred over the base amount on the date of enactment of the project will be allocated exclusively to the project area for purpose of economic development.

These tax increments collected under the Act and paid to the City will be deposited in a special fund designated as “The Special Tax Allocation Fund for the Tuscola Redevelopment Project Area”.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Continued)

Tax Increment Other Redevelopment Agreements and Commitments

On February 14, 2011, a TIF District #3 was established at Barker and Prairie Streets so that a subdivision of single-family housing can be built there. On October 10, 2011, the City Council entered into a redevelopment agreement with Owen Tucker for the development of the lots. The agreement with Owen Tucker provided for a 60% tax rebate for properties developed between Barker, Newkirk, Prairie and Enterprise streets, up to 50% of the total project costs, or \$399,346. At April 30, 2025, \$282,728 had been rebated to Tucker for this portion of the agreement, leaving \$116,618 owed to Tucker from future years' property taxes. During the year ended April 30, 2025, the City remitted \$41,372 for the property tax abatement.

Concentrated Credit Risk

The City's Water and Sewer Funds are principally engaged in the business of providing water and sewer services to City residents. The Water and Sewer Fund's give credit to customers for water and sewer service provided, with payment terms normal in the industry. The Water and Sewer Fund's ability to collect the amounts due from customers may be affected by general economic fluctuations in the City and the surrounding geographic area. The City has established an allowance for doubtful accounts in the Water Fund of \$4,000 and in the Sewer Fund of \$5,000 as of April 30, 2025.

Joint Venture

On May 10, 1993, the City of Tuscola entered into an intergovernmental agreement with the City of Arcola and Cabot Corporation to construct, maintain and operate a newly constructed water main. The purpose of this water main is to provide the cities, as well as Cabot Corporation and several residences, water from Northern Illinois Water Corporation. This agreement had an original term of 10 years beginning on May 10, 1993, and automatically renews every 5 years. The maximum total term is not to exceed 40 years. Each of the Cities designates 3 representatives to serve on the Tuscola-Arcola Water Main board. The mayor or administrator of the host City serves as the chairperson (with tiebreaker voting ability). The host City alternates with each meeting. The capital budgets for construction of this water main were funded 55% by the City of Tuscola and 45% by the City of Arcola, with Cabot Corporation reimbursing 12.5% of the total cost of construction up to a maximum of \$450,000.

Each member agency (the Cities of Arcola and Tuscola) holds an equity interest in the water main capital assets according to each Cities share of water usage for the prior year and the proportion of funding provided by each City during a year. At April 30, 2025 the City of Tuscola's equity interest was 53.34%, or \$321,321, which is reported in the Proprietary Funds as investment in joint venture.

A copy of the separate unaudited financial statements for Tuscola-Arcola Water Main may be obtained from the City of Tuscola, 214 N. Main Street, Tuscola, IL 61953. The responsibility for maintaining books and records for the joint venture is shared between the Cities.

Summary financial information for the Tuscola-Arcola Water Main as of and for the year ended April 30, 2025 is provided below.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 3 - Detail Notes on Transaction Classes/Accounts (Concluded)

Joint Venture (Concluded)

Financial Position as of April 30, 2025

Cash	\$ 601,990
Accounts Receivable- customers	429
Total assets	<u>\$ 602,419</u>
Total equity	<u>\$ 602,419</u>

Results of Operations for Fiscal Year Ending April 30, 2025

Total revenues	\$ 818,425
Total expenditures	<u>(426,337)</u>
Net income (loss)	392,088
Beginning total equity	573,909
Surplus Distributions	<u>(363,578)</u>
Ending Total Equity	<u>\$ 602,419</u>

Economic Dependency

The City of Tuscola receives its income primarily from local property taxes and state sales tax. There are a few large businesses that provide the City of Tuscola a significant amount of this revenue and would negatively impact their operations if they were to close.

Rebuild IL Bond Fund Grant

The City has received \$295,250 from the Rebuild IL grant. The City plans to use the money to resurface South Washington Street and Parke Street. The grant money is shown in a restricted cash account until the money is spent.

Note 4 - Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by Nationwide Retirement Solutions. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Contributions to the plan are recorded on the City's books as current salaries expenditures. All assets and income of the plan are held in trust by the plan administrator for the exclusive benefit of the participants and their beneficiaries. The City does not take an active role in the managing of the plan assets. Therefore, in accordance with GASB Statement No. 32, the deferred compensation plan is not reported in the City's financial statements.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 5 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City obtains coverage from commercial insurance companies to handle the risk of loss. There have been no decreases in insurance coverage from the prior year. There have been no settlements in excess of insurance coverage during the prior ten years.

Illinois Municipal League Risk Management Association - The City participates in the Illinois Municipal League Risk Management Association (IMLRMA). IMLRMA is an organization of municipalities in Illinois that have formed an association under the Illinois Intergovernmental Corporation Statute to pool its risk management needs. The pool is self-sustaining through member premiums and provides the following types of coverage: workmen's compensation, auto liability & comprehensive general liability, portable equipment, auto physical damage and property. An annual premium is charged to cover expected claims and administrative costs. The City and any other participating entities are subject to cover loss experiences that exceed predictions through additional premiums. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City.

Note 6 - Commitments and Contingencies

Grant Contingencies

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Commitments for future projects

- The City committed to pay Swingler Construction for the remodel of the Police Department for \$740,260. This project was still in progress at April 30, 2025 and had \$196,367 remaining to pay on the contract.
- The City committed to a project for the Meadowview Water Mains with C&S Companies for \$929,298. This project was still in progress at April 30, 2025 and had \$84,465 remaining to pay on the contract.
- The City committed to a Master Meter Station project to be completed by Grunloh Building, Inc. for \$670,105. This project was still in progress at April 30, 2025 and had \$385,104 remaining to pay on the contract.

Other Commitments

On March 25, 2024, the City Council approved an agreement with the Douglas County Economic Development Corporation for purposes of the City employing an economic development director position as its annual funding commitment to the organization at an amount not to exceed \$50,000 per year, effective January 1, 2024. On March 25, 2024, the City Council approved a second agreement to address the funding of an assistant director dedicated to promoting economic development, tourism, marketing and other promotional activities with an annual funding commitment of \$35,000 per year, effective January 1, 2024.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 7 - Pension Plan

IMRF Plan Description

The City’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	26
Inactive Plan Members entitled to but not yet receiving benefits	13
Active Plan Members	<u>26</u>
	65

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 7 - Pension Plan (Continued)

Contributions

As set by statute, the City's Regular Plan Members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2024 was 3.01 percent. For the fiscal year ended April 30, 2025, the City contributed \$60,919 to the plan. The accounting for the pension plan is done on a calendar year basis. No adjustment has been reflected in the notes or the financial statements for any difference that may result from the City being on an April fiscal year-end. Any difference in timing is considered to be immaterial. 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 the IMRF 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, 2024. 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, 2024:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from year 2020 to 2022.
- Mortality for **non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- Mortality for **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021
- Mortality for **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 7 - Pension Plan (Continued)

Actuarial Assumptions (Concluded)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2024:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.5 %	4.35 %
International Equity	18.0 %	5.40 %
Fixed Income	24.5 %	5.20 %
Real Estate	10.5 %	6.40 %
Alternative Investments	12.5 %	4.85-6.25 %
Cash Equivalents	1.0 %	3.60 %
Total	100.0 %	

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 the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 7 - Pension Plan (Continued)

Changes in the Net Pension Liability

	Total		
	Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Asset
	(A)	(B)	(A) - (B)
Balances at December 31, 2023	\$10,209,834	\$10,408,417	(198,583)
Changes for the year:			
Service Cost	149,627	0	149,627
Interest on the Total Pension Liability	730,925	0	730,925
Changes of Benefit Terms	0	0	0
Differences Between Expected and Actual Experience of the Total Pension Liability	9,566	0	9,566
Changes of Assumptions	0	0	0
Contributions - Employer	0	55,521	(55,521)
Contributions - Employees	0	83,818	(83,818)
Net Investment Income	0	964,548	(964,548)
Benefit Payments, including Refunds of Employee Contributions	(405,838)	(405,838)	0
Other (Net Transfer)	0	73,978	(73,978)
Net Changes	484,280	772,027	(287,747)
Balances at December 31, 2024	\$10,694,114	\$11,180,444	(486,330)

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

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:

	<u>1% Lower</u>	<u>Current Discount</u>	<u>1% Higher</u>
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
Net Pension Liability	<u>\$ 675,780</u>	<u>\$ (486,330)</u>	<u>(\$ 1,430,322)</u>

CITY OF TUSCOLA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Note 7 - Pension Plan (Concluded)

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

At April 30, 2025, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>			
Differences between expected and actual experience	\$ 177,977	\$ 2,185	\$ 175,792
Changes of assumptions	0	3,652	(3,652)
Net difference between projected and actual earnings on pension plan investments	757,561	513,327	244,234
Total Deferred Amounts to be recognized in pension expense in future periods	935,538	519,164	416,374

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>Deferred Outflows of Resources</u>
2025	\$ 177,388
2026	343,629
2027	(62,595)
2028	(42,048)
2029	0
Thereafter	0
Total	\$ 416,374

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TUSCOLA

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS**

Calendar Years Ending December 31,	2024	2023	2022	2021
Total Pension Liability				
Service Cost	\$ 149,627	\$ 145,457	\$ 149,289	\$ 142,719
Interest on the Total Pension Liability	730,925	687,798	643,184	612,777
Difference between Expected and Actual Experience of the Total Pension Liability	9,566	157,456	179,264	(11,117)
Changes of Assumption	-	(6,074)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(405,838)	(377,885)	(331,024)	(325,494)
Net Change in Total Pension Liability	484,280	606,752	640,713	418,885
Total Pension Liability - Beginning	10,209,834	9,603,082	8,962,369	8,543,484
Total Pension Liability - Ending (A)	<u>\$10,694,114</u>	<u>\$10,209,834</u>	<u>\$ 9,603,082</u>	<u>\$ 8,962,369</u>
 Plan Fiduciary Net Position				
Contributions - Employer	\$ 55,521	\$ 71,260	\$ 96,450	\$ 120,425
Contributions - Employees	83,818	77,271	72,098	69,565
Net Investment Income	964,548	974,270	(1,128,269)	1,488,322
Benefit Payments, Including Refunds of Employee Contributions	(405,838)	(377,885)	(331,024)	(325,494)
Other (Net Transfer)	73,978	301,120	22,882	(9,766)
Net Change in Plan Fiduciary Net Position	772,027	1,046,036	(1,267,863)	1,343,052
Plan Fiduciary Net Position - Beginning	10,408,417	9,362,381	10,630,244	9,287,192
Plan Fiduciary Net Position - Ending (B)	<u>11,180,444</u>	<u>10,408,417</u>	<u>9,362,381</u>	<u>10,630,244</u>
Net Pension Liability/(Asset) - Ending (A) - (B)	<u>\$ (486,330)</u>	<u>\$ (198,583)</u>	<u>\$ 240,701</u>	<u>\$ (1,667,875)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability Covered Valuation Payroll	104.55%	101.95%	97.49%	118.61%
	\$ 1,844,559	\$ 1,717,132	\$ 1,602,169	\$ 1,545,888
 Net Pension Liability as a Percentage of Covered Valuation Payroll	-26.37%	-11.56%	15.02%	-107.89%

2020	2019	2018	2017	2016	2015
\$ 139,636	\$ 145,172	\$ 125,868	\$ 136,805	\$ 128,500	\$ 135,003
580,800	557,721	532,034	520,082	490,430	464,222
90,241	(69,467)	16,047	(9,126)	34,719	(9,272)
(46,822)	-	204,785	(208,863)	(8,687)	8,307
(323,170)	(301,487)	(277,452)	(270,697)	(254,268)	(219,403)
440,685	331,939	601,282	168,201	390,694	378,857
8,102,799	7,770,860	7,169,578	7,001,377	6,610,683	6,231,826
<u>\$ 8,543,484</u>	<u>\$ 8,102,799</u>	<u>\$ 7,770,860</u>	<u>\$ 7,169,578</u>	<u>\$ 7,001,377</u>	<u>\$ 6,610,683</u>
\$ 122,997	\$ 99,796	\$ 126,735	\$ 118,904	\$ 119,261	\$ 127,492
67,996	66,335	60,671	60,253	65,588	56,574
1,131,414	1,254,604	(330,034)	1,095,323	423,784	30,553
(323,170)	(301,487)	(277,452)	(270,697)	(254,268)	(219,403)
64,172	(9,052)	93,880	(59,453)	51,594	(33,907)
1,063,409	1,110,196	(326,200)	944,330	405,959	(38,691)
8,223,783	7,113,587	7,439,787	6,495,457	6,089,498	6,128,189
9,287,192	8,223,783	7,113,587	7,439,787	6,495,457	6,089,498
<u>\$ (743,708)</u>	<u>\$ (120,984)</u>	<u>\$ 657,273</u>	<u>\$ (270,209)</u>	<u>\$ 505,920</u>	<u>\$ 521,185</u>
108.70%	101.49%	91.54%	103.77%	92.77%	92.12%
\$ 1,511,021	\$ 1,474,107	\$ 1,348,242	\$ 1,262,251	\$ 1,208,310	\$ 1,257,207
-49.22%	-8.21%	48.75%	-21.41%	41.87%	41.46%

CITY OF TUSCOLA

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a Percentage of Covered Valuation Payroll
2015	122,452	127,492	(5,040)	1,257,207	10.14%
2016	119,260	119,261	(1)	1,208,310	9.87%
2017	118,904	118,904	-	1,262,251	9.42%
2018	126,735	126,735	-	1,348,242	9.40%
2019	99,797	99,796	1	1,474,107	6.77%
2020	122,997	122,997	-	1,511,021	8.14%
2021	120,425	120,425	-	1,545,888	7.79%
2022	96,451	96,450	1	1,602,169	6.02%
2023	71,261	71,260	1	1,717,132	4.15%
2024	55,625	55,625	-	1,848,012	3.01%

Notes to Schedule:

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

Methods and Assumptions Used to Determine 2024 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): 19-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 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).
- Asset Valuation Method:* 5-year smoothed market; 20% corridor
- Wage Growth :* 2.75%
- Price Inflation:* 2.25%
- Salary Increases:* 2.75% to 13.75%, including inflation
- Investment Rate of Return:* 7.25%
- Retirement Age:* Experience-based table of rate that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.

CITY OF TUSCOLA

SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONCLUDED)

Methods and Assumptions Used to Determine 2024 Contribution Rates (Concluded):

Mortality:

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the PUB-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes: There were no benefit changes during the year.

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2025**

	Original & Final Budget	Actual	Over (Under)
Revenues			
Property taxes	\$ 741,313	\$ 743,888	\$ 2,575
Sales taxes	1,883,500	1,754,606	(128,894)
State income taxes	770,000	826,767	56,767
Replacement taxes	115,000	56,699	(58,301)
Video gaming taxes	170,000	182,721	12,721
Fines and fees	37,500	31,151	(6,349)
Rent	14,000	12,990	(1,010)
Licenses and permits	39,100	51,629	12,529
Grant income	101,000	114,217	13,217
Franchise fees	30,000	31,195	1,195
Fire insurance	15,000	16,329	1,329
Pool income	73,900	58,026	(15,874)
Interest income	343,750	240,754	(102,996)
Miscellaneous	218,326	206,773	(11,553)
Total Revenues	4,552,389	4,327,745	(224,644)
Expenditures			
General government:			
Salaries - city officials and other	500,000	292,587	(207,413)
Payroll taxes	66,000	22,151	(43,849)
Employee benefits	175,000	50,348	(124,652)
Professional fees	275,000	94,423	(180,577)
Office and general expenses	247,500	28,391	(219,109)
Insurance	91,500	44,133	(47,367)
Publications	40,000	22,880	(17,120)
Maintenance	27,500	4,897	(22,603)
Utilities	55,000	19,329	(35,671)
Animal and bird control	280,000	14,415	(265,585)
Travel, training and education	30,000	4,463	(25,537)
Community activity subsidy	300,000	99,475	(200,525)
Substance abuse program	7,000	1,836	(5,164)
Miscellaneous	85,000	3,884	(81,116)
Total Expenditures - General Government	2,179,500	703,212	(1,476,288)

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Expenditures (continued)			
Public safety:			
Fire protection:			
Salaries	300,000	154,196	(145,804)
Payroll taxes	32,500	12,737	(19,763)
Employee benefits	10,000	1,054	(8,946)
Subscriptions	5,000	1,706	(3,294)
Special bequests	50,000	9,172	(40,828)
Utilities	20,000	20,337	337
Travel, training and education	25,000	7,133	(17,867)
Office and general expenses	25,000	8,928	(16,072)
Uniforms	25,000	939	(24,061)
Repairs and maintenance	285,000	49,979	(235,021)
Supplies and parts	125,000	39,860	(85,140)
Fire prevention	5,000	2,024	(2,976)
Miscellaneous	5,000	818	(4,182)
Total Expenditures - Fire Protection	<u>912,500</u>	<u>308,883</u>	<u>(603,617)</u>

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Expenditures (continued)			
Public safety (continued):			
Police protection:			
Salaries	825,000	590,686	(234,314)
Payroll taxes	25,000	11,927	(13,073)
Employee benefits	400,000	181,483	(218,517)
Communications	25,000	10,388	(14,612)
Office and general expenses	25,000	10,393	(14,607)
Uniforms	15,000	7,246	(7,754)
Repairs and maintenance	235,000	70,879	(164,121)
Utilities	25,000	8,009	(16,991)
Subscriptions	50,000	26,776	(23,224)
Travel, training and education	75,000	3,855	(71,145)
Drug fund	20,000	530	(19,470)
K-9 unit	10,000	-	(10,000)
Miscellaneous	20,000	4,029	(15,971)
Total Expenditures - Police Protection	<u>1,750,000</u>	<u>926,201</u>	<u>(823,799)</u>
Building inspection:			
Salaries	102,500	68,412	(34,088)
Payroll taxes	8,500	4,848	(3,652)
Employee benefits	57,500	33,202	(24,298)
Insurance	500	100	(400)
Office and general expenses	22,500	6,113	(16,387)
Travel, training and education	5,000	25	(4,975)
Professional fees	120,000	2,681	(117,319)
Repairs and maintenance	45,000	1,246	(43,754)
Miscellaneous	1,500	22	(1,478)
Total Expenditures - Building Inspection	<u>363,000</u>	<u>116,649</u>	<u>(246,351)</u>
Total Expenditures - Public Safety	<u>3,025,500</u>	<u>1,351,733</u>	<u>(1,673,767)</u>

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Expenditures (continued)			
Public works:			
Streets and alleys:			
Salaries	620,000	334,741	(285,259)
Payroll taxes	45,000	25,244	(19,756)
Employee benefits	235,000	106,784	(128,216)
Communications	5,000	1,506	(3,494)
Travel, training and education	5,000	208	(4,792)
Vehicle fuel	50,000	19,878	(30,122)
Vehicle maintenance	150,000	33,299	(116,701)
Utilities	150,000	62,915	(87,085)
Small equipment	55,000	6,472	(48,528)
Supplies and parts	20,000	4,993	(15,007)
Repairs and maintenance	300,000	8,542	(291,458)
Street, alley and curb maintenance	300,000	26,100	(273,900)
Sidewalks	25,000	-	(25,000)
Miscellaneous	5,000	333	(4,667)
Total Expenditures - Streets and Alleys	<u>1,965,000</u>	<u>631,015</u>	<u>(1,333,985)</u>
 Total Expenditures - Public Works	 <u>1,965,000</u>	 <u>631,015</u>	 <u>(1,333,985)</u>

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2025**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Expenditures (continued)			
Culture and recreation:			
Park:			
Salaries	222,500	93,313	(129,187)
Payroll taxes	17,500	7,259	(10,241)
Employee benefits	95,000	28,098	(66,902)
Repairs and maintenance	115,000	23,273	(91,727)
Communications	5,000	478	(4,522)
Travel, training and education	5,000	-	(5,000)
Utilities	50,000	17,015	(32,985)
Supplies and parts	41,500	10,374	(31,126)
Miscellaneous	25,000	539	(24,461)
Total Expenditures - Park	<u>576,500</u>	<u>180,349</u>	<u>(396,151)</u>
Pool:			
Salaries	125,000	70,863	(54,137)
Payroll taxes	12,500	6,023	(6,477)
Supplies	60,000	15,014	(44,986)
Repairs and maintenance	130,000	6,685	(123,315)
Advertising	5,000	15	(4,985)
Communications	5,000	1,896	(3,104)
Training	15,000	1,500	(13,500)
Utilities	35,000	18,360	(16,640)
Miscellaneous	20,000	424	(19,576)
Total Expenditures - Pool	<u>407,500</u>	<u>120,780</u>	<u>(286,720)</u>
Total Expenditures - Culture and Recreation	<u>984,000</u>	<u>301,129</u>	<u>(682,871)</u>

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONCLUDED)
FOR THE YEAR ENDED APRIL 30, 2025**

	Original & Final Budget	Actual	Over (Under)
Expenditures (concluded)			
Development:			
Salaries	250,000	121,140	(128,860)
Payroll Taxes	56,500	17,606	(38,894)
Employee Benefits	75,000	39,668	(35,332)
Economic development	2,000,000	-	(2,000,000)
Total Expenditures - Development	2,381,500	178,414	(2,203,086)
Capital outlay:			
General government	500,000	7,645	(492,355)
Fire protection	3,000,000	408,017	(2,591,983)
Police protection	3,000,000	938,387	(2,061,613)
Building inspection	75,000	6,180	(68,820)
Streets and alleys	3,000,000	305,992	(2,694,008)
Municipal building	1,000,000	-	(1,000,000)
Park	1,000,000	5,659	(994,341)
Pool	500,000	35,112	(464,888)
Total Expenditures - Capital Outlay	12,075,000	1,706,992	(10,368,008)
Total Expenditures	22,610,500	4,872,495	(17,738,005)
Excess (deficiency) of revenues over (under) expenditures	\$ (18,058,111)	(544,750)	\$ 17,513,361
Fund Balances - Beginning		6,598,752	
Fund Balances - Ending		\$ 6,054,002	

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - TAX INCREMENT FINANCING FUND
FOR THE YEAR ENDED APRIL 30, 2025**

	Original & Final Budget	Actual	Over (Under)
Revenues			
Property taxes	\$ 62,000	\$ 68,954	\$ 6,954
Total Revenues	62,000	68,954	6,954
Expenditures			
Current:			
Development	1,540,000	55,639	(1,484,361)
Capital outlay	50,000	-	(50,000)
Total Expenditures	1,590,000	55,639	(1,534,361)
Excess (deficiency) of revenues over (under) expenditures	(1,528,000)	13,315	1,541,315
Fund Balances - Beginning		(1,162,471)	
Fund Balances - Ending		\$ (1,149,156)	

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2025**

	Original & Final Budget	Actual	Over (Under)
Revenues			
Motor fuel tax	\$ 203,000	\$ 209,541	\$ 6,541
Interest income	20,300	36,012	15,712
Total Revenues	223,300	245,553	22,253
Expenditures			
Current:			
Public works	2,000,000	-	(2,000,000)
Debt service:			
Principal	500,000	-	(500,000)
Interest expense	150,000	-	(150,000)
Capital outlay	2,500,000	85,340	(2,414,660)
Total Expenditures	5,150,000	85,340	(5,064,660)
Excess (deficiency) of revenues over (under) expenditures	\$ (4,926,700)	160,213	\$ 5,086,913
Fund Balances - Beginning		861,520	
Fund Balances - Ending		\$ 1,021,733	

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - TOURISM FUND
FOR THE YEAR ENDED APRIL 30, 2025**

	Original & Final Budget	Actual	Over (Under)
Revenues			
Sales taxes - city	\$ 180,000	\$ 167,138	\$ (12,862)
Fines and fees	8,000	11,433	3,433
Interest income	10,000	17,295	7,295
Total Revenues	198,000	195,866	(2,134)
Expenditures			
Current:			
Development	1,044,500	202,785	(841,715)
Capital outlay	150,000	-	(150,000)
Total Expenditures	1,194,500	202,785	(991,715)
Excess (deficiency) of revenues over (under) expenditures	\$ (996,500)	(6,919)	\$ 989,581
Fund Balances - Beginning		359,768	
Fund Balances - Ending		\$ 352,849	

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

CITY OF TUSCOLA

**BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND
FOR THE YEAR ENDED APRIL 30, 2025**

	Original & Final Budget	Actual	Over (Under)
Revenues			
Property taxes	\$ 206,019	\$ 207,408	\$ 1,389
Replacement taxes	23,000	14,495	(8,505)
Fines and fees	6,600	7,090	490
Memorial funds	1,000	2,325	1,325
Interest income	10,000	12,642	2,642
Grant income	6,800	6,890	90
Miscellaneous	2,000	2,216	216
Total Revenues	255,419	253,066	(2,353)
Expenditures			
Current:			
Culture and recreation	867,500	202,188	(665,312)
Capital outlay	100,000	13,390	(86,610)
Total Expenditures	967,500	215,578	(751,922)
Excess (deficiency) of revenues over (under) expenditures	(712,081)	37,488	749,569
Net Change in Fund Balances	\$ (712,081)	37,488	\$ 749,569
Fund Balances - Beginning		208,826	
Fund Balances - Ending		\$ 246,314	

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

CITY OF TUSCOLA, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1 - Budgets and Budgetary Accounting

The City legally adopts annual budgets for all governmental and proprietary funds. The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. Prior to the end of the first quarter, the City Treasurer submits to the City Council a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means of financing those. The operating budget is the goal that the city department supervisors and council use to manage day to day decisions for the city, but the budgeted items are flexible to be easily changed as operating needs change.
2. Prior to July 31, the appropriations budget is legally enacted through passage of an ordinance. The appropriations ordinance budget sets the absolute legal spending limit for each budgeted line item of the city. There are very few instances that allow a change of the appropriations ordinance budget, so it is imperative that all contingencies are considered prior to the passage of this ordinance. For this reason, the appropriation ordinance contains inflated amounts as the highest possible spending for all contingencies must be planned for in that document.
3. The appropriations ordinance must be available for public inspection for a minimum of 10 days prior to the adoption of the ordinance. Public hearings are conducted by the City to obtain taxpayer comments. At least one public hearing must be held no later than 10 days prior to final approval of the appropriations ordinance. The final proposed document was made available to the public, and its availability publicly announced at a meeting of the city council on June 10, 2024. The appropriation hearing was held on July 8, 2024. The appropriations ordinance for the fiscal year ending April 30, 2025 was adopted on July 8, 2024.
4. The City Treasurer is authorized to transfer appropriated amounts between departments and their line items; however, any revisions that alter the total expenditures must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year; and, the budget is legally adopted. Budget amendments are also legally adopted.
6. The budget is adopted on the modified accrued basis of accounting.

The legal level of control at which expenditures may not legally exceed appropriations is the fund.

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 and Special Revenue Funds. In accordance with generally accepted accounting principles (GAAP), encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. There are no encumbrances at April 30, 2025.

Note 2 - Appropriations Deficit

No funds that adopted budgets annually had excess expenditures over appropriations for the fiscal year ended April 30, 2025.

OTHER SUPPLEMENTARY INFORMATION

CITY OF TUSCOLA

**EQUALIZED ASSESSED VALUATIONS, TAX RATES, TAXES EXTENDED
AND COLLECTED
April 30, 2025**

Tax Year	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Equalized Assessed Valuation (not including TIF Districts)	\$ 104,130,704	\$ 89,881,771	\$ 86,278,578	\$ 64,087,586	\$ 60,574,189
	<i>* 2022- TIF 1 and Amishland TIF both expire with tax year 2022 resulting in large EAV increase</i>				
<u>Tax Rates</u>					
(Per \$100 Equalized Assessed Valuation)					
General corporate	\$ 0.1352	\$ 0.1490	\$ 0.1381	\$ 0.1487	\$ 0.1573
Audit	0.0095	0.0104	0.0104	0.0112	0.0118
Liability insurance	0.0423	0.0466	0.0466	0.0876	0.0926
Social security	0.0615	0.0678	0.0679	0.0731	0.0773
Fire protection	0.1651	0.1820	0.1711	0.1593	0.1686
Parks	0.0611	0.0673	0.0674	0.0725	0.0767
Police protection	0.1648	0.1817	0.1597	0.1470	0.1555
IMRF	0.0422	0.0465	0.0911	0.1105	0.1169
Library	0.2080	0.2293	0.2296	0.2472	0.2615
Workmans compensation	0.0418	0.0460	0.0460	0.0495	0.0523
Total Tax Rate	<u>\$ 0.9315</u>	<u>\$ 1.0266</u>	<u>\$ 1.0279</u>	<u>\$ 1.1066</u>	<u>\$ 1.1705</u>
Equalized Assessed Valuation - TIF Districts only	\$ 1,057,209	\$ 930,846	\$ 821,993	\$ 17,294,442	\$ 16,624,683
TIF Districts	<u>\$ 7.1188</u>	<u>\$ 7.3557</u>	<u>\$ 7.1278</u>	<u>\$ 7.6314</u>	<u>\$ 7.9388</u>
<u>Tax Extensions</u>					
General corporate	\$ 140,785	\$ 133,924	\$ 119,151	\$ 95,298	\$ 95,283
Audit	9,892	9,348	8,973	7,178	7,148
Liability insurance	44,047	41,885	40,206	56,141	56,092
Social security	64,040	60,940	58,583	46,848	46,824
Road and bridge	23,325	22,650	21,570	19,354	19,505
Fire protection	171,920	163,585	147,623	102,092	102,128
Parks	63,624	60,490	58,152	46,464	46,460
Police protection	171,607	163,315	137,787	94,209	94,193
IMRF	43,943	41,795	78,600	70,817	70,811
Library	216,592	206,099	198,096	158,425	158,402
Workmans compensation	43,527	41,346	39,688	31,723	31,680
TIF Districts	<u>75,261</u>	<u>68,470</u>	<u>58,590</u>	<u>1,319,810</u>	<u>1,319,802</u>
Taxes extended - in total	<u>\$ 1,068,563</u>	<u>\$ 1,013,847</u>	<u>\$ 967,019</u>	<u>\$ 2,048,359</u>	<u>\$ 2,048,328</u>

CITY OF TUSCOLA

**EQUALIZED ASSESSED VALUATIONS, TAX RATES, TAXES EXTENDED
AND COLLECTED (CONCLUDED)**

April 30, 2025

Tax Levy Year	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Taxes Collected</u>					
General corporate	\$ -	\$ 133,832	\$ 119,056	\$ 94,938	\$ 95,027
Audit	-	9,341	8,966	7,150	7,128
Liability insurance	-	41,856	40,174	55,929	55,941
Social security	-	60,898	58,536	46,671	46,698
Road and bridge	-	22,549	21,260	19,293	19,359
Fire protection	-	163,473	147,504	101,706	101,854
Park	-	60,449	58,105	46,288	46,335
Police protection	-	163,203	137,676	93,853	93,939
IMRF	-	41,767	78,536	70,549	70,621
Library	-	205,958	197,937	157,826	157,977
Workmen's compensation	-	41,318	39,656	31,603	31,595
TIF Districts	-	68,470	58,590	1,318,569	1,285,332
Taxes collected	<u>\$ -</u>	<u>\$ 1,013,114</u>	<u>\$ 965,996</u>	<u>\$ 2,044,375</u>	<u>\$ 2,011,806</u>
Percentage of Extensions Collected	0.00%	99.93%	99.89%	99.81%	98.22%

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