

VILLAGE OF MACKINAW  
Tazewell County, Illinois

Annual Financial Report

For the Fiscal Year Ended April 30, 2022

VILLAGE OF MACKINAW  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED APRIL 30, 2022

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VILLAGE OF MACKINAW  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED APRIL 30, 2022

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VILLAGE OF MACKINAW  
FINANCIAL SECTION  
BASIC FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

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

**Opinions**

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 ("Village"), as of and for the year ended April 30, 2022, and the related notes, which collectively comprise the Village'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 Village of Mackinaw, Illinois, as of April 30, 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management 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, 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 Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

### **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 28, 2022

VILLAGE OF MACKINAW  
BASIC FINANCIAL STATEMENTS

**VILLAGE OF MACKINAW**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,684,659	\$ 1,498,970	\$4,183,629
Certificates of Deposit	-	430,770	430,770
Receivables	532,518	62,980	595,498
Prepaid Expenses	3,703	5,885	9,588
Internal Balances	(15,117)	15,117	-
Total Current Assets	<u>\$ 3,205,763</u>	<u>\$ 2,013,722</u>	<u>\$5,219,485</u>
Non-Current Assets:			
Capital Assets	\$ 1,785,421	\$ 8,009,354	\$9,794,775
Less: Accumulated Depreciation	(989,915)	(4,707,508)	(5,697,423)
Total Non-Current Assets	<u>\$ 795,506</u>	<u>\$ 3,301,846</u>	<u>\$4,097,352</u>
Total Assets	<u>\$ 4,001,269</u>	<u>\$ 5,315,568</u>	<u>\$9,316,837</u>
Deferred Outflows of Resources - IMRF	\$ 203,944	\$ -	\$ 203,944
Total Assets and Deferred Outflows of Resources	<u>\$ 4,205,213</u>	<u>\$ 5,315,568</u>	<u>\$9,520,781</u>
<b>LIABILITIES :</b>			
Current Liabilities:			
Accounts Payable	\$ 33,921	\$ 29,435	\$ 63,356
Accrued Expenses	32,844	28,079	60,923
Total Current Liabilities	<u>\$ 66,765</u>	<u>\$ 57,514</u>	<u>\$ 124,279</u>
Non-Current Liabilities:			
Net Pension Liability - IMRF	\$ 53,314	\$ -	\$ 53,314
American Rescue Plan Deferred Contribution		128,059	128,059
Total Non-Current Liabilities	<u>\$ 53,314</u>	<u>\$ 128,059</u>	<u>\$ 181,373</u>
Total Liabilities	<u>\$ 120,079</u>	<u>\$ 185,573</u>	<u>\$ 305,652</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Amounts Related to IMRF	\$ 291,282	\$ -	\$ 291,282
Unavailable Property Taxes	331,450	-	331,450
Total Deferred Inflows of Resources	<u>\$ 622,732</u>	<u>\$ -</u>	<u>\$ 622,732</u>
<b>NET POSITION:</b>			
Investment in Capital Assets, Net of Related Debt	\$ 795,506	\$ 3,301,846	\$4,097,352
Restricted For:			
Motor Fuel Tax	136,308	-	136,308
Rebuild Illinois Funds	107,094	-	107,094
Business District Taxes	693,889	-	693,889
Unrestricted Net Position	1,729,605	1,828,149	3,557,754
Total Net Position	<u>\$ 3,462,402</u>	<u>\$ 5,129,995</u>	<u>\$8,592,397</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, 2022**

	Expenses	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	\$ 527,706	\$ 195,071	\$ 9,237	\$ 42,838	\$ (280,560)	\$ -	\$ (280,560)
Public Safety	329,394	49,622	3,063	-	(276,709)	-	(276,709)
Highways and Streets	243,722	-	-	-	(243,722)	-	(243,722)
Recreation	12,397	5,001	-	-	(7,396)	-	(7,396)
Total Governmental Activities	<u>\$ 1,113,219</u>	<u>\$ 249,694</u>	<u>\$ 12,300</u>	<u>\$ 42,838</u>	<u>\$ (808,387)</u>	<u>\$ -</u>	<u>\$ (808,387)</u>
Business-Type Activities:							
Water	\$ 705,378	\$ 697,954	\$ -	\$ -	\$ -	\$ (7,424)	\$ (7,424)
Sewer	325,118	242,561	-	-	-	(82,557)	(82,557)
Total Business-Type Activities	<u>\$ 1,030,496</u>	<u>\$ 940,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89,981)</u>	<u>\$ (89,981)</u>
Total	<u>\$ 2,143,715</u>	<u>\$ 1,190,209</u>	<u>\$ 12,300</u>	<u>\$ 42,838</u>	<u>\$ (808,387)</u>	<u>\$ (89,981)</u>	<u>\$ (898,368)</u>
<b>GENERAL REVENUES:</b>							
Taxes:							
Property					\$ 326,277	\$ -	\$ 326,277
Business District					145,252	-	145,252
Utility Taxes					148,519	-	148,519
Income Taxes					291,897	-	291,897
Sales Taxes					245,814	-	245,814
Use Taxes					77,110	-	77,110
Motor Fuel					77,736	-	77,736
Replacement					29,962	-	29,962
Video Gaming					17,941	-	17,941
Gain on Disposition of Property					7,779	-	7,779
Interest Income					9,149	6,305	15,454
Total General Revenues and Transfers					<u>\$ 1,377,436</u>	<u>\$ 6,305</u>	<u>\$ 1,383,741</u>
<b>Change in Net Position</b>					\$ 569,049	\$ (83,676)	\$ 485,373
<b>Net Position - Beginning of Year</b>					2,893,353	5,213,671	8,107,024
<b>Net Position - End of Year</b>					<u>\$ 3,462,402</u>	<u>\$ 5,129,995</u>	<u>\$ 8,592,397</u>

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

**VILLAGE OF MACKINAW  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2022**

	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	\$2,213,557	\$ 350	\$ -	\$ -	\$ 233,893	\$236,859	\$2,684,659
Receivables	429,854	63,387	-	32,734	-	6,543	532,518
Prepaid Expenses	925	1,852	-	926	-	-	3,703
Due From Other Funds	3,853	-	-	-	2,500	-	6,353
<b>Total Assets</b>	<b>\$2,648,189</b>	<b>\$ 65,589</b>	<b>\$ -</b>	<b>\$ 33,660</b>	<b>\$ 236,393</b>	<b>\$243,402</b>	<b>\$3,227,233</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>							
<b>LIABILITIES:</b>							
Accounts Payable	\$ 30,596	\$ 1,538	\$ -	\$ 1,787	\$ -	\$ -	\$ 33,921
Accrued Expenses	4,839	19,698	-	8,307	-	-	32,844
Due to Other Funds	21,470	-	-	-	-	-	21,470
<b>Total Liabilities</b>	<b>\$ 56,905</b>	<b>\$ 21,236</b>	<b>\$ -</b>	<b>\$ 10,094</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,235</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable Property Taxes	\$ 246,745	\$ 51,971	\$ -	\$ 32,734	\$ -	\$ -	\$ 331,450
<b>FUND BALANCES:</b>							
Nonspendable	\$ 925	\$ 1,852	\$ -	\$ 926	\$ -	\$ -	\$ 3,703
Restricted	693,889	-	-	-	-	243,402	937,291
Committed	-	-	-	-	-	-	-
Assigned	447,731	-	-	-	236,393	-	684,124
Unassigned	1,201,994	(9,470)	-	(10,094)	-	-	1,182,430
<b>Total Fund Balances</b>	<b>\$2,344,539</b>	<b>\$ (7,618)</b>	<b>\$ -</b>	<b>\$ (9,168)</b>	<b>\$ 236,393</b>	<b>\$243,402</b>	<b>\$2,807,548</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
	<b>\$2,648,189</b>	<b>\$ 65,589</b>	<b>\$ -</b>	<b>\$ 33,660</b>	<b>\$ 236,393</b>	<b>\$243,402</b>	<b>\$3,227,233</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, 2022**

**Total Governmental Fund Balances** \$ 2,807,548

**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	\$1,785,421	
Accumulated Depreciation	<u>(989,915)</u>	795,506

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	\$ (53,314)	
Deferred Outflows of Resources - IMRF	203,944	
Deferred Inflows of Resources - IMRF	<u>(291,282)</u>	(140,652)

<b>Net Position of Governmental Activities</b>	<u><u>\$ 3,462,402</u></u>
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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, 2022**

	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	\$ 242,946	\$ 50,964	\$ -	\$ 32,367	\$ -	\$ -	\$ 326,277
Business District Taxes	145,252	-	-	-	-	-	145,252
Utility Taxes	148,519	-	-	-	-	-	148,519
Intergovernmental	662,724	-	5,001	-	-	77,736	745,461
Police Protection	-	34,764	-	-	-	-	34,764
Fines	-	14,643	-	-	-	-	14,643
Donations/Grants	9,237	3,063	-	-	-	42,838	55,138
Interest Income	8,170	-	-	-	745	234	9,149
Garbage Service Income	126,588	-	-	-	-	-	126,588
Recycling	29,680	-	-	-	-	-	29,680
Licenses and Permits	3,959	-	-	-	-	-	3,959
Franchise Fees	12,324	-	-	-	-	-	12,324
Cell Tower Lease	12,004	-	-	-	-	-	12,004
Miscellaneous	10,516	215	-	-	-	-	10,731
<b>Total Revenues</b>	<b>\$ 1,411,919</b>	<b>\$ 103,649</b>	<b>\$ 5,001</b>	<b>\$ 32,367</b>	<b>\$ 745</b>	<b>\$ 120,808</b>	<b>\$ 1,674,489</b>
<b>EXPENDITURES:</b>							
<b>Current</b>							
General Government	\$ 544,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 544,703
Public Safety	-	310,368	-	-	-	-	310,368
Highways and Streets	-	-	-	171,367	-	45,167	216,534
Recreation	-	-	9,737	-	-	-	9,737
Capital Outlay	56,710	3,215	-	26,134	-	-	86,059
<b>Total Expenditures</b>	<b>\$ 601,413</b>	<b>\$ 313,583</b>	<b>\$ 9,737</b>	<b>\$ 197,501</b>	<b>\$ -</b>	<b>\$ 45,167</b>	<b>\$ 1,167,401</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 810,506	\$ (209,934)	\$ (4,736)	\$ (165,134)	\$ 745	\$ 75,641	\$ 507,088
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers In	\$ -	\$ 219,101	\$ 4,736	\$ 166,301	\$ -	\$ -	\$ 390,138
Net Proceeds from the Sale of Property	21,279	-	-	-	-	-	21,279
Transfers Out	(390,138)	-	-	-	-	-	(390,138)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (368,859)</b>	<b>\$ 219,101</b>	<b>\$ 4,736</b>	<b>\$ 166,301</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,279</b>
<b>Net Change in Fund Balances</b>	<b>\$ 441,647</b>	<b>\$ 9,167</b>	<b>\$ -</b>	<b>\$ 1,167</b>	<b>\$ 745</b>	<b>\$ 75,641</b>	<b>\$ 528,367</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,902,892</b>	<b>(16,785)</b>	<b>-</b>	<b>(10,335)</b>	<b>235,648</b>	<b>167,761</b>	<b>2,279,181</b>
<b>Fund Balance - End of Year</b>	<b>\$ 2,344,539</b>	<b>\$ (7,618)</b>	<b>\$ -</b>	<b>\$ (9,168)</b>	<b>\$ 236,393</b>	<b>\$ 243,402</b>	<b>\$ 2,807,548</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, 2022**

**Net Change in Fund Balances - Governmental Funds** \$ 528,367

**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	\$ 86,059	
Depreciation Expense	<u>(90,368)</u>	(4,309)

Proceeds from the sale of capital assets provide current financial resources to the governmental funds. However, on the Statement of Activities, proceeds are netted against the remaining capitalized cost.

Net Proceeds from the Sale of Property	\$ (21,279)	
Gain on Sale of Property	<u>7,779</u>	(13,500)

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	\$ 43,986	
(Decrease) Increase in Deferred Outflows of Resources - IMRF	39,971	
(Increase) Decrease in Deferred Inflows of Resources - IMRF	<u>(25,466)</u>	58,491

**Change in Net Position of Governmental Activities** \$ 569,049

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, 2022**

	Water Fund	Sewer Fund	Total Proprietary Funds
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 994,732	\$ 504,238	\$1,498,970
Certificates of Deposit	430,770	-	430,770
Receivables	41,982	20,998	62,980
Prepaid Expenses	4,959	926	5,885
Due From Other Funds	18,970	(3,853)	15,117
Total Current Assets	<u>\$1,491,413</u>	<u>\$ 522,309</u>	<u>\$2,013,722</u>
<b>NONCURRENT ASSETS:</b>			
Capital Assets:			
Land	\$ 40,789	\$ -	\$ 40,789
Buildings	6,430,640	1,537,925	7,968,565
Total	<u>\$6,471,429</u>	<u>\$1,537,925</u>	<u>\$8,009,354</u>
Less Accumulated Depreciation	<u>(4,086,461)</u>	<u>(621,047)</u>	<u>(4,707,508)</u>
Total Noncurrent Assets	<u>\$2,384,968</u>	<u>\$ 916,878</u>	<u>\$3,301,846</u>
Total Assets	<u><u>\$3,876,381</u></u>	<u><u>\$1,439,187</u></u>	<u><u>\$5,315,568</u></u>
<b>LIABILITIES AND NET POSITION:</b>			
Current Liabilities:			
Accounts Payable	\$ 27,717	\$ 1,718	\$ 29,435
Accrued Expenses	19,782	8,297	28,079
Total Current Liabilities	<u>\$ 47,499</u>	<u>\$ 10,015</u>	<u>\$ 57,514</u>
Non-Current Liabilities:			
American Rescue Plan Deferred Contribution	<u>\$ 128,059</u>	<u>\$ -</u>	<u>\$ 128,059</u>
Total Liabilities	<u>\$ 175,558</u>	<u>\$ 10,015</u>	<u>\$ 185,573</u>
<b>NET POSITION:</b>			
Investment in Capital Assets, Net of Related Debt	\$2,384,968	\$ 916,878	\$3,301,846
Unrestricted	<u>1,315,855</u>	<u>512,294</u>	<u>1,828,149</u>
Total Net Position	<u>\$3,700,823</u>	<u>\$1,429,172</u>	<u>\$5,129,995</u>
Total Liabilities and Net Position	<u><u>\$3,876,381</u></u>	<u><u>\$1,439,187</u></u>	<u><u>\$5,315,568</u></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, 2022**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total Proprietary Funds</b>
<b>OPERATING REVENUES:</b>			
Water and Sewer Revenue	\$ 697,954	\$ 242,561	\$ 940,515
<b>OPERATING EXPENSES:</b>			
Personal Services	\$ 179,599	\$ 90,481	\$ 270,080
Contractual Services	200,124	159,040	359,164
Supplies and Materials	86,635	14,019	100,654
Depreciation Expense	239,020	61,578	300,598
Total Operating Expenses	<u>\$ 705,378</u>	<u>\$ 325,118</u>	<u>\$ 1,030,496</u>
<b>Operating Income</b>	<b>\$ (7,424)</b>	<b>\$ (82,557)</b>	<b>\$ (89,981)</b>
<b>NON-OPERATING REVENUES:</b>			
Interest Income	4,560	1,745	6,305
<b>Net Income Before Transfers</b>	<b>\$ (2,864)</b>	<b>\$ (80,812)</b>	<b>\$ (83,676)</b>
<b>Transfers From (To) Other Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>\$ (2,864)</b>	<b>\$ (80,812)</b>	<b>\$ (83,676)</b>
<b>Net Position - Beginning of Year</b>	<b>3,703,687</b>	<b>1,509,984</b>	<b>5,213,671</b>
<b>Net Position - End of Year</b>	<b><u>\$ 3,700,823</u></b>	<b><u>\$ 1,429,172</u></b>	<b><u>\$ 5,129,995</u></b>

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, 2022**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 712,930	\$244,827	\$ 957,757
Payments to/on behalf of employees	(179,113)	(90,093)	(269,206)
Payments to suppliers for goods/services	(262,190)	(174,223)	(436,413)
Net Cash Provided (Used) by Operating Activities	<u>\$ 271,627</u>	<u>\$ (19,489)</u>	<u>\$ 252,138</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Repayments from General Fund	\$ 18,135	\$ 15,674	\$ 33,809
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 18,135</u>	<u>\$ 15,674</u>	<u>\$ 33,809</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of Capital Assets	\$ (19,084)	\$ (19,084)	\$ (38,168)
American Rescue Plan Funds	128,059	-	128,059
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ 108,975</u>	<u>\$ (19,084)</u>	<u>\$ 89,891</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	\$ 4,560	\$ 1,745	\$ 6,305
Net Maturities of Certificates of Deposit	(1,854)	-	(1,854)
Net Cash Provided by Investing Activities	<u>\$ 2,706</u>	<u>\$ 1,745</u>	<u>\$ 4,451</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 401,443	\$ (21,154)	\$ 380,289
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>593,289</u>	<u>525,392</u>	<u>1,118,681</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 994,732</u>	<u>\$504,238</u>	<u>\$1,498,970</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	\$ (7,424)	\$ (82,557)	\$ (89,981)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation	239,020	61,578	300,598
Accounts Receivable	14,976	2,266	17,242
Prepaid Expenses	1,359	(154)	1,205
Accounts Payable	23,210	(1,010)	22,200
Accrued Expenses	486	388	874
Net Cash Provided (Used) by Operating Activities	<u>\$ 271,627</u>	<u>\$ (19,489)</u>	<u>\$ 252,138</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 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. It is also used for Rebuild Illinois Funds received and associated expenditures.

**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 years
Furniture, tools, and equipment	5-7 years

J. Interfund Balances

The Village utilizes a common checking account, for convenience purposes, to make expenditures. At the end of the fiscal year, any unreimbursed expenditures of a fund in excess of transfers from the General Fund (common checking account) 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, 2022.

At April 30, 2022, the government-wide carrying amount of the Village's deposits totaled \$4,614,099.

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 or that the Village will not be able to recover collateral securities in the possession of an outside party. The Village's investment policy requires collateralization for account balances in excess of insured limits. Of the Village's deposits, \$794,383 was covered by FDIC insurance; \$245,254 was covered by securities held by the bank's agent, but not in the Village's name; and the remaining balance of \$3,574,462 was covered by an irrevocable letter of credit from the Federal Home Loan Bank of Chicago not to exceed \$3,750,000.

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 2020 tax levy, which represents the taxes collected during the fiscal year ending April 30, 2022, was passed by the Village Board on November 9, 2020. 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	\$331,450	\$ -
Intergovernmental	166,195	-
Charges for Services	23,550	-
Utilities	11,323	-
Water and Sewer Billings	-	62,980
	<hr/>	<hr/>
Totals	<u>\$532,518</u>	<u>\$62,980</u>

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>
General Fund	Sewer Fund	\$ 3,853
Water Fund	General Fund	\$18,970
Economic Development Fund	General Fund	\$2,500

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 \$219,101 to the Police/ESDA Fund, \$166,301 to the Street & Bridge Fund, and \$4,736 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, 2023	\$527
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Payments made under the lease totaled \$5,270 for fiscal year ending April 30, 2022. Subsequent to the end of the fiscal year, the Village entered into a new lease similar to the previous backhoe lease requiring a \$25,000 down payment, 48 monthly payments of \$667, and a guaranteed buy back by the dealer.

NOTE 7: GARBAGE DISPOSAL

During this fiscal year, the Village entered into an agreement with a waste disposal service for the collection of garbage from residents within the Village limits. The agreement is effective July 1, 2021 through June 30, 2026, and residents are billed monthly for this cost plus an additional \$3 administrative fee. The revenue and expenses associated with this are reported in the General Fund.

continued



VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 8: CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended April 30, 2022 is as follows:

	<u>Balance</u> <u>May 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2022</u>
Governmental Activities:				
Land	\$ 56,640	\$ -	\$ 13,500	\$ 43,140
Capital Assets Subject to Depreciation:				
Buildings/Improvements	\$ 524,892	\$ 45,814	\$ -	\$ 570,706
Infrastructure	648,984	-	-	648,984
Equipment	256,232	21,161	-	277,393
Vehicles	<u>226,114</u>	<u>19,084</u>	<u>-</u>	<u>245,198</u>
Total Capital Assets Subject to Depreciation	<u>\$ 1,656,222</u>	<u>\$ 86,059</u>	<u>\$ -</u>	<u>\$ 1,742,281</u>
Less Accumulated Depreciation	<u>\$ (899,547)</u>	<u>\$ (90,368)</u>	<u>\$ -</u>	<u>\$ (989,915)</u>
Total Capital Assets Subject to Depreciation, Net	<u>\$ 756,675</u>	<u>\$ (4,309)</u>	<u>\$ -</u>	<u>\$ 752,366</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 813,315</u>	<u>\$ (4,309)</u>	<u>\$ 13,500</u>	<u>\$ 795,506</u>
Depreciation expense was charged to governmental activities as follows:				
General Government			\$41,494	
Police/ESDA			19,026	
Street & Bridge			27,188	
Recreation			<u>2,660</u>	
Total Depreciation Expense-Governmental Activities			<u>\$90,368</u>	

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 8: CAPITAL ASSET ACTIVITY - continued

	<u>Balance</u> <u>May 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2022</u>
Business-Type Activities:				
Land	\$ 40,789	\$ -	\$ -	\$ 40,789
Capital Assets Subject to Depreciation:				
Sewage Treatment Facilities	\$ 1,384,778	\$ -	\$ -	\$ 1,384,778
Water Facilities	6,032,852	-	-	6,032,852
Machinery and Equipment	<u>512,767</u>	<u>38,168</u>	<u>-</u>	<u>550,935</u>
Total Capital Assets Subject to Depreciation	<u>\$ 7,930,397</u>	<u>\$ 38,168</u>	<u>\$ -</u>	<u>\$ 7,968,565</u>
Less Accumulated Depreciation	<u>\$(4,406,910)</u>	<u>\$(300,598)</u>	<u>\$ -</u>	<u>\$(4,707,508)</u>
Total Capital Assets Subject to Depreciation, Net	<u>\$ 3,523,487</u>	<u>\$(262,430)</u>	<u>\$ -</u>	<u>\$ 3,261,057</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,564,276</u>	<u>\$(262,430)</u>	<u>\$ -</u>	<u>\$ 3,301,846</u>

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

Water	\$239,020
Sewer	<u>61,578</u>

Total Depreciation Expense-Business-Type Activities \$300,598

NOTE 9: LEASE INCOME

In October of 2001, the Village entered into a lease agreement to lease space for a cell tower with an initial term of 5 years and 4 automatic renewals for 5 years each. The final 5-year term was entered into in the current fiscal year, with a current expiration date of September 2026. Subsequent to this, the lease renews for 1-year terms unless either party chooses not to renew. Each renewal calls for escalating monthly payments per the lease agreement. The monthly lease payment as of April 30, 2022 is \$1,050.

NOTE 10: DEFICIT FUND BALANCES

The Village had the following deficit fund balances as of April 30, 2022:

Police/ESDA Fund	\$7,618
Street and Bridge Fund	9,168

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 11: INTERGOVERNMENTAL AGREEMENTS

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.

In fiscal year 2021, the Village entered into an agreement with Deer Creek-Mackinaw CUSD 701 ("school district") to provide a School Resource Officer to the school district. The agreement automatically renews unless either party requests termination. The agreement provides that the school district pay an amount to cover wages, payroll taxes, and employee benefits for 104 school days, payable in two installments with the first being due in December and the second due the following June. The Village recognized \$24,764 in revenue in fiscal year 2022 under this agreement.

NOTE 12: TAX ABATEMENTS

The Village negotiates sales tax abatements on an individual basis. The Village has two sales tax abatement agreements as of April 30, 2022. The purpose of these agreements is to assist businesses, and to provide economic development for the Village:

	<u>% of Sales Tax Rebated</u>	<u>Amount Rebated</u>
Business #1	50%	\$ 6,728
Business #2	50%	<u>5,910</u>
Total Rebated		<u>\$12,638</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 13: 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 13: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

**Employees Covered by Benefit Terms**

As of December 31, 2021, 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	7
Active Plan Members	<u>8</u>
Total	20

**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 2021 was 12.50%. For the fiscal year ended April 30, 2022, the employer contributed \$44,537 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, 2021. 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 13: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- 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%, 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 2020 valuation according to an experience study from years 2017 to 2019.
- 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.
- 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, 2021:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	39%	1.90%
International Equity	15%	3.15%
Fixed Income	25%	-.60%
Real Estate	10%	3.30%
Alternative Investments	10%	1.70-5.50%
Cash Equivalents	<u>1%</u>	-.90%
Total	100%	

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 13: 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 1.84%, 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, 2020</b>	\$ 1,591,554	\$ 1,494,254	\$ 97,300
<b>Changes for the Year:</b>			
Service Cost	\$ 37,958	\$ -	\$ 37,958
Interest on the Total Pension Liability	114,428	-	114,428
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	121,258	-	121,258
Changes of Assumptions	-	-	-
Contributions - Employer	-	51,725	(51,725)
Contributions - Employee	-	18,621	(18,621)
Net Investment Income	-	249,874	(249,874)
Benefit Payments, Including Refunds of Employee Contributions	(64,429)	(64,429)	-
Other (Net Transfer)	-	(2,590)	2,590
Net Changes	\$ 209,215	\$ 253,201	\$ (43,986)
<b>Balances at December 31, 2021</b>	\$ 1,800,769	\$ 1,747,455	\$ 53,314

continued

VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 13: 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	\$ 283,481	\$53,314	(\$137,754)

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

For the year ended April 30, 2022, the Village recognized pension expense (income) of (\$13,954). At April 30, 2022, 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	\$ 138,125	\$ 50,839
Changes in Assumptions	18,246	22,053
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	31,207	218,390
<b>Total Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>	<b>\$ 187,578</b>	<b>\$ 291,282</b>
<b>Pension Contributions Made Subsequent to the Measurement Date</b>	<b>16,366</b>	<b>-</b>
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 203,944</b>	<b>\$ 291,282</b>

continued



VILLAGE OF MACKINAW  
NOTES TO FINANCIAL STATEMENTS

NOTE 13: 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 Outflows (Inflows) of Resources
2022	\$ (24,371)
2023	(50,509)
2024	(30,203)
2025	(10,174)
2026	11,553
Thereafter	-
Total	<u>\$ (103,704)</u>

NOTE 14: REBUILD ILLINOIS FUNDS

The Illinois Department of Transportation has distributed monies to municipalities under the Rebuild Illinois Capital program based upon the formula used to allocate motor fuel taxes. Recipients are required to use these funds for public infrastructure and other transportation improvement projects that would qualify as bondable capital improvements (average useful life greater than or equal to 13 years). The Village received \$42,838 of these funds in the current fiscal year, all of which remained unspent as of April 30, 2022. These funds are reported under Capital Grants and Contributions on the Statement of Activities and Donations/Grants on the Statement of Revenues, Expenditures, and Changes in Fund Balances.

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. Settlements have not exceeded insurance coverage in each of the past three fiscal years. 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 28, 2022, the date the financial statements were available to be issued. Other than the new operating lease entered into subsequent to year end discussed in Note 6, 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, 2022**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 237,900	\$ 237,900	\$ 242,946	\$ 5,046
Business District Taxes	133,000	133,000	145,252	12,252
Utility Taxes	136,000	136,000	148,519	12,519
Sales Tax	200,000	200,000	245,814	45,814
Use Tax	85,000	85,000	77,110	(7,890)
Income Taxes	220,000	220,000	291,897	71,897
Replacement Tax	10,000	10,000	29,962	19,962
Video Gaming Tax	3,000	3,000	17,941	14,941
Donations/Grants	15,000	15,000	9,237	(5,763)
Interest Income	20,000	20,000	8,170	(11,830)
Garbage Service Income	123,000	123,000	126,588	3,588
Recycling	22,000	22,000	29,680	7,680
Licenses and Permits	4,500	4,500	3,959	(541)
Franchise Fees	5,500	5,500	12,324	6,824
Cell Tower Lease	12,000	12,000	12,004	4
Miscellaneous	12,100	12,100	10,516	(1,584)
<b>Total Revenues</b>	<b>\$1,239,000</b>	<b>\$1,239,000</b>	<b>\$ 1,411,919</b>	<b>\$ 172,919</b>

continued

**VILLAGE OF MACKINAW**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE-GENERAL FUND**  
**FOR THE YEAR ENDED APRIL 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts	Over (Under)
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Salaries - President, Trustees, Employees	\$75,000	\$ 75,000	\$ 57,993	\$ (17,007)
Zoning and Planning Board Salaries	7,000	7,000	5,820	(1,180)
FICA - Village Portion	35,000	35,000	43,140	8,140
IMRF - Village Portion	45,000	45,000	44,537	(463)
Employee Insurance	100,000	100,000	29,804	(70,196)
Unemployment Compensation	10,000	10,000	2,375	(7,625)
Uniform Allowance	500	500	157	(343)
Liability Insurance	70,000	70,000	10,499	(59,501)
Legal Fees	17,000	17,000	9,934	(7,066)
TIF District Professional Fees	-	-	10,000	10,000
Office Expense	17,000	17,000	5,714	(11,286)
Telephone	7,000	7,000	5,505	(1,495)
Utilities	6,500	6,500	3,745	(2,755)
Water and Sewer	3,300	3,300	3,025	(275)
Publications	1,500	1,500	292	(1,208)
Printing and Copying Services	1,000	1,000	-	(1,000)
Property Repair and Maintenance	27,000	27,000	2,370	(24,630)
Postage and Shipping	1,500	1,500	688	(812)
Dues	1,000	1,000	657	(343)
Zoning Expense	700	700	482	(218)
Sales Tax Rebates	20,000	20,000	12,638	(7,362)
Animal Control	2,500	2,500	1,707	(793)
Garbage Disposal and Landfill Charges	136,200	136,200	104,126	(32,074)
Software and Support	17,000	17,000	4,204	(12,796)
Internet Website Maintenance	2,000	2,000	1,798	(202)
Training	2,000	2,000	115	(1,885)
Travel and Lodging	2,000	2,000	-	(2,000)
Recycling Program	35,000	35,000	36,370	1,370
Audit and Accounting	8,500	8,500	8,100	(400)
Grant Expenditures	-	-	3,000	3,000

continued

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2022**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
<b>EXPENDITURES (CONTINUED):</b>				
Current:				
General Government:				
Developer Rebates	15,000	15,000	-	(15,000)
Downtown Business District Expenses	130,000	130,000	17,896	(112,104)
Industrial Park Business District Expenses	210,000	210,000	39,910	(170,090)
First Street Business District Expenses	320,000	320,000	18,448	(301,552)
Equipment Maintenance	1,700	1,700	641	(1,059)
Park Maintenance	85,000	85,000	4,088	(80,912)
Tree Service	10,000	10,000	5,037	(4,963)
Sidewalk Repairs and Construction	40,000	40,000	14,542	(25,458)
Mosquito Control	3,500	3,500	-	(3,500)
Engineering	30,000	30,000	-	(30,000)
Maintenance Supplies	1,000	1,000	-	(1,000)
Rentals/Leases	2,500	2,500	973	(1,527)
Fireworks	7,500	7,500	5,100	(2,400)
Community Center	65,400	65,400	12,901	(52,499)
Beautification Program	14,200	14,200	8,117	(6,083)
Miscellaneous and Contingency	12,500	12,500	8,255	(4,245)
Capital Outlay	50,000	50,000	56,710	6,710
	<u>\$ 1,649,500</u>	<u>\$1,649,500</u>	<u>\$ 601,413</u>	<u>\$(1,048,087)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (410,500)</u>	<u>\$ (410,500)</u>	<u>\$ 810,506</u>	<u>\$ 1,221,006</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Net Proceeds from the Sale of Property			\$ 21,279	\$ 21,279
Transfers to Other Funds			(390,138)	(390,138)
			<u>\$ (368,859)</u>	<u>\$ (368,859)</u>
<b>Total Other Financing Sources (Uses)</b>			<u>\$ (368,859)</u>	<u>\$ (368,859)</u>
<b>Net Change in Fund Balance</b>			\$ 441,647	\$ 852,147
<b>Fund Balance - Beginning of Year</b>			<u>1,902,892</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 2,344,539</u>	

Concluded

**VILLAGE OF MACKINAW**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE-POLICE/ESDA FUND**  
**FOR THE YEAR ENDED APRIL 30, 2022**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 50,400	\$ 50,400	\$ 50,964	\$ 564
Fines	12,000	12,000	14,643	2,643
Protection Revenue	-	-	34,764	34,764
Grants	-	-	3,063	3,063
Miscellaneous	-	-	215	215
<b>Total Revenues</b>	<b>\$ 62,400</b>	<b>\$ 62,400</b>	<b>\$ 103,649</b>	<b>\$ 41,249</b>
<b>EXPENDITURES:</b>				
Current:				
Public Safety:				
Salaries	\$ 210,000	\$ 210,000	\$ 175,320	\$ (34,680)
Employee Insurance	3,750	3,750	2,580	(1,170)
Liability Insurance	-	-	10,653	10,653
Legal Fees	1,000	1,000	1,034	34
Training and Education	1,500	1,500	300	(1,200)
Donations and Rebates	7,500	7,500	4,080	(3,420)
Telephone	7,750	7,750	7,576	(174)
Utilities	5,000	5,000	3,672	(1,328)
Publication of Notices and Information	250	250	992	742
Office Expense	8,500	8,500	1,691	(6,809)
Software and IT Consulting	8,000	8,000	1,639	(6,361)
Central Dispatch Service	45,000	45,000	42,641	(2,359)
Dues	1,000	1,000	400	(600)
Maintenance	20,500	20,500	8,984	(11,516)
Small Equipment and Supplies	7,500	7,500	3,107	(4,393)
Uniforms	4,000	4,000	2,909	(1,091)
Fuel	12,000	12,000	10,152	(1,848)
ESDA Expense	40,200	40,200	30,278	(9,922)
Miscellaneous and Contingency	8,750	8,750	2,360	(6,390)
Capital Outlay	62,000	62,000	3,215	(58,785)
<b>Total Expenditures</b>	<b>\$ 454,200</b>	<b>\$ 454,200</b>	<b>\$ 313,583</b>	<b>\$ (140,617)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>\$(391,800)</u></b>	<b><u>\$(391,800)</u></b>	<b>\$ (209,934)</b>	<b><u>\$ 181,866</u></b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from General Fund			\$ 219,101	\$ 219,101
<b>Net Change in Fund Balance</b>			<b>\$ 9,167</b>	<b><u>\$ 400,967</u></b>
<b>Fund Balance - Beginning of Year</b>			<b>(16,785)</b>	
<b>Fund Balance - End of Year</b>			<b><u>\$ (7,618)</u></b>	

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-RECREATION FUND  
FOR THE YEAR ENDED APRIL 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts	Over (Under)
	<u>Original</u>	<u>Final</u>		
<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	\$ 8,005	\$ (1,995)
Repairs and Maintenance	7,500	7,500	1,732	(5,768)
Miscellaneous and contingency	1,000	1,000	-	(1,000)
Capital Outlay	-	-	-	-
Total Expenditures	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 9,737</u>	<u>\$ (8,763)</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u><u>\$(13,499)</u></u>	<u><u>\$(13,499)</u></u>	<u><u>\$ (4,736)</u></u>	<u><u>\$ 8,763</u></u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from General Fund			\$ 4,736	\$ 4,736
<b>Net Change in Fund Balance</b>			\$ -	<u><u>\$ 13,499</u></u>
<b>Fund Balance - Beginning of Year</b>			<u>-</u>	
<b>Fund Balance - End of Year</b>			<u><u>\$ -</u></u>	

**VILLAGE OF MACKINAW**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE-STREET AND BRIDGE FUND**  
**FOR THE YEAR ENDED APRIL 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property Taxes	\$ 35,000	\$ 35,000	\$ 32,367	\$ (2,633)
Total Revenues	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 32,367</u>	<u>\$ (2,633)</u>
<b>EXPENDITURES:</b>				
Current:				
Highways and Streets:				
Salaries	\$ 95,000	\$ 95,000	\$ 79,248	\$ (15,752)
Employee Insurance	2,500	2,500	1,152	(1,348)
Liability Insurance	-	-	10,499	10,499
Legal Fees	500	500	-	(500)
Street Lighting	32,000	32,000	18,194	(13,806)
Telephone	2,000	2,000	1,136	(864)
Utilities	6,000	6,000	1,779	(4,221)
Rentals and Leasing	10,000	10,000	4,225	(5,775)
Office Expense	2,000	2,000	179	(1,821)
Engineering	5,000	5,000	-	(5,000)
Software	3,500	3,500	207	(3,293)
Repairs and Maintenance	355,000	355,000	43,608	(311,392)
Uniforms	800	800	551	(249)
Snow Removal	6,000	6,000	4,810	(1,190)
Fuel	6,000	6,000	5,144	(856)
Miscellaneous and Contingency	12,200	12,200	635	(11,565)
Capital Outlay	66,000	66,000	26,134	(39,866)
Total Expenditures	<u>\$ 604,500</u>	<u>\$ 604,500</u>	<u>\$ 197,501</u>	<u>\$ (406,999)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u><u>\$(569,500)</u></u>	<u><u>\$(569,500)</u></u>	<u><u>\$ (165,134)</u></u>	<u><u>\$ 404,366</u></u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from General Fund			<u>\$ 166,301</u>	<u>\$ 166,301</u>
<b>Net Change in Fund Balance</b>			<u>\$ 1,167</u>	<u><u>\$ 570,667</u></u>
<b>Fund Balance, Beginning of Year</b>			<u>(10,335)</u>	
<b>Fund Balance, End of Year</b>			<u><u>\$ (9,168)</u></u>	



**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-ECONOMIC DEVELOPMENT FUND  
FOR THE YEAR ENDED APRIL 30, 2022**

	Budgeted Amounts		Actual	Over
	Original	Final	Amounts	(Under)
<b>REVENUES:</b>				
Interest Income	\$ 1,000	\$ 1,000	\$ 745	\$ (255)
Total Revenues	\$ 1,000	\$ 1,000	\$ 745	\$ (255)
<b>EXPENDITURES:</b>				
Current:				
Business loans	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Capital Outlay	11,000	11,000	-	(11,000)
Total Expenditures	\$ 111,000	\$ 111,000	\$ -	\$ (111,000)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$(110,000)</b>	<b>\$(110,000)</b>	<b>\$ 745</b>	<b>\$ 110,745</b>
<b>OTHER FINANCING SOURCES:</b>				
Business Loan Principal Repayments	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>\$(110,000)</b>	<b>\$(110,000)</b>	<b>\$ 745</b>	<b>\$ 110,745</b>
<b>Fund Balance - Beginning of Year</b>			235,648	
<b>Fund Balance - End of Year</b>			\$ 236,393	

**VILLAGE OF MACKINAW  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE-MOTOR FUEL TAX FUND  
FOR THE YEAR ENDED APRIL 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts	Over (Under)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental - Motor Fuel Taxes	\$ 70,000	\$ 70,000	\$ 77,736	\$ 7,736
Intergovernmental - Rebuild Illinois Funds	-	-	42,838	42,838
Interest Income	-	-	234	234
Total Revenues	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$120,808</u>	<u>\$ 50,808</u>
<b>EXPENDITURES:</b>				
Current:				
Highways and Streets:				
Maintenance	\$105,000	\$105,000	\$ 45,167	\$ (59,833)
Capital Outlay	-	-	-	-
Total Expenditures	<u>\$105,000</u>	<u>\$105,000</u>	<u>\$ 45,167</u>	<u>\$ (59,833)</u>
<b>Excess of Revenues Over Expenditures</b>	<u><u>\$ (35,000)</u></u>	<u><u>\$ (35,000)</u></u>	<u>\$ 75,641</u>	<u>\$ 110,641</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from (to) Other Funds			<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>			<u>\$ 75,641</u>	<u><u>\$ 110,641</u></u>
<b>Fund Balance - Beginning of Year</b>			<u>167,761</u>	
<b>Fund Balance - End of Year</b>			<u><u>\$243,402</u></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 #1008, the annual budget and appropriation ordinance, was adopted on July 12, 2021, for the fiscal year ending April 30, 2022.

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, 2022. 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,	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service Cost	\$ 37,958	\$ 41,703	\$ 39,231	\$ 40,002	\$ 41,023	\$ 40,178	\$ 33,919
Interest on Total Pension Liability	114,428	110,739	103,175	102,875	92,760	87,312	76,336
Benefit Changes	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience of Total Pension Liability	121,258	(23,210)	22,565	(73,199)	91,378	(33,288)	40,803
Assumption Changes	-	(12,891)	-	43,238	(42,901)	(5,243)	1,648
Benefit Payments and Refunds	(64,429)	(62,736)	(61,026)	(61,149)	(32,629)	(10,192)	(4,890)
<b>Net Change in Total Pension Liability</b>	<b>\$ 209,215</b>	<b>\$ 53,605</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>1,591,554</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>1,006,023</b>
<b>Total Pension Liability - Ending (A)</b>	<b>\$1,800,769</b>	<b>\$ 1,591,554</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	\$ 51,725	\$ 51,415	\$ 44,811	\$ 41,131	\$ 52,936	\$ 41,207	\$ 40,745
Employee Contributions	18,621	18,348	17,581	16,250	17,676	15,876	15,207
Pension Plan Net Investment Income	249,874	184,958	205,888	(68,119)	155,164	63,847	4,683
Benefit Payments and Refunds	(64,429)	(62,736)	(61,026)	(61,149)	(32,629)	(10,192)	(4,890)
Other	(2,590)	9,413	1,599	(36,639)	(15,741)	(655)	(61,871)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 253,201</b>	<b>\$ 201,398</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>1,494,254</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>911,166</b>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<b>\$1,747,455</b>	<b>\$ 1,494,254</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>\$ 53,314</b>	<b>\$ 97,300</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>	97.04%	93.89%	84.06%	75.59%	86.28%	82.36%	78.44%
<b>Covered Valuation Payroll</b>	\$ 413,800	\$ 407,730	\$ 390,682	\$ 361,110	\$ 392,789	\$ 352,807	\$ 327,135
<b>Net Pension Liability/(Asset) as a Percentage of Covered Valuation Payroll</b>	12.88%	23.86%	62.73%	96.92%	48.30%	61.64%	76.05%

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>
2021	\$ 51,725	\$ 51,725	\$ -	\$ 413,800	12.50%
2020	\$ 51,415	\$ 51,415	\$ -	\$ 407,730	12.61%
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 2021 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 2021 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): 22-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 17 years for most employers, with a number of employers financed over 18 - 28 years.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
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, 2019 actuarial valuation.