

VILLAGE OF MACKINAW  
Tazewell County, Illinois

Annual Financial Report

For the Fiscal Year Ended April 30, 2020

VILLAGE OF MACKINAW  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED APRIL 30, 2020

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VILLAGE OF MACKINAW  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED APRIL 30, 2020

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VILLAGE OF MACKINAW  
FINANCIAL SECTION  
BASIC FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

President and Board of Trustees  
Village of Mackinaw  
Tazewell County, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Mackinaw, Illinois, as of and for the year ended April 30, 2020, and the related notes, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

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 Village of Mackinaw, Illinois, as of April 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 35 through 43, the Illinois Municipal Retirement Fund Multiyear Schedule of Changes in Net Pension Liability and Related Ratios on page 44, the Illinois Municipal Retirement Fund Multiyear Schedule of Employer Contributions and related notes on pages 45 and 46, and management's discussion and analysis 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. Management has omitted the management's discussion and analysis information, and our opinion on the financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Mackinaw, Illinois' basic financial statements. The budgetary comparison information on pages 35 through 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

We have applied certain limited procedures to the required supplementary information on pages 44 through 46 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.



GINOLI & COMPANY LTD  
Certified Public Accountants

Peoria, Illinois  
November 13, 2020

VILLAGE OF MACKINAW  
BASIC FINANCIAL STATEMENTS

**VILLAGE OF MACKINAW**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,694,297	\$ 829,380	\$2,523,677
Certificates of Deposit	11,239	445,484	456,723
Receivables	424,173	81,125	505,298
Prepaid Expenses	26,149	16,054	42,203
Internal Balances	(48,925)	48,925	-
Total Current Assets	<u>\$ 2,106,933</u>	<u>\$ 1,420,968</u>	<u>\$3,527,901</u>
Non-Current Assets:			
Loan Receivable	\$ 62,362	\$ -	\$ 62,362
Capital Assets	1,665,283	7,918,730	9,584,013
Less: Accumulated Depreciation	(806,299)	(4,106,280)	(4,912,579)
Total Non-Current Assets	<u>\$ 921,346</u>	<u>\$ 3,812,450</u>	<u>\$4,733,796</u>
Total Assets	<u>\$ 3,028,279</u>	<u>\$ 5,233,418</u>	<u>\$8,261,697</u>
Deferred Outflows of Resources - IMRF	<u>\$ 226,366</u>	<u>\$ -</u>	<u>\$ 226,366</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,254,645</u>	<u>\$ 5,233,418</u>	<u>\$8,488,063</u>
<b>LIABILITIES :</b>			
Current Liabilities:			
Accounts Payable	\$ 5,769	\$ 2,884	\$ 8,653
Accrued Expenses	24,372	23,684	48,056
Accrued Interest Expense	-	1,936	1,936
Current Maturities of IEPA Loan	-	164,663	164,663
Total Current Liabilities	<u>\$ 30,141</u>	<u>\$ 193,167</u>	<u>\$ 223,308</u>
Non-Current Liabilities:			
Net Pension Liability - IMRF	<u>\$ 245,093</u>	<u>\$ -</u>	<u>\$ 245,093</u>
Total Liabilities	<u>\$ 275,234</u>	<u>\$ 193,167</u>	<u>\$ 468,401</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Amounts Related to IMRF	\$ 226,754	\$ -	\$ 226,754
Unavailable Property Taxes	315,117	-	315,117
Total Deferred Inflows of Resources	<u>\$ 541,871</u>	<u>\$ -</u>	<u>\$ 541,871</u>
<b>NET POSITION:</b>			
Investment in Capital Assets, Net of Related Debt Restricted For:	\$ 858,984	\$ 3,647,787	\$4,506,771
Motor Fuel Tax	73,898	-	73,898
Business District Taxes	514,369	-	514,369
Unrestricted Net Position	990,289	1,392,464	2,382,753
Total Net Position	<u>\$ 2,437,540</u>	<u>\$ 5,040,251</u>	<u>\$7,477,791</u>

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



**VILLAGE OF MACKINAW  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2020**

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS:</b>						
Governmental Activities:						
General Government	\$ 385,329	\$ 57,163	\$ 22,300	\$ -	\$ -	\$ (305,866)
Public Safety	283,272	13,943	3,000	(266,329)	-	(266,329)
Highways and Streets	282,455	-	-	(282,455)	-	(282,455)
Recreation	12,846	5,001	-	(7,845)	-	(7,845)
Total Governmental Activities	\$ 963,902	\$ 76,107	\$ 25,300	\$ (862,495)	\$ -	\$ (862,495)
Business-Type Activities:						
Water	\$ 633,172	\$ 692,488	\$ -	\$ -	\$ 59,316	\$ 59,316
Sewer	200,673	236,543	-	-	35,870	35,870
Total Business-Type Activities	\$ 833,845	\$ 929,031	\$ -	\$ -	\$ 95,186	\$ 95,186
Total	\$ 1,797,747	\$ 1,005,138	\$ 25,300	\$ (862,495)	\$ 95,186	\$ (767,309)

**GENERAL REVENUES:**

Taxes:	
Property	\$ 306,466
Business District	137,917
Utility Taxes	135,025
Income Taxes	191,799
Sales Taxes	196,321
Use Taxes	68,718
Motor Fuel	71,958
Replacement	10,837
Video Gaming	6,547
Interest Income	16,665
Loss on Sale of Lot	(10,623)
Total General Revenues and Transfers	\$ 1,131,630

**Change in Net Position**

Change in Net Position	\$ 269,135	\$ 111,540	\$ 380,675
Net Position - Beginning of Year	2,168,405	4,928,711	7,097,116
Net Position - End of Year	\$ 2,437,540	\$ 5,040,251	\$ 7,477,791

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

**VILLAGE OF MACKINAW  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2020**

	General Fund	Police/ ESDA Fund	Recreation Fund	Street & Bridge Fund	Economic Development Fund	Motor Fuel Tax Fund	Total
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$1,524,020	\$ 250	\$ -	\$ -	\$ 101,912	\$ 68,115	\$1,694,297
Certificate of Deposit	11,239	-	-	-	-	-	11,239
Receivables	337,118	49,466	-	31,806	-	5,783	424,173
Prepaid Expenses	11,561	6,561	-	8,027	-	-	26,149
Due From Other Funds	-	-	-	-	70,000	-	70,000
<b>Total Assets</b>	<b>\$1,883,938</b>	<b>\$ 56,277</b>	<b>\$ -</b>	<b>\$ 39,833</b>	<b>\$ 171,912</b>	<b>\$ 73,898</b>	<b>\$2,225,858</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>							
<b>LIABILITIES:</b>							
Accounts Payable	\$ 3,096	\$ 697	\$ -	\$ 1,976	\$ -	\$ -	\$ 5,769
Accrued Expenses	5,557	10,957	-	7,858	-	-	24,372
Due to Other Funds	118,925	-	-	-	-	-	118,925
<b>Total Liabilities</b>	<b>\$ 127,578</b>	<b>\$ 11,654</b>	<b>\$ -</b>	<b>\$ 9,834</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 149,066</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable Property Taxes	\$ 233,845	\$ 49,466	\$ -	\$ 31,806	\$ -	\$ -	\$ 315,117
<b>FUND BALANCES:</b>							
Nonspendable	\$ 11,561	\$ 6,561	\$ -	\$ 8,027	\$ 40,000	\$ -	\$ 66,149
Restricted	514,369	-	-	-	-	73,898	588,267
Committed	-	-	-	-	-	-	-
Assigned	425,097	-	-	-	131,912	-	557,009
Unassigned	571,488	(11,404)	-	(9,834)	-	-	550,250
<b>Total Fund Balances</b>	<b>\$1,522,515</b>	<b>\$ (4,843)</b>	<b>\$ -</b>	<b>\$ (1,807)</b>	<b>\$ 171,912</b>	<b>\$ 73,898</b>	<b>\$1,761,675</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
	<b>\$1,883,938</b>	<b>\$ 56,277</b>	<b>\$ -</b>	<b>\$ 39,833</b>	<b>\$ 171,912</b>	<b>\$ 73,898</b>	<b>\$2,225,858</b>

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

**VILLAGE OF MACKINAW**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**April 30, 2020**

**Total Governmental Fund Balances** \$ 1,761,675

**Amounts reported for governmental activities in the Statement of Net Position are different because:**

Capital assets used in government activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.

Capital Asset Cost	\$1,665,283	
Accumulated Depreciation	<u>(806,299)</u>	858,984

The non-current loan receivable is not available to pay current year expenditures, and, therefore, is not reported in the governmental funds. 62,362

The net pension liability and the related deferred outflows and inflows of resources reported in the Statement of Net Position, do not require the use of current financial resources and therefore are not reported in governmental funds.

Net Pension Liability - IMRF	\$ (245,093)	
Deferred Outflows of Resources - IMRF	226,366	
Deferred Inflows of Resources - IMRF	<u>(226,754)</u>	(245,481)

**Net Position of Governmental Activities** \$ 2,437,540

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

**VILLAGE OF MACKINAW**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2020**

	General Fund	Police/ESDA Fund	Recreation Fund	Street & Bridge Fund	Economic Development Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>REVENUES:</b>							
Property Taxes	\$ 226,141	\$ 49,494	\$ -	\$ 30,831	\$ -	\$ -	\$ 306,466
Business District Taxes	137,917	-	-	-	-	-	137,917
Utility Taxes	135,025	-	-	-	-	-	135,025
Intergovernmental	474,222	-	5,001	-	-	71,958	551,181
Fines	-	8,893	-	-	-	-	8,893
Donations/Grants	22,300	3,000	-	-	-	-	25,300
Interest Income	13,821	-	-	-	2,826	18	16,665
Recycling	19,608	-	-	-	-	-	19,608
Licenses and Permits	1,331	-	-	-	-	-	1,331
Franchise Fees	9,646	-	-	-	-	-	9,646
Cell Tower Lease	10,957	-	-	-	-	-	10,957
Miscellaneous	15,621	5,050	-	-	-	-	20,671
<b>Total Revenues</b>	<b>\$ 1,066,589</b>	<b>\$ 66,437</b>	<b>\$ 5,001</b>	<b>\$ 30,831</b>	<b>\$ 2,826</b>	<b>\$ 71,976</b>	<b>\$ 1,243,660</b>
<b>EXPENDITURES:</b>							
Current							
General Government	\$ 342,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342,879
Public Safety	-	255,560	-	-	-	-	255,560
Highways and Streets	-	-	-	175,549	-	71,904	247,453
Recreation	-	-	9,725	-	-	-	9,725
Capital Outlay	70,657	-	-	6,889	-	-	77,546
<b>Total Expenditures</b>	<b>\$ 413,536</b>	<b>\$ 255,560</b>	<b>\$ 9,725</b>	<b>\$ 182,438</b>	<b>\$ -</b>	<b>\$ 71,904</b>	<b>\$ 933,163</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 653,053	\$ (189,123)	\$ (4,724)	\$ (151,607)	\$ 2,826	\$ 72	\$ 310,497
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers In	\$ -	\$ 188,154	\$ 4,724	\$ 162,853	\$ -	\$ -	\$ 355,731
Proceeds from Sale of Lot	29,377	-	-	-	-	-	29,377
Local Businesses Loan Principal Repayments	-	-	-	-	9,926	-	9,926
Transfers Out	(355,731)	-	-	-	-	-	(355,731)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (326,354)</b>	<b>\$ 188,154</b>	<b>\$ 4,724</b>	<b>\$ 162,853</b>	<b>\$ 9,926</b>	<b>\$ -</b>	<b>\$ 39,303</b>
<b>Net Change in Fund Balances</b>	<b>\$ 326,699</b>	<b>\$ (969)</b>	<b>\$ -</b>	<b>\$ 11,246</b>	<b>\$ 12,752</b>	<b>\$ 72</b>	<b>\$ 349,800</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,195,816</b>	<b>(3,874)</b>	<b>-</b>	<b>(13,053)</b>	<b>159,160</b>	<b>73,826</b>	<b>1,411,875</b>
<b>Fund Balance - End of Year</b>	<b>\$ 1,522,515</b>	<b>\$ (4,843)</b>	<b>\$ -</b>	<b>\$ (1,807)</b>	<b>\$ 171,912</b>	<b>\$ 73,898</b>	<b>\$ 1,761,675</b>

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

**VILLAGE OF MACKINAW  
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, 2020**

**Net Change in Fund Balances - Governmental Funds** \$ 349,800

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 77,546	
Depreciation Expense	<u>(101,913)</u>	(24,367)

Governmental funds report the proceeds from the sale of capital assets as other financing sources. However, in the Statement of Activities, only the difference between the proceeds and the adjusted book value are reported as a gain or loss on sale.

Proceeds from Sale of Lot	\$ (29,377)	
Loss on Sale of Lot	<u>(10,623)</u>	(40,000)

Repayment of the long-term loan receivable provides current financial resources to the governmental funds, but is not reported on the Statement of Activities.

(9,926)

Certain 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:

(Increase) Decrease in Net Pension Liability - IMRF	\$ 104,908	
(Decrease) Increase in Deferred Outflows of Resources - IMRF	(58,331)	
(Increase) Decrease in Deferred Inflows of Resources - IMRF	<u>(52,949)</u>	(6,372)

**Change in Net Position of Governmental Activities**

\$ 269,135

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

**VILLAGE OF MACKINAW**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**APRIL 30, 2020**

	Water Fund	Sewer Fund	Total Proprietary Funds
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 431,360	\$ 398,020	\$ 829,380
Certificates of Deposit	434,245	11,239	445,484
Receivables	60,124	21,001	81,125
Prepaid Expenses	8,027	8,027	16,054
Due From Other Funds	37,105	11,820	48,925
Total Current Assets	<u>\$ 970,861</u>	<u>\$ 450,107</u>	<u>\$1,420,968</u>
<b>NONCURRENT ASSETS:</b>			
Capital Assets:			
Land	\$ 40,789	\$ -	\$ 40,789
Buildings	6,368,900	1,509,041	7,877,941
Total	<u>\$6,409,689</u>	<u>\$1,509,041</u>	<u>\$7,918,730</u>
Less Accumulated Depreciation	<u>(3,609,512)</u>	<u>(496,768)</u>	<u>(4,106,280)</u>
Total Noncurrent Assets	<u>\$2,800,177</u>	<u>\$1,012,273</u>	<u>\$3,812,450</u>
Total Assets	<u>\$3,771,038</u>	<u>\$1,462,380</u>	<u>\$5,233,418</u>
<b>LIABILITIES AND NET POSITION:</b>			
Current Liabilities:			
Accounts Payable	\$ 2,340	\$ 544	\$ 2,884
Accrued Expenses	17,849	5,835	23,684
Accrued Interest Expense	1,936	-	1,936
Current Maturities of IEPA Loan	164,663	-	164,663
Total Current Liabilities	<u>\$ 186,788</u>	<u>\$ 6,379</u>	<u>\$ 193,167</u>
<b>NET POSITION:</b>			
Investment in Capital Assets, Net of Related Debt	\$2,635,514	\$1,012,273	\$3,647,787
Unrestricted	948,736	443,728	1,392,464
Total Net Position	<u>\$3,584,250</u>	<u>\$1,456,001</u>	<u>\$5,040,251</u>
Total Liabilities and Net Position	<u>\$3,771,038</u>	<u>\$1,462,380</u>	<u>\$5,233,418</u>

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

**VILLAGE OF MACKINAW**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2020**

	Water Fund	Sewer Fund	Total Proprietary Funds
<b>OPERATING REVENUES:</b>			
Water and Sewer Revenue	\$ 692,488	\$ 236,543	\$ 929,031
<b>OPERATING EXPENSES:</b>			
Personal services	\$ 172,515	\$ 57,125	\$ 229,640
Contractual services	145,865	69,876	215,741
Supplies and materials	73,959	10,392	84,351
Depreciation expense	234,437	63,280	297,717
Total Operating Expenses	<u>626,776</u>	<u>200,673</u>	<u>827,449</u>
<b>Operating Income</b>	<u>65,712</u>	<u>35,870</u>	<u>101,582</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest Income	\$ 12,203	\$ 4,151	\$ 16,354
Interest Expense	<u>(6,396)</u>	<u>-</u>	<u>(6,396)</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 5,807</u>	<u>\$ 4,151</u>	<u>\$ 9,958</u>
<b>Net Income Before Transfers</b>	\$ 71,519	\$ 40,021	\$ 111,540
<b>Transfers From (To) Other Funds</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	\$ 71,519	\$ 40,021	\$ 111,540
<b>Net Position - Beginning of Year</b>	<u>3,512,731</u>	<u>1,415,980</u>	<u>4,928,711</u>
<b>Net Position - End of Year</b>	<u><u>\$ 3,584,250</u></u>	<u><u>\$ 1,456,001</u></u>	<u><u>\$ 5,040,251</u></u>

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

**VILLAGE OF MACKINAW  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED APRIL 30, 2020**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 690,306	\$235,786	\$ 926,092
Payments to/on behalf of employees	(173,013)	(56,547)	(229,560)
Payments to suppliers for goods/services	(229,210)	(82,291)	(311,501)
Net Cash Provided by Operating Activities	<u>\$ 288,083</u>	<u>\$ 96,948</u>	<u>\$ 385,031</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Transfers In (Out) from (to) Other Funds	\$ -	\$ -	\$ -
Repayments from Other Funds	5,000	5,000	10,000
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 10,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of Capital Assets	\$ (6,889)	\$ (12,089)	\$ (18,978)
Interest Payment on Loan	(9,201)	-	(9,201)
Principal Payment on Loan	(290,313)	-	(290,313)
Net Cash Used by Capital and Related Financing Activities	<u>\$(306,403)</u>	<u>\$ (12,089)</u>	<u>\$(318,492)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	\$ 12,203	\$ 4,151	\$ 16,354
Net Maturities of (Additions to) Certificates of Deposit	(6,999)	(239)	(7,238)
Net Cash Provided by Investing Activities	<u>\$ 5,204</u>	<u>\$ 3,912</u>	<u>\$ 9,116</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (8,116)	\$ 93,771	\$ 85,655
Cash and Cash Equivalents - Beginning of Year	439,476	304,249	743,725
Cash and Cash Equivalents - End of Year	<u>\$ 431,360</u>	<u>\$398,020</u>	<u>\$ 829,380</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 65,712	\$ 35,870	\$ 101,582
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	234,437	63,280	297,717
Accounts Receivable	(2,182)	(757)	(2,939)
Prepaid Expenses	(1,468)	(1,468)	(2,936)
Accounts Payable	(7,918)	(555)	(8,473)
Accrued Expenses	(498)	578	80
Net Cash Provided by Operating Activities	<u>\$ 288,083</u>	<u>\$ 96,948</u>	<u>\$ 385,031</u>

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



VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Village of Mackinaw ("Village") is located in Tazewell County, Illinois and operates under a locally elected seven-member governing board of trustees and provides services to residents of the Village including: public safety, public works, recreation, sewer and water operations, and general development and maintenance.

The Village has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Village should be included as component units within the Village's financial reporting entity. The criteria include, but are not limited to, whether the Village exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships. Based on these criteria, the Village has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information on all of the Village's non-fiduciary activities. Governmental activities include programs supported primarily by taxes, grants and other revenues. Business-type activities are generally financed in whole or in part with fees charged to external customers.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions used to meet operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds and proprietary funds. Governmental funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Basis of Accounting and Financial Statement Presentation

**Government-Wide Financial Statements:** The government-wide financial statements, as well as the proprietary funds, use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for budgetary purposes. They are recorded as a receivable at the end of the fiscal year offset by a deferred inflow of resources, as the recognition of revenue is deferred until the year it is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Fund Financial Statements:** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes are collected after 60 days of year end and are accounted for the same in both the government-wide and governmental fund financial statements. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The accounts of the Village are organized on the basis of funds, each of which is considered to be a separate accounting entity. 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 balance/net position, revenues, and expenditures or expenses, as appropriate. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. All of the governmental funds are considered major by the Village.

**Governmental Funds:**

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources not accounted for in another fund.

Police/ESDA Fund – The Police/ESDA Fund is used to account for property taxes used for police protection, school crossing guard, and civil defense expenses.

Mackinaw Recreation Fund – The Mackinaw Recreation Fund is used to account for fees received for recreation activities and associated expenses.

Street & Bridge Fund – The Street & Bridge Fund is used to account for property taxes and expenditures for street maintenance and street lights.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Basis of Accounting and Financial Statement Presentation – continued

Economic Development Fund – The Economic Development Fund is used to account for loans to Village businesses.

Motor Fuel Tax Fund – The Motor Fuel Tax Fund is used to account for motor fuel taxes received and associated expenditures authorized by the Illinois Department of Transportation.

**Proprietary Funds:**

Water and Sewer Funds – The Water and Sewer Funds are used to account for revenues from user fees of the Village's water and sewer systems and for expenditures to operate the system.

D. Cash and Cash Equivalents

The Village considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Certificates of Deposit

The Village's certificates of deposit are recorded at cost, which approximates fair value.

F. Receivables

Receivables in the governmental funds result principally from taxes collected before the end of the fiscal year by other governmental entities and not remitted to the Village until after the fiscal year end. Property taxes levied to be used in the next fiscal year are also included in receivables. Receivables in the water and sewer funds consist of billings to residents for water and sewer use. An allowance for uncollectible accounts is not deemed necessary.

G. Inventories

Inventories of supplies are not of a materially substantial amount and are not reflected in these financial statements.

H. Prepaid Expenses

Certain payments to vendors for services that will benefit future accounting periods are recorded as prepaid expenses. An expense is reported in the year in which the services are consumed.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Capital Assets

Capital assets, which include land, buildings, improvements (other than buildings), and machinery and equipment are reported in the government-wide financial statements. Capital assets are reported at cost (or estimated historical cost) using a \$2,500 threshold for vehicles and equipment, \$10,000 for buildings and improvements, and \$50,000 for infrastructure.

Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the government-wide financial statements on a straight-line basis over estimated useful life of the assets, as determined by judgement and past history of similar assets, as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40 years
New Infrastructure	40 years
Road Improvements	20 years
Vehicles	5-7 years
Furniture, tools, and equipment	5-7 years

J. Interfund Balances

The Village utilizes a common checking account, for convenience purposes, to make expenditures. Any excess of unreimbursed expenditures of a fund at the end of the fiscal year are shown as an interfund loan to or from the General Fund. All interfund activity is eliminated in these financial statements except for payments for services and the net residual amounts due between governmental and business-type activities, which are presented as internal balances. On the governmental funds balance sheet, receivables and payables resulting from short term loans among the funds are classified as due from/to other funds. Transfers are reported as transfers in and transfers out on the statement of revenues, expenditures, and changes in fund balances.

K. Deferred Outflows and Inflows of Resources

Deferred outflows represent a consumption of net position that is applicable to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources represent future IMRF pension expense.

Deferred inflows of resources represent an acquisition of net position/fund balance that is applicable to future periods and will not be recognized as an inflow of resources (revenue/reduction of expense) until then. Deferred inflows of resources represent property taxes levied for the next fiscal year and recorded as a receivable as of the end of the fiscal year and also future reduction in IMRF pension expense.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

L. Fund Equity

The Village followed GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for proprietary funds is classified as “net position”.

**Governmental Fund Balances**

Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

**Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (prepaid expenses or long-term amounts due) or (b) legally or contractually required to be maintained intact (such as an endowment fund).

**Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action (resolution or ordinance) of the Village Board of Trustees, the highest level of decision-making authority. Only the Village Board of Trustees may modify or rescind the commitment.

**Assigned** – Fund balances are reported as assigned when amounts are constrained by the Village’s intent to be used for specific purposes but are neither restricted nor committed. Only the Village Board of Trustees may assign fund balances. The assigned fund balance in the General Fund represents amounts the Board intends to use for various improvements, equipment/vehicle replacements, property purchases.

**Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The Village reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

**Fund Balance Flow Assumptions**

When both restricted and unrestricted amounts of fund balance are available to use for expenditures incurred, it is the Village’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

M. Net Position

As noted previously, equity for government-wide and proprietary fund financial statements is classified as net position and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisitions, construction, or improvement of those assets.
2. Restricted – Consists of net position with constraints placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) enabling legislation. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All of the restricted net position shown on the statement of net position is restricted by enabling legislation.
3. Unrestricted net position – All other net position not included in the above two categories.

The Village applies restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted are available.

N. Compensated Absences

Village policy may allow employees to accumulate earned but unused vacation and sick day benefits. These accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Actual results could differ from these estimates.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 2: DEPOSITS AND INVESTMENTS

Illinois statutes authorize the Village to invest in, among other things, demand deposit accounts (checking, money market) and time deposits (certificates of deposit) with qualified financial institutions. These are the only types of accounts the Village has at April 30, 2020. At April 30, 2020, the government-wide carrying amount of the Village's deposits totaled \$2,980,000.

Custodial Credit Risk – Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires collateralization for account balances in excess of insured limits. Of the Village's deposits, \$760,087 was covered by FDIC insurance and the remaining balance of \$2,219,913 was covered by an irrevocable letter of credit from the Federal Home Loan Bank of Chicago for an amount not to exceed \$2,500,000.

NOTE 3: PROPERTY TAXES

The Village's property tax is levied each year on all taxable real property located in the Village on or before the last Tuesday in December. The levy was passed by the Village Board on November 25, 2019. Property taxes attach as an enforceable lien on property as of January 1 of the levy year and are payable in two installments in June and September of the year following the year of levy. The Village receives significant distributions of tax receipts approximately one month after these due dates.

NOTE 4: RECEIVABLES

	Governmental	Business-Type
Property Taxes	\$315,118	\$ -
Intergovernmental	97,472	
Utilities	11,583	
Water and Sewer Billings	-	81,125
	-	-
Totals	\$424,173	\$81,125

The Loan Receivable of \$62,362 as of April 30, 2020, represents the balance of a loan made by the Village to a local business.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 5: DUE TO/FROM OTHER GOVERNMENTAL FUNDS AND TRANSFERS

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
Sewer Fund	General Fund	\$11,820
Water Fund	General Fund	\$37,105
Economic Development Fund	General Fund	\$70,000

In fiscal year 2017, the Economic Development Fund loaned \$100,000 to the General Fund to help with the purchase of a building. This loan began to be repaid in fiscal year 2020 in the amount of \$2,500 per month and carries no interest rate.

During the current fiscal year, the General Fund transferred \$188,154 to the Police/ESDA Fund, \$162,853 to the Street & Bridge Fund, and \$4,724 to the Recreation Fund. These transfers were to cover expenditures in excess of the limited property tax levies of the smaller funds.

NOTE 6: OPERATING LEASE

The Village entered into a lease for a new backhoe June 5, 2019. The new lease required a \$15,000 down payment and 36 monthly payments of \$527 each. At the end of the lease period, there is a guaranteed buyback from the dealer. Future minimum lease payments are:

Year ended April 30, 2021	\$6,324
Year ended April 30, 2022	6,324
Year ended April 30, 2023	527

Payments made under the lease totaled \$20,797 for fiscal year ending April 30, 2020, including the \$15,000 down payment.

NOTE 7: LOAN PAYABLE

The IEPA loan payable for business-type activities on the Statement of Net Position is a loan from the Illinois EPA, with semi-annual payments of \$99,757 each due in June and December at an interest rate of 2.57%. The final payment was made in May 2020. The balance of the loan payable as of April 30, 2020, is as follows:

Total Loan Payable at April 30, 2020	\$ 164,663
Less Current Maturities	<u>164,663</u>
Non-Current Maturities of Loan Payable	<u>\$ _____ -</u>

continued



VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 7: LOAN PAYABLE - continued

The following is a summary of the loan payable transactions for the year ended April 30, 2020:

Loan Payable at May 1, 2019	\$ 454,976
Principal Paid	<u>(290,313)</u>
Loan Payable at April 30, 2020	<u>\$ 164,663</u>
 Amounts due within one year	 <u>\$ 164,663</u>
 Interest expense for the year ended April 30, 2020 (Reported as a direct expense of water activity.)	 <u>\$ 6,396</u>

Maturities of the loan payable for each of the next five years and thereafter are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/30/21	\$164,663	\$1,810	\$166,473

NOTE 8: CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended April 30, 2020 is as follows:

	<u>Balance</u> <u>May 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2020</u>
Governmental Activities				
Land	<u>\$ 83,140</u>	<u>\$ 13,500</u>	<u>\$ (40,000)</u>	<u>\$ 56,640</u>
Capital Assets Subject to Depreciation:				
Buildings/Improvements	\$ 454,735	\$ 57,157	\$ -	\$ 511,892
Infrastructure	648,984	-	-	648,984
Equipment	214,764	6,889	-	221,653
Vehicles	<u>226,114</u>	<u>-</u>	<u>-</u>	<u>226,114</u>
Total Capital Assets Subject to Depreciation	<u>\$ 1,544,597</u>	<u>\$ 64,046</u>	<u>\$ -</u>	<u>\$ 1,608,643</u>
Less Accumulated Depreciation	<u>\$ (704,386)</u>	<u>\$ (101,913)</u>	<u>\$ -</u>	<u>\$ (806,299)</u>
Total Capital Assets Subject to Depreciation, Net	<u>\$ 840,211</u>	<u>\$ (37,867)</u>	<u>\$ -</u>	<u>\$ 802,344</u>
Governmental Activities Capital Assets, Net	<u>\$ 923,351</u>	<u>\$ (24,367)</u>	<u>\$ (40,000)</u>	<u>\$ 858,984</u>

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 8: CAPITAL ASSET ACTIVITY - continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$36,078
Police/ESDA	27,712
Street & Bridge	35,002
Recreation	<u>3,121</u>

Total Depreciation Expense-Governmental Activities \$101,913

	<u>Balance</u> <u>May 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2020</u>
<b>Business-Type Activities:</b>				
Land	\$ 40,789	\$ -	\$ -	\$ 40,789
<b>Capital Assets Subject to Depreciation:</b>				
Sewage Treatment Facilities	\$ 1,384,778	\$ -	\$ -	\$ 1,384,778
Water Facilities	6,014,072	-	-	6,014,072
Machinery and Equipment	<u>460,113</u>	<u>18,978</u>	-	<u>479,091</u>
Total Capital Assets Subject to Depreciation	\$ 7,858,963	\$ 18,978	\$ -	\$ 7,877,941
Less Accumulated Depreciation	<u>\$(3,808,563)</u>	<u>\$(297,717)</u>	\$ -	<u>\$(4,106,280)</u>
Total Capital Assets Subject to Depreciation, Net	\$ 4,050,400	\$ (278,739)	\$ -	\$ 3,771,661
Business-Type Activities Capital Assets, Net	<u>\$ 4,091,189</u>	<u>\$(278,739)</u>	<u>\$ -</u>	<u>\$ 3,812,450</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$234,437
Sewer	<u>63,280</u>

Total Depreciation Expense-Business-Type Activities \$297,717

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 9: LEASE INCOME

The Village has a five-year lease agreement with Verizon Wireless. Verizon is leasing real estate for a tower in exchange for \$913 monthly rent. This lease ends October 2021. Verizon has an option to renew for (1) five-year additional period for an increased rental amount.

NOTE 10: DEFICIT FUND BALANCES

The Village had the following deficit fund balances as of April 30, 2020:

Police/ESDA Fund	\$4,843
Street and Bridge Fund	1,807

NOTE 11: LEGAL DEBT MARGIN

Assessed Valuation - January 1, 2019	<u>\$29,004,083</u>
Legal Limit - 8.625% of Assessed Valuation	<u>\$ 2,501,602</u>

NOTE 12: INTERGOVERNMENTAL AGREEMENT

The Village has entered into an agreement with Mackinaw Township to provide recreation services to residents of the Village and Township. The Township will reimburse the Village \$5,001 for office and maintenance expenses. This agreement is renewable each year.

NOTE 13: TAX ABATEMENTS

The Village negotiates sales tax abatements on an individual basis. The Village has two sales tax abatement agreements as of April 30, 2020. The purpose of these agreements is to assist businesses, and to provide economic development for the Village:

	<u>% of Sales</u>	<u>Amount</u>
	<u>Tax Rebated</u>	<u>Rebated</u>
Business #1	50%	\$ 5,443
Business #2	50%	<u>4,621</u>
Total Rebated		<u>\$10,064</u>

The sales tax agreements were negotiated under the Illinois Compiled Statutes.

The Village has not made any commitments as part of the above agreement other than to reduce taxes. The Village is not subject to any tax abatement agreements entered into by other government entities.

The Village has chosen to disclose information about tax abatement agreements that exceed a quantitative threshold of \$1,000.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND

**IMRF Plan Description**

The Village'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 plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org) and is prepared on the same basis of accounting using the same policies as the Village's net pension liability is prepared.

**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. The final rate of earnings is the highest total earnings during any 48 consecutive 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.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

**Employees Covered by Benefit Terms**

As of December 31, 2019, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	3
Active Plan Members	<u>8</u>
Total	16

**Contributions**

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2019 was 11.47%. For the fiscal year ended April 30, 2020, the employer contributed \$46,323 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The Village's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- 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 2.50%
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- 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 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with a fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with a fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with a fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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, 2019:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60-7.60%
Cash Equivalents	<u>1%</u>	1.85%
Total	100%	

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

**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:

- 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
- 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 2.75%, and the resulting single discount rate is 7.25%.

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Balances at December 31, 2018</b>	\$ 1,434,004	\$ 1,084,003	\$ 350,001
<b>Changes for the Year:</b>			
Service Cost	\$ 39,231	\$ -	\$ 39,231
Interest on the Total Pension Liability	103,175	-	103,175
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	22,565	-	22,565
Changes of Assumptions	-	-	-
Contributions - Employer	-	44,811	(44,811)
Contributions - Employee	-	17,581	(17,581)
Net Investment Income	-	205,888	(205,888)
Benefit Payments, Including Refunds of Employee Contributions	(61,026)	(61,026)	-
Other (Net Transfer)	-	1,599	(1,599)
Net Changes	\$ 103,945	\$ 208,853	\$ (104,908)
<b>Balances at December 31, 2019</b>	<b>\$ 1,537,949</b>	<b>\$ 1,292,856</b>	<b>\$ 245,093</b>

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

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

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

	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 454,177	\$245,093	\$71,488

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

For the year ended April 30, 2020, the Village recognized pension expense of \$52,695. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
<b>Deferred Amounts Related to Pensions</b>		
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences Between Expected and Actual Experience	\$ 83,065	\$ 66,499
Changes in Assumptions	31,195	27,224
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	94,778	133,031
<b>Total Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>	<b>\$ 209,038</b>	<b>\$ 226,754</b>
<b>Pension Contributions Made Subsequent to the Measurement Date</b>	<b>17,328</b>	<b>-</b>
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 226,366</b>	<b>\$ 226,754</b>

continued



VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

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

Year Ending December 31	Net Deferred Inflows of Resources
2020	\$ 1,765
2021	3,637
2022	(6,552)
2023	19,586
2024	(720)
Thereafter	<u>-</u>
Total	<u>\$ 17,716</u>

NOTE 15: CONTINGENCIES

The Village is subject to claims and investigations that arise out of the normal course of business and is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is carried for all risks of loss, including worker's compensation and employee health and accident insurance. The Village is currently subject to a lawsuit, and while management cannot predict the outcome, no settlement is expected to exceed insurance coverage.

NOTE 16: SUBSEQUENT EVENTS

Subsequent events were evaluated through November 13, 2020, the date the financial statements were available to be issued. In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state, and local authorities leading to an overall decline in economic activity, which could result in a loss or postponement of revenue and other material adverse effects to the Village's financial position, results of operations, and cash flows. Except for the aforementioned, there were no subsequent events that required adjustment to or disclosure in the financial statements.

Concluded

VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 219,000	\$ 219,000	\$ 226,141	\$ 7,141
Business District Taxes	138,000	138,000	137,917	(83)
Utility Taxes	149,000	149,000	135,025	(13,975)
Sales Tax	200,000	200,000	196,321	(3,679)
Use Tax	58,000	58,000	68,718	10,718
Income Taxes	190,000	190,000	191,799	1,799
Replacement Tax	9,000	9,000	10,837	1,837
Video Gaming Tax	4,500	4,500	6,547	2,047
Donations/Grants	30,250	30,250	22,300	(7,950)
Interest Income	24,000	24,000	13,821	(10,179)
Recycling	-	-	19,608	19,608
Licenses and Permits	6,600	6,600	1,331	(5,269)
Franchise Fees	3,800	3,800	9,646	5,846
Cell Tower Lease	11,000	11,000	10,957	(43)
Miscellaneous	19,700	19,700	15,621	(4,079)
 Total Revenues	 \$1,062,850	 \$1,062,850	 \$ 1,066,589	 \$ 3,739

continued

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Under)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Salaries - President, Trustees, Employees	\$70,000	\$ 70,000	\$ 61,959	\$ (8,041)
Zoning and Planning Board Salaries	4,500	4,500	4,575	75
FICA - Village Portion	35,000	35,000	36,918	1,918
IMRF - Village Portion	45,000	45,000	46,323	1,323
Employee Insurance	100,000	100,000	33,869	(66,131)
Unemployment Compensation	10,000	10,000	6,607	(3,393)
Uniform Allowance	500	500	119	(381)
Liability Insurance	70,000	70,000	11,690	(58,310)
Legal Fees	15,000	15,000	10,593	(4,407)
Office Expense	16,000	16,000	4,633	(11,367)
Telephone	5,500	5,500	6,267	767
Utilities	7,500	7,500	3,681	(3,819)
Water and Sewer	4,000	4,000	3,300	(700)
Publications	1,500	1,500	301	(1,199)
Printing and Copying Services	1,000	1,000	-	(1,000)
Property Repair and Maintenance	27,000	27,000	5,134	(21,866)
Postage and Shipping	1,500	1,500	455	(1,045)
Dues	1,500	1,500	658	(842)
Zoning Expense	700	700	96	(604)
Sales Tax Rebates	20,000	20,000	10,065	(9,935)
Animal Control	3,000	3,000	1,674	(1,326)
Garbage Disposal and Landfill Charges	9,000	9,000	4,685	(4,315)
Software and Support	8,000	8,000	1,526	(6,474)
Internet Website Maintenance	2,000	2,000	2,019	19
Training	2,000	2,000	-	(2,000)
Travel and Lodging	2,000	2,000	12	(1,988)
Recycling Program	30,000	30,000	27,626	(2,374)
Audit and Accounting	9,000	9,000	8,250	(750)

continued

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (CONTINUED):</b>				
Current:				
General Government:				
Developer Rebates	15,000	15,000	-	(15,000)
Downtown Business District Expenses	75,000	75,000	-	(75,000)
Industrial Park Business District Expenses	130,000	130,000	-	(130,000)
First Street Business District Expenses	200,000	200,000	-	(200,000)
Equipment Maintenance	1,700	1,700	2,411	711
Park Maintenance	55,000	55,000	3,290	(51,710)
Tree Service	10,000	10,000	2,700	(7,300)
Sidewalk Repairs and Construction	40,000	40,000	4,224	(35,776)
Mosquito Control	3,500	3,500	-	(3,500)
Engineering	30,000	30,000	260	(29,740)
Maintenance Supplies	1,000	1,000	-	(1,000)
Rentals/Leases	5,000	5,000	993	(4,007)
Fireworks	7,500	7,500	100	(7,400)
Community Center	66,000	66,000	19,452	(46,548)
Beautification Program	11,200	11,200	7,680	(3,520)
Miscellaneous and Contingency	12,500	12,500	8,734	(3,766)
Capital Outlay	50,000	50,000	70,657	20,657
	<u>\$ 1,214,600</u>	<u>\$ 1,214,600</u>	<u>\$ 413,536</u>	<u>\$ (801,064)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (151,750)</u>	<u>\$ (151,750)</u>	<u>\$ 653,053</u>	<u>\$ 804,803</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Sale of Lot			\$ 29,377	\$ 29,377
Transfers to Other Funds			(355,731)	(355,731)
Total Other Financing Sources (Uses)			<u>\$ (326,354)</u>	<u>\$ (326,354)</u>
<b>Net Change in Fund Balance</b>			326,699	478,449
<b>Fund Balance - Beginning of Year</b>			<u>1,195,816</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 1,522,515</u>	

Concluded

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-POLICE/ESDA FUND  
FOR THE YEAR ENDED APRIL 30, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 55,500	\$ 55,500	\$ 49,494	\$ (6,006)
Fines	11,000	11,000	8,893	(2,107)
Protection Revenue	-	-	5,000	5,000
Grants			3,000	3,000
Miscellaneous	-	-	50	50
<b>Total Revenues</b>	<b>\$ 66,500</b>	<b>\$ 66,500</b>	<b>\$ 66,437</b>	<b>\$ (63)</b>
<b>EXPENDITURES:</b>				
Current:				
Public Safety:				
Salaries	\$ 210,000	\$ 210,000	\$ 134,590	\$ (75,410)
Employee Insurance	3,750	3,750	2,189	(1,561)
Liability Insurance	-	-	12,689	12,689
Legal Fees	1,000	1,000	1,344	344
Training and Education	1,500	1,500	1,851	351
Donations and Rebates	7,500	7,500	2,034	(5,466)
Telephone	7,500	7,500	5,551	(1,949)
Utilities	5,000	5,000	4,474	(526)
Publication of Notices and Information	250	250	348	98
Office Expense	10,000	10,000	5,086	(4,914)
Software	5,500	5,500	3,802	(1,698)
Central Dispatch Service	33,000	33,000	21,139	(11,861)
Dues	1,000	1,000	408	(592)
Maintenance	20,500	20,500	20,576	76
Small Equipment and Supplies	6,000	6,000	5,185	(815)
Uniforms	4,000	4,000	3,663	(337)
Fuel	12,000	12,000	10,350	(1,650)
ESDA Expense	32,925	32,925	16,643	(16,282)
Miscellaneous and Contingency	8,250	8,250	3,638	(4,612)
Capital Outlay	26,000	26,000	-	(26,000)
<b>Total Expenditures</b>	<b>\$ 395,675</b>	<b>\$ 395,675</b>	<b>\$ 255,560</b>	<b>\$ (140,115)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>\$(329,175)</u></b>	<b><u>\$(329,175)</u></b>	<b><u>\$ (189,123)</u></b>	<b><u>\$ 140,052</u></b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from General Fund			\$ 188,154	\$ 188,154
<b>Net Change in Fund Balance</b>			<b>\$ (969)</b>	<b><u>\$ 328,206</u></b>
<b>Fund Balance - Beginning of Year</b>			<b><u>(3,874)</u></b>	
<b>Fund Balance - End of Year</b>			<b><u>\$ (4,843)</u></b>	

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-RECREATION FUND  
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Budgeted Amounts</u>		Actual	Over
	<u>Original</u>	<u>Final</u>	Amounts	(Under)
<b>REVENUES:</b>				
Intergovernmental - Mackinaw Township	\$ 5,001	\$ 5,001	\$ 5,001	\$ -
Total Revenues	<u>\$ 5,001</u>	<u>\$ 5,001</u>	<u>\$ 5,001</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>				
Current:				
Recreation:				
Salaries	\$ 10,000	\$ 10,000	\$ 6,121	\$ (3,879)
Repairs and Maintenance	7,500	7,500	3,585	(3,915)
Miscellaneous and contingency	1,000	1,000	19	(981)
Total Expenditures	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 9,725</u>	<u>\$ (8,775)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>\$(13,499)</u>	<u>\$(13,499)</u>	<u>\$ (4,724)</u>	<u>\$ 8,775</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from General Fund			\$ 4,724	\$ 4,724
<b>Net Change in Fund Balance</b>			\$ -	<u>\$ 13,499</u>
<b>Fund Balance - Beginning of Year</b>			<u>-</u>	
<b>Fund Balance - End of Year</b>			<u>\$ -</u>	

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-STREET AND BRIDGE FUND  
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property Taxes	\$ 55,000	\$ 55,000	\$ 30,831	\$ (24,169)
Total Revenues	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 30,831</u>	<u>\$ (24,169)</u>
<b>EXPENDITURES:</b>				
Current:				
Highways and Streets:				
Salaries	\$ 95,000	\$ 95,000	\$ 76,872	\$ (18,128)
Employee Insurance	2,500	2,500	1,253	(1,247)
Liability Insurance	-	-	14,189	14,189
Legal Fees	500	500	-	(500)
Street Lighting	32,000	32,000	24,679	(7,321)
Telephone	2,000	2,000	1,000	(1,000)
Utilities	9,000	9,000	2,325	(6,675)
Rentals and Leasing	10,000	10,000	9,797	(203)
Office Expense	2,000	2,000	620	(1,380)
Engineering	5,000	5,000	7,917	2,917
Software	3,500	3,500	1,088	(2,412)
Repairs and Maintenance	413,500	413,500	25,821	(387,679)
Uniforms	800	800	419	(381)
Snow Removal	4,000	4,000	4,444	444
Fuel	6,000	6,000	4,289	(1,711)
Miscellaneous and Contingency	12,700	12,700	836	(11,864)
Capital Outlay	74,000	74,000	6,889	(67,111)
Total Expenditures	<u>\$ 672,500</u>	<u>\$ 672,500</u>	<u>\$ 182,438</u>	<u>\$ (490,062)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u><u>\$(617,500)</u></u>	<u><u>\$(617,500)</u></u>	<u><u>\$ (151,607)</u></u>	<u><u>\$ 465,893</u></u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from General Fund			<u>\$ 162,853</u>	<u>\$ 162,853</u>
<b>Net Change in Fund Balance</b>			<u>\$ 11,246</u>	<u><u>\$ 628,746</u></u>
<b>Fund Balance, Beginning of Year</b>			<u>(13,053)</u>	
<b>Fund Balance, End of Year</b>			<u><u>\$ (1,807)</u></u>	



**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-ECONOMIC DEVELOPMENT FUND  
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Under)</u>
<b>REVENUES:</b>				
Interest Income	\$ 2,000	\$ 2,000	\$ 2,826	\$ 826
Total Revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,826</u>	<u>\$ 826</u>
<b>EXPENDITURES:</b>				
Current:				
Business loans	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Capital Outlay	11,000	11,000	-	(11,000)
Total Expenditures	<u>\$ 111,000</u>	<u>\$ 111,000</u>	<u>\$ -</u>	<u>\$ (111,000)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$(109,000)</u>	<u>\$(109,000)</u>	<u>\$ 2,826</u>	<u>\$ 111,826</u>
<b>OTHER FINANCING SOURCES:</b>				
Business Loan Principal Repayments	\$ 5,950	\$ 5,950	\$ 9,926	\$ 3,976
<b>Net Change in Fund Balance</b>	<u>\$(103,050)</u>	<u>\$(103,050)</u>	<u>\$ 12,752</u>	<u>\$ 115,802</u>
<b>Fund Balance - Beginning of Year</b>			<u>159,160</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 171,912</u>	

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-MOTOR FUEL TAX FUND  
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts	Over (Under)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental - Motor Fuel Taxes	\$ 50,000	\$ 50,000	\$ 71,958	\$ 21,958
Interest Income	-	-	18	18
	<hr/>			
Total Revenues	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 71,976</u>	<u>\$ 21,976</u>
<b>EXPENDITURES:</b>				
Current:				
Highways and Streets:				
Maintenance	\$100,000	\$100,000	\$ 71,904	\$ (28,096)
Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$ 71,904</u>	<u>\$ (28,096)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ 72</u>	<u>\$ 50,072</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from (to) Other Funds			<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>			<u>\$ 72</u>	<u>\$ 50,072</u>
<b>Fund Balance - Beginning of Year</b>			<u>73,826</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 73,898</u>	

VILLAGE OF MACKINAW  
NOTES TO BUDGETARY COMPARISON SCHEDULES

NOTE 1: APPROPRIATION ORDINANCE

The Village is allowed to enact an appropriation ordinance, in lieu of a formal budget. Ordinance #981, the annual budget and appropriation ordinance, was adopted on June 10, 2019, for the fiscal year ending April 30, 2020.

The Village may not legally make expenditures from a Fund in excess of appropriation. There were no funds that had expenditures in excess of appropriations for the fiscal year ending April 30, 2020. Appropriations are on essentially the same basis as these financial statements and expire at the end of the fiscal year.

**VILLAGE OF MACKINAW  
ILLINOIS MUNICIPAL RETIREMENT FUND  
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Last 10 Calendar Years

Calendar Year Ended December 31,	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service Cost	\$ 39,231	\$ 40,002	\$ 41,023	\$ 40,178	\$ 33,919
Interest on Total Pension Liability	103,175	102,875	92,760	87,312	76,336
Benefit Changes	-	-	-	-	-
Difference Between Expected and Actual Experience of Total Pension Liability	22,565	(73,199)	91,378	(33,288)	40,803
Assumption Changes	-	43,238	(42,901)	(5,243)	1,648
Benefit Payments and Refunds	(61,026)	(61,149)	(32,629)	(10,192)	(4,890)
<b>Net Change in Total Pension Liability</b>	<b>\$ 103,945</b>	<b>\$ 51,767</b>	<b>\$ 149,631</b>	<b>\$ 78,767</b>	<b>\$ 147,816</b>
<b>Total Pension Liability - Beginning</b>	<b>1,434,004</b>	<b>1,382,237</b>	<b>1,232,606</b>	<b>1,153,839</b>	<b>1,006,023</b>
<b>Total Pension Liability - Ending (A)</b>	<b>\$ 1,537,949</b>	<b>\$ 1,434,004</b>	<b>\$ 1,382,237</b>	<b>\$ 1,232,606</b>	<b>\$ 1,153,839</b>
<b>Plan Fiduciary Net Position</b>					
Employer Contributions	\$ 44,811	\$ 41,131	\$ 52,936	\$ 41,207	\$ 40,745
Employee Contributions	17,581	16,250	17,676	15,876	15,207
Pension Plan Net Investment Income	205,888	(68,119)	155,164	63,847	4,683
Benefit Payments and Refunds	(61,026)	(61,149)	(32,629)	(10,192)	(4,890)
Other	1,599	(36,639)	(15,741)	(655)	(61,871)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 208,853</b>	<b>\$ (108,526)</b>	<b>\$ 177,406</b>	<b>\$ 110,083</b>	<b>\$ (6,126)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>1,084,003</b>	<b>1,192,529</b>	<b>1,015,123</b>	<b>905,040</b>	<b>911,166</b>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<b>\$ 1,292,856</b>	<b>\$ 1,084,003</b>	<b>\$ 1,192,529</b>	<b>\$ 1,015,123</b>	<b>\$ 905,040</b>
<b>Net Pension Liability/(Asset) - Ending (A) - (B)</b>	<b>\$ 245,093</b>	<b>\$ 350,001</b>	<b>\$ 189,708</b>	<b>\$ 217,483</b>	<b>\$ 248,799</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>84.06%</b>	<b>75.59%</b>	<b>86.28%</b>	<b>82.36%</b>	<b>78.44%</b>
<b>Covered Valuation Payroll</b>	<b>\$ 390,682</b>	<b>\$ 361,110</b>	<b>\$ 392,789</b>	<b>\$ 352,807</b>	<b>\$ 327,135</b>
<b>Net Pension Liability/(Asset) as a Percentage of Covered Valuation Payroll</b>	<b>62.73%</b>	<b>96.92%</b>	<b>48.30%</b>	<b>61.64%</b>	<b>76.05%</b>

Note to Schedule:

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

**VILLAGE OF MACKINAW  
ILLINOIS MUNICIPAL RETIREMENT FUND  
MULTIYEAR SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2019	\$ 44,811	\$ 44,811	\$ -	\$ 390,682	11.47%
2018	\$ 41,130	\$ 41,131	\$ (1)	\$ 361,110	11.39%
2017	\$ 47,056	\$ 52,936	\$ (5,880)	\$ 392,789	13.48%
2016	\$ 41,208	\$ 41,207	\$ 1	\$ 352,807	11.68%
2015	\$ 39,420	\$ 40,745	\$ (1,325)	\$ 327,135	12.46%

**VILLAGE OF MACKINAW  
ILLINOIS MUNICIPAL RETIREMENT FUND  
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Summary of Actuarial Methods and Assumptions  
Used in the Calculation of the 2019 Contribution Rate\***

**Valuation Date:**

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

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

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-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 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.