

VILLAGE OF MACKINAW
Tazewell County, Illinois

Annual Financial Report

For the Fiscal Year Ended April 30, 2023

VILLAGE OF MACKINAW
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2023

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FOR THE YEAR ENDED APRIL 30, 2023

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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, 2023, 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, 2023, 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
January , 2024

VILLAGE OF MACKINAW
BASIC FINANCIAL STATEMENTS

VILLAGE OF MACKINAW
STATEMENT OF NET POSITION
APRIL 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 3,019,045	\$ 1,651,263	\$ 4,670,308
Certificates of Deposit	-	435,330	435,330
Receivables	558,177	63,584	621,761
Lease Receivable	7,783	-	7,783
Prepaid Expenses	6,969	10,521	17,490
Internal Balances	(7,712)	7,712	-
Total Current Assets	<u>\$ 3,584,262</u>	<u>\$ 2,168,410</u>	<u>\$ 5,752,672</u>
Non-Current Assets:			
Lease Receivable	\$ 440,085	\$ -	\$ 440,085
Capital Assets	1,962,802	8,251,745	10,214,547
Less: Accumulated Depreciation	(1,015,547)	(5,016,410)	(6,031,957)
Total Non-Current Assets	<u>\$ 1,387,340</u>	<u>\$ 3,235,335</u>	<u>\$ 4,622,675</u>
Total Assets	<u>\$ 4,971,602</u>	<u>\$ 5,403,745</u>	<u>\$ 10,375,347</u>
Deferred Outflows of Resources - IMRF	<u>\$ 445,504</u>	<u>\$ -</u>	<u>\$ 445,504</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 5,417,106</u></u>	<u><u>\$ 5,403,745</u></u>	<u><u>\$ 10,820,851</u></u>
LIABILITIES :			
Current Liabilities:			
Accounts Payable	\$ 49,817	\$ 10,125	\$ 59,942
Accrued Expenses	43,624	31,873	75,497
Lease Liability - Current Portion	823	1,646	2,469
Total Current Liabilities	<u>\$ 94,264</u>	<u>\$ 43,644</u>	<u>\$ 137,908</u>
Non-Current Liabilities:			
Net Pension Liability - IMRF	\$ 420,476	\$ -	\$ 420,476
Lease Liability - Non-Current Portion	30,560	61,120	91,680
American Rescue Plan Deferred Contribution	-	256,251	256,251
Total Non-Current Liabilities	<u>\$ 451,036</u>	<u>\$ 317,371</u>	<u>\$ 768,407</u>
Total Liabilities	<u>\$ 545,300</u>	<u>\$ 361,015</u>	<u>\$ 906,315</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Lease Receivable	\$ 447,868	\$ -	\$ 447,868
Deferred Amounts Related to IMRF	190,968	-	190,968
Unavailable Property Taxes	348,646	-	348,646
Total Deferred Inflows of Resources	<u>\$ 987,482</u>	<u>\$ -</u>	<u>\$ 987,482</u>
NET POSITION:			
Investment in Capital Assets, Net of Related Debt Restricted For:	\$ 915,872	\$ 3,172,569	\$ 4,088,441
Motor Fuel Tax	106,309	-	106,309
Rebuild Illinois Funds	128,513	-	128,513
Business District Taxes	793,642	-	793,642
Unrestricted Net Position	1,939,988	1,870,161	3,810,149
Total Net Position	<u><u>\$ 3,884,324</u></u>	<u><u>\$ 5,042,730</u></u>	<u><u>\$ 8,927,054</u></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, 2023**

FUNCTIONS/PROGRAMS:	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		Total
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General Government	\$ 588,765	\$ 219,163	\$ 1,125	\$ -	\$ (368,477)	\$ -	\$ (368,477)
Public Safety	416,233	75,438	21,426	-	(319,369)	-	(319,369)
Highways and Streets	349,376	-	-	21,419	(327,957)	-	(327,957)
Recreation	22,785	5,001	-	-	(17,784)	-	(17,784)
Total Governmental Activities	\$ 1,377,159	\$ 299,602	\$ 22,551	\$ 21,419	\$ (1,033,587)	\$ -	\$ (1,033,587)
Business-Type Activities:							
Water	\$ 811,723	\$ 741,777	\$ -	\$ -	\$ -	\$ (69,946)	\$ (69,946)
Sewer	288,806	256,813	-	-	(31,993)	-	(31,993)
Total Business-Type Activities	\$ 1,100,529	\$ 998,590	\$ -	\$ -	\$ -	\$ (101,939)	\$ (101,939)
Total	\$ 2,477,688	\$ 1,298,192	\$ 22,551	\$ 21,419	\$ (1,033,587)	\$ (101,939)	\$ (1,135,526)
GENERAL REVENUES:							
Taxes:							
					\$		\$
Property					331,218		331,218
Business District					171,517		171,517
Utility Taxes					149,872		149,872
Income Taxes					292,837		292,837
Sales Taxes					272,371		272,371
Use Taxes					79,945		79,945
Motor Fuel					77,660		77,660
Replacement					33,865		33,865
Video Gaming					20,097		20,097
Gain on Disposition of Property					6,504		6,504
Interest Income					19,623		19,623
Total General Revenues and Transfers					\$ 1,455,509		\$ 1,470,183
Change in Net Position					\$ 421,922		\$ 334,657
Net Position - Beginning of Year					3,462,402		8,592,397
Net Position - End of Year					\$ 3,884,324		\$ 8,927,054

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

**VILLAGE OF MACKINAW
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2023**

	General Fund	Police/ ESDA Fund	Recreation Fund	Street & Bridge Fund	Economic Development Fund	Motor Fuel Tax Fund	Total
ASSETS:							
Cash and Cash Equivalents	\$2,543,801	\$ 351	\$ -	\$ -	\$ 237,963	\$236,930	\$3,019,045
Receivables	448,285	69,217	-	33,999	-	6,676	558,177
Lease Receivable	447,868	-	-	-	-	-	447,868
Prepaid Expenses	3,265	1,980	-	1,724	-	-	6,969
Due From Other Funds	3,853	-	-	16,439	-	-	20,292
Total Assets	\$3,447,072	\$ 71,548	\$ -	\$ 52,162	\$ 237,963	\$243,606	\$4,052,351
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:							
LIABILITIES:							
Accounts Payable	\$ 43,650	\$ 3,861	\$ -	\$ 2,306	\$ -	\$ -	\$ 49,817
Accrued Expenses	5,158	27,575	-	10,891	-	-	43,624
Due to Other Funds	19,220	-	-	-	-	8,784	28,004
Total Liabilities	\$ 68,028	\$ 31,436	\$ -	\$ 13,197	\$ -	\$ 8,784	\$ 121,445
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows Related to Lease Receivable	\$ 447,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 447,868
Unavailable Property Taxes	261,043	53,605	-	33,998	-	-	\$ 348,646
Total Deferred Inflows of Resources	\$ 708,911	\$ 53,605	\$ -	\$ 33,998	\$ -	\$ -	\$ 796,514
FUND BALANCES:							
Nonspendable	\$ 3,265	\$ 1,980	\$ -	\$ 1,724	\$ -	\$ -	\$ 6,969
Restricted	793,642	-	-	-	-	234,822	1,028,464
Committed	-	-	-	-	-	-	-
Assigned	497,442	-	-	-	237,963	-	735,405
Unassigned	1,375,784	(15,473)	-	3,243	-	-	1,363,554
Total Fund Balances	\$2,670,133	\$(13,493)	\$ -	\$ 4,967	\$ 237,963	\$234,822	\$3,134,392
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$3,447,072	\$ 71,548	\$ -	\$ 52,162	\$ 237,963	\$243,606	\$4,052,351

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, 2023

Total Governmental Fund Balances \$ 3,134,392

**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	\$ 1,962,802	
Accumulated Depreciation	<u>(1,015,547)</u>	947,255

Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.

Lease Liability - Current Portion	\$ (823)	
Lease Liability - Non-Current Portion	<u>(30,560)</u>	(31,383)

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	\$ (420,476)	
Deferred Outflows of Resources - IMRF	445,504	
Deferred Inflows of Resources - IMRF	<u>(190,968)</u>	(165,940)

Net Position of Governmental Activities	<u><u>\$ 3,884,324</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, 2023

	General Fund	Police/ESDA Fund	Recreation Fund	Street & Bridge Fund	Economic Development Fund	Motor Fuel Tax Fund	Total Governmental Funds
REVENUES:							
Property Taxes	\$ 246,559	\$ 51,935	\$ -	\$ 32,724	\$ -	\$ -	\$ 331,218
Business District Taxes	171,517	-	-	-	-	-	171,517
Utility Taxes	149,872	-	-	-	-	-	149,872
Intergovernmental	699,115	-	5,001	-	-	77,660	781,776
Police Protection	-	46,631	-	-	-	-	46,631
Fines	-	28,112	-	-	-	-	28,112
Donations/Grants	1,125	21,426	-	-	-	21,419	43,970
Interest Income	16,720	-	-	-	-	1,333	19,623
Garbage Service Income	145,732	-	-	-	-	-	145,732
Recycling	28,142	-	-	-	-	-	28,142
Licenses and Permits	7,704	-	-	-	-	-	7,704
Franchise Fees	6,939	-	-	-	-	-	6,939
Cell Tower Lease	12,601	-	-	-	-	-	12,601
Miscellaneous	18,045	695	-	-	-	-	18,740
Total Revenues	\$ 1,504,071	\$ 148,799	\$ 5,001	\$ 32,724	\$ 1,570	\$ 100,412	\$ 1,792,577
EXPENDITURES:							
Current							
General Government	\$ 518,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 518,895
Public Safety	-	392,367	-	-	-	-	392,367
Highways and Streets	-	-	-	223,653	-	108,992	332,645
Recreation	-	-	20,125	-	-	-	20,125
Capital Outlay	119,911	65,620	-	64,350	-	-	249,881
Total Expenditures	\$ 638,806	\$ 457,987	\$ 20,125	\$ 288,003	\$ -	\$ 108,992	\$ 1,513,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 865,265	\$ (309,188)	\$ (15,124)	\$ (255,279)	\$ 1,570	\$ (8,580)	\$ 278,664
OTHER FINANCING SOURCES (USES):							
Transfers In	\$ -	\$ 303,313	\$ 15,124	\$ 221,224	\$ -	\$ -	\$ 539,671
Right-To-Use Lease Asset Financing	-	-	-	\$ 39,980	-	-	\$ 39,980
Net Proceeds from the Sale of Property Transfers Out	(539,671)	-	-	8,200	-	-	8,200
Total Other Financing Sources (Uses)	\$ (539,671)	\$ 303,313	\$ 15,124	\$ 269,414	\$ -	\$ -	\$ (539,671)
Net Change in Fund Balances	\$ 325,594	\$ (5,875)	\$ -	\$ 14,135	\$ 1,570	\$ (8,580)	\$ 326,844
Fund Balance - Beginning of Year	2,344,539	(7,618)	-	(9,168)	236,393	243,402	2,807,548
Fund Balance - End of Year	\$ 2,670,133	\$ (13,493)	\$ -	\$ 4,967	\$ 237,963	\$ 234,822	\$ 3,134,392

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, 2023**

Net Change in Fund Balances - Governmental Funds \$ 326,844

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 or amortization expense.

Capital Outlay	\$ 249,881	
Depreciation and Amortization Expense	<u>(96,436)</u>	153,445

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	\$ (8,200)	
Gain on Sale of Property	<u>6,504</u>	(1,696)

The entering into of a lease arrangement gives rise to a lease liability, which provides current financial resources for the right-to-use related to a capital asset. The Statement of Activities does not reflect this increase in current financial resources as income.

Right-To-Use Lease Asset Financing		(39,980)
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Repayment of principal on the lease liability uses current financial resources of the governmental funds without affecting net position. The Statement of Activities does not reflect the repayment of principal as an expense.

Repayment of Lease Liability Principal		8,597
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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	\$ (367,162)	
(Decrease) Increase in Deferred Outflows of Resources - IMRF	241,560	
(Increase) Decrease in Deferred Inflows of Resources - IMRF	<u>100,314</u>	(25,288)

Change in Net Position of Governmental Activities		<u><u>\$ 421,922</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 NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2023

	Water Fund	Sewer Fund	Total Proprietary Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$1,192,312	\$ 458,951	\$1,651,263
Certificates of Deposit	435,330	-	435,330
Receivables	37,261	26,323	63,584
Prepaid Expenses	6,521	4,000	10,521
Due From Other Funds	19,220	-	19,220
Total Current Assets	<u>\$1,690,644</u>	<u>\$ 489,274</u>	<u>\$2,179,918</u>
NON-CURRENT ASSETS:			
Capital Assets:			
Land	\$ 40,789	\$ -	\$ 40,789
Buildings and Equipment	6,566,442	1,644,514	8,210,956
Total	<u>\$6,607,231</u>	<u>\$1,644,514</u>	<u>\$8,251,745</u>
Less Accumulated Depreciation	(4,329,334)	(687,076)	(5,016,410)
Total Noncurrent Assets	<u>\$2,277,897</u>	<u>\$ 957,438</u>	<u>\$3,235,335</u>
Total Assets	<u>\$3,968,541</u>	<u>\$1,446,712</u>	<u>\$5,415,253</u>
LIABILITIES AND NET POSITION:			
Current Liabilities:			
Accounts Payable	\$ 9,094	\$ 1,031	\$ 10,125
Accrued Expenses	21,907	9,966	31,873
Lease Liability - Current Portion	823	823	1,646
Due to Other Funds	7,655	3,853	11,508
Total Current Liabilities	<u>\$ 39,479</u>	<u>\$ 15,673</u>	<u>\$ 55,152</u>
Non-Current Liabilities:			
Lease Liability - Non-Current Portion	\$ 30,560	\$ 30,560	\$ 61,120
American Rescue Plan Deferred Contribution	256,251	-	256,251
Total Non-Current Liabilities	<u>\$ 286,811</u>	<u>\$ 30,560</u>	<u>\$ 317,371</u>
Total Liabilities	<u>\$ 326,290</u>	<u>\$ 46,233</u>	<u>\$ 372,523</u>
NET POSITION:			
Investment in Capital Assets, Net of Related Debt	\$2,246,514	\$ 926,055	\$3,172,569
Unrestricted	1,395,737	474,424	1,870,161
Total Net Position	<u>\$3,642,251</u>	<u>\$1,400,479</u>	<u>\$5,042,730</u>
Total Liabilities and Net Position	<u>\$3,968,541</u>	<u>\$1,446,712</u>	<u>\$5,415,253</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, 2023

	Water Fund	Sewer Fund	Total Proprietary Funds
OPERATING REVENUES:			
Water and Sewer Revenue	\$ 741,777	\$ 256,813	\$ 998,590
OPERATING EXPENSES:			
Personal Services	\$ 200,287	\$ 100,006	\$ 300,293
Contractual Services	255,636	110,108	365,744
Supplies and Materials	112,927	12,662	125,589
Depreciation and Amortization Expense	242,873	66,030	308,903
Total Operating Expenses	<u>\$ 811,723</u>	<u>\$ 288,806</u>	<u>\$ 1,100,529</u>
Operating Income	\$ (69,946)	\$ (31,993)	\$ (101,939)
NON-OPERATING REVENUES:			
Interest Income	<u>11,374</u>	<u>3,300</u>	<u>14,674</u>
Net Income Before Transfers	\$ (58,572)	\$ (28,693)	\$ (87,265)
Transfers From (To) Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	\$ (58,572)	\$ (28,693)	\$ (87,265)
Net Position - Beginning of Year	<u>3,700,823</u>	<u>1,429,172</u>	<u>5,129,995</u>
Net Position - End of Year	<u><u>\$ 3,642,251</u></u>	<u><u>\$ 1,400,479</u></u>	<u><u>\$ 5,042,730</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, 2023**

	Water Fund	Sewer Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 746,498	\$ 251,488	\$ 997,986
Payments to/on behalf of employees	(198,162)	(98,338)	(296,500)
Payments to suppliers for goods/services	(388,748)	(126,531)	(515,279)
Net Cash Provided (Used) by Operating Activities	<u>\$ 159,588</u>	<u>\$ 26,619</u>	<u>\$ 186,207</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Net Advances from Other Funds	<u>\$ 7,405</u>	<u>\$ -</u>	<u>\$ 7,405</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>\$ 7,405</u>	<u>\$ -</u>	<u>\$ 7,405</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	\$ (135,802)	\$(106,589)	\$ (242,391)
Right-To-Use Lease Asset Financing	39,980	39,980	79,960
Principal Payments on Lease Liability	(8,597)	(8,597)	(17,194)
American Rescue Plan Funds	128,192	-	128,192
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ 23,773</u>	<u>\$ (75,206)</u>	<u>\$ (51,433)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	\$ 11,374	\$ 3,300	\$ 14,674
Net Reinvestments in Certificates of Deposit	(4,560)	-	(4,560)
Net Cash Provided (Used) by Investing Activities	<u>\$ 6,814</u>	<u>\$ 3,300</u>	<u>\$ 10,114</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 197,580	\$ (45,287)	\$ 152,293
Cash and Cash Equivalents - Beginning of Year	<u>994,732</u>	<u>504,238</u>	<u>1,498,970</u>
Cash and Cash Equivalents - End of Year	<u><u>\$1,192,312</u></u>	<u><u>\$ 458,951</u></u>	<u><u>\$1,651,263</u></u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by			
Operating Activities:			
Operating Loss	\$ (69,946)	\$ (31,993)	\$ (101,939)
Adjustments to Reconcile Operating Loss to Net Cash			
Provided (Used) by Operating Activities:			
Depreciation and Amortization	242,873	66,030	308,903
Accounts Receivable	4,721	(5,325)	(604)
Prepaid Expenses	(1,562)	(3,074)	(4,636)
Accounts Payable	(18,623)	(687)	(19,310)
Accrued Expenses	2,125	1,668	3,793
Net Cash Provided (Used) by Operating Activities	<u>\$ 159,588</u>	<u>\$ 26,619</u>	<u>\$ 186,207</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	15-40 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, future reduction in IMRF pension expense, and future lease revenue.

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.

P. Adoption of New Accounting Standard

GASB Statement No. 87, Leases, was issued June 2017, and under this statement, a lessee is required to recognize an intangible right-to-use lease asset and a lease liability and a lessor is required to recognize a lease receivable and a deferred inflow of resources for leases with terms greater than 12 months, both based upon the present value of the remaining lease payments. The Village adopted this accounting standard as of May 1, 2022. As of the adoption date, all leases in effect at that time had 12 months or less lease terms remaining, thus this accounting standard did not require restatement of opening balances.

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 as at April 30, 2023.

At April 30, 2023, the government-wide carrying amount of the Village's deposits totaled \$5,105,338.

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, \$834,064 was covered by FDIC insurance; \$580,346 was covered by securities held by the bank's agent, but not in the Village's name; and the remaining balance of \$3,690,928 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 2021 tax levy, which represents the taxes collected during the fiscal year ending April 30, 2023, was passed by the Village Board on November 22, 2021. 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	\$348,646	\$ -
Intergovernmental	166,088	-
Charges for Services	34,263	-
Utilities	9,180	-
Water and Sewer Billings	-	63,584
	<hr/>	<hr/>
Totals	<u>\$558,177</u>	<u>\$63,584</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	\$19,220
Street & Bridge Fund	Motor Fuel Tax Fund	\$8,784
Street & Bridge Fund	Water Fund	\$7,655

During the current fiscal year, the General Fund transferred \$303,313 to the Police/ESDA Fund, \$221,234 to the Street & Bridge Fund, and \$15,124 to the Recreation Fund. These transfers were to cover expenditures in excess of the limited property tax levies of the smaller funds.

NOTE 6: GARBAGE DISPOSAL

In a prior 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.

NOTE 7: 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 \$36,631 in revenue in fiscal year 2023 under this agreement.

NOTE 8: DEFICIT FUND BALANCES

The Village had the following deficit fund balances as of April 30, 2023:

Police/ESDA Fund	\$13,493
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continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 9: CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended April 30, 2023 is as follows:

	Balance <u>May 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>April 30, 2023</u>
Governmental Activities:				
Land	\$ 43,140	\$ 10,100	\$ -	\$ 53,240
Capital Assets Subject to Depreciation:				
Buildings/Improvements	\$ 570,706	\$ 37,582	\$ -	\$ 608,288
Infrastructure	648,984	59,959	-	708,943
Equipment	277,393	43,400	47,500	273,293
Leased Assets	-	39,980	-	39,980
Vehicles	<u>245,198</u>	<u>58,860</u>	<u>25,000</u>	<u>279,058</u>
Total Capital Assets Subject to Depreciation	\$ 1,742,281	\$ 239,781	\$ 72,500	\$ 1,909,562
Less Accumulated Depreciation	\$ (989,915)	\$ (96,436)	\$ (70,804)	\$ (1,015,547)
Total Capital Assets Subject to Depreciation, Net	\$ 752,366	\$ 143,345	\$ 1,696	\$ 894,015
Governmental Activities Capital Assets, Net	<u>\$ 795,506</u>	<u>\$ 153,445</u>	<u>\$ 1,696</u>	<u>\$ 947,255</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$44,582
Police/ESDA	23,866
Street & Bridge	25,328
Recreation	<u>2,660</u>
Total Depreciation Expense-Governmental Activities	<u>\$96,436</u>

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 9: CAPITAL ASSET ACTIVITY - continued

	Balance <u>May 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>April 30, 2023</u>
Business-Type Activities:				
Land	\$ 40,789	\$ -	\$ -	\$ 40,789
Capital Assets Subject to Depreciation:				
Sewage Treatment Facilities	\$ 1,384,778	\$ 56,788	\$ -	\$ 1,441,566
Water Facilities	6,032,852	-	-	6,032,852
Infrastructure	-	70,086	-	70,086
Leased Assets	-	79,960	-	79,960
Machinery and Equipment	<u>550,935</u>	<u>35,557</u>	-	<u>586,492</u>
Total Capital Assets Subject to Depreciation	<u>\$ 7,968,565</u>	<u>\$ 242,391</u>	<u>\$ -</u>	<u>\$ 8,210,956</u>
Less Accumulated Depreciation	<u>\$(4,707,507)</u>	<u>\$ (308,903)</u>	<u>\$ -</u>	<u>\$(5,016,410)</u>
Total Capital Assets Subject to Depreciation, Net	<u>\$ 3,261,058</u>	<u>\$ (66,512)</u>	<u>\$ -</u>	<u>\$ 3,194,546</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,301,847</u>	<u>\$ (66,512)</u>	<u>\$ -</u>	<u>\$ 3,235,335</u>

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

Water	\$242,873
Sewer	<u>66,030</u>

Total Depreciation Expense-Business-Type Activities \$308,903

NOTE 10: TAX ABATEMENTS

The Village negotiates sales tax abatements on an individual basis under provisions provided by Illinois Compiled Statutes. The Village has two sales tax abatement agreements as of April 30, 2023:

	% of Sales <u>Tax Rebated</u>	Amount <u>Rebated</u>
Business #1	50%	\$ 6,728
Business #2	50%	<u>5,910</u>
Total Rebated		<u>\$12,638</u>

The purpose of these agreements is to assist businesses, and to provide economic development for the Village and 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.

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 11: 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 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 11: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	9
Active Plan Members	<u>8</u>
Total	22

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 2022 was 10.06%. For the fiscal year ended April 30, 2023, the employer contributed \$56,592 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, 2022. 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 11: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

- 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, 2022:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.50%	6.50%
International Equity	18%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternative Investments	9.50%	6.25-9.90%
Cash Equivalents	<u>1%</u>	4.00%
Total	100%	

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 11: 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 4.05%, 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)
Balances at December 31, 2021	\$ 1,800,769	\$ 1,747,455	\$ 53,314
Changes for the Year:			
Service Cost	\$ 45,256	\$ -	\$ 45,256
Interest on the Total Pension Liability	129,799	-	129,799
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	62,962	-	62,962
Changes of Assumptions	-	-	-
Contributions - Employer	-	52,644	(52,644)
Contributions - Employee	-	23,548	(23,548)
Net Investment Income	-	(205,607)	205,607
Benefit Payments, Including Refunds of Employee Contributions	(66,131)	(66,131)	-
Other (Net Transfer)	-	270	(270)
Net Changes	\$ 171,886	\$ (195,276)	\$ 367,162
Balances at December 31, 2022	\$ 1,972,655	\$ 1,552,179	\$ 420,476

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 11: 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	\$ 672,125	\$420,476	\$212,084

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

For the year ended April 30, 2023, the Village recognized pension expense (income) of \$81,881. At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences Between Expected and Actual Experience	\$ 147,053	\$ 31,404
Changes in Assumptions	11,998	13,022
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	266,138	146,542
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	\$ 425,189	\$ 190,968
Pension Contributions Made Subsequent to the Measurement Date	20,315	-
Total Deferred Amounts Related to Pensions	\$ 445,504	\$ 190,968

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 11: 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
2023	\$ 31,571
2024	51,877
2025	71,906
2026	78,867
2027	-
Thereafter	-
Total	<u>\$ 234,221</u>

NOTE 12: LEASES

The Village entered into a new lease on December 12, 2022, for a new backhoe. The lease requires a down payment of \$25,000, 48 monthly payments of \$667 each, and a final balloon payment of \$85,000 on December 9, 2026. The lease carries a 5.95% interest rate as established by the leasing company. At the earlier of, the end of the lease term or 1,000 hours of use, the vendor has agreed to buy back the equipment for \$85,000. As of April 30, 2023, the total right-to-use lease asset is \$119,940 and accumulated amortization is \$9,995, allocated equally to the Street & Bridge, Water, and Sewer funds, which are the funds responsible for this obligation. Activity for the lease liability for the fiscal year ending April 30, 2023, and maturity schedule is as follows:

Lease Liability Activity	Governmental Activities			Business Type Activities		Total
	Street & Bridge	Water	Sewer	Water	Sewer	
Beg Balance May 1, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	-
Additions	39,980	39,980	39,980	39,980	39,980	119,940
Subtractions	(8,597)	(8,597)	(8,597)	(8,597)	(8,597)	(25,791)
End Balance April 30, 2023	<u>\$ 31,383</u>	<u>\$ 31,383</u>	<u>\$ 31,383</u>	<u>\$ 31,383</u>	<u>\$ 31,383</u>	<u>\$ 94,149</u>

Debt Service to Maturity Schedule For Fiscal Year Ending:	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
April 30, 2024	\$ 823	\$ 1,845	\$ 1,646	\$ 3,690
April 30, 2025	873	1,795	1,746	3,590
April 30, 2026	927	1,741	1,853	3,483
April 30, 2027	28,760	1,130	57,520	2,259
Total	<u>\$ 31,383</u>	<u>\$ 6,511</u>	<u>\$ 62,765</u>	<u>\$ 13,022</u>

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 12: LEASES – continued

In October of 2001, the Village entered into a lease agreement as the lessor to lease land for a cell tower with an initial term of 5 years and 4 automatic renewals for 5 years each. In April of 2023, the Village entered into a modified lease agreement extending the lease term for up to 6 more 5-year periods and increasing the monthly rent income to \$2,500 with 3% annual increases each anniversary date in October. It is reasonably estimated that the lessee will extend the lease term for 3 renewal periods of 5 years each. The present value of these payments over the estimated lease term is \$447,868 and is recorded as a lease receivable offset by deferred inflows related to lease receivable. As payments are received, the lease receivable will be reduced by the principal portion of the payment and interest income will be recorded. Deferred inflows related to the lease receivable will be amortized straight line over the term of the lease as lease revenue. As this modified lease agreement was entered into towards the end of the fiscal year ending April 30, 2023, no payments were received or lease revenue recorded in these financial statements.

NOTE 13: 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 \$21,419 of these funds in the current fiscal year, all of which remained unspent as of April 30, 2023. 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 14: 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 15: SUBSEQUENT EVENTS

Subsequent events were evaluated through January , 2024, the date the financial statements were available to be issued. 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, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
REVENUES:				
Property Taxes	\$ 241,900	\$ 241,900	\$ 246,559	\$ 4,659
Business District Taxes	133,000	133,000	171,517	38,517
Utility Taxes	150,000	150,000	149,872	(128)
Sales Tax	245,000	245,000	272,371	27,371
Use Tax	75,000	75,000	79,945	4,945
Income Taxes	304,000	304,000	292,837	(11,163)
Replacement Tax	10,000	10,000	33,865	23,865
Video Gaming Tax	20,000	20,000	20,097	97
Donations/Grants	100,000	100,000	1,125	(98,875)
Interest Income	20,000	20,000	16,720	(3,280)
Garbage Service Income	133,000	133,000	145,732	12,732
Recycling	29,000	29,000	28,142	(858)
Licenses and Permits	5,000	5,000	7,704	2,704
Franchise Fees	5,500	5,500	6,939	1,439
Cell Tower Lease	12,000	12,000	12,601	601
Miscellaneous	13,200	13,200	18,045	4,845
Total Revenues	<u>\$1,496,600</u>	<u>\$1,496,600</u>	<u>\$ 1,504,071</u>	<u>\$ 7,471</u>

continued

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2023**

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Under)</u>
EXPENDITURES:				
Current:				
General Government:				
Salaries - President, Trustees, Employees	\$75,000	\$ 75,000	\$ 61,072	\$ (13,928)
Zoning and Planning Board Salaries	7,000	7,000	6,130	(870)
FICA - Village Portion	35,000	35,000	51,033	16,033
IMRF - Village Portion	45,000	45,000	43,853	(1,147)
Employee Insurance	100,000	100,000	43,710	(56,290)
Unemployment Compensation	10,000	10,000	3,098	(6,902)
Uniform Allowance	500	500	290	(210)
Liability Insurance	70,000	70,000	14,589	(55,411)
Legal Fees	17,000	17,000	11,105	(5,895)
TIF District Professional Fees	-	-	-	-
Office Expense	17,000	17,000	4,063	(12,937)
Telephone	7,000	7,000	4,819	(2,181)
Utilities	6,500	6,500	4,257	(2,243)
Water and Sewer	3,300	3,300	2,725	(575)
Publications	1,500	1,500	189	(1,311)
Printing and Copying Services	1,000	1,000	-	(1,000)
Property Repair and Maintenance	37,000	37,000	7,033	(29,967)
Postage and Shipping	1,500	1,500	340	(1,160)
Dues	1,000	1,000	460	(540)
Zoning Expense	700	700	10	(690)
Sales Tax Rebates	20,000	20,000	17,134	(2,866)
Animal Control	2,500	2,500	1,810	(690)
Garbage Disposal and Landfill Charges	136,200	136,200	127,953	(8,247)
Software and Support	17,000	17,000	2,965	(14,035)
Internet Website Maintenance	3,200	3,200	859	(2,341)
Training	2,000	2,000	-	(2,000)
Travel and Lodging	2,000	2,000	-	(2,000)
Recycling Program	40,000	40,000	39,502	(498)
Audit and Accounting	8,500	8,500	8,500	-
Grant Expenditures	-	-	1,200	1,200

continued

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED):				
Current:				
General Government:				
Developer Rebates	15,000	15,000	3,790	(11,210)
Downtown Business District Expenses	150,000	150,000	-	(150,000)
Industrial Park Business District Expenses	210,000	210,000	-	(210,000)
First Street Business District Expenses	370,000	370,000	-	(370,000)
Equipment Maintenance	2,000	2,000	197	(1,803)
Park Maintenance	95,000	95,000	6,855	(88,145)
Tree Service	10,000	10,000	1,350	(8,650)
Sidewalk Repairs and Construction	40,000	40,000	3,974	(36,026)
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	1,042	(1,458)
Fireworks	7,500	7,500	5,700	(1,800)
Community Center	81,400	81,400	13,037	(68,363)
Beautification Program	14,200	14,200	11,410	(2,790)
Miscellaneous and Contingency	10,500	10,500	12,841	2,341
Capital Outlay	55,000	55,000	119,911	64,911
Total Expenditures	\$ 1,765,000	\$ 1,765,000	\$ 638,806	\$(1,126,194)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (268,400)	\$ (268,400)	\$ 865,265	\$ 1,133,665
OTHER FINANCING SOURCES (USES):				
Transfers to Other Funds			\$ (539,671)	\$ (539,671)
Net Change in Fund Balance			\$ 325,594	\$ 593,994
Fund Balance - Beginning of Year			2,344,539	
Fund Balance - End of Year			\$ 2,670,133	

Concluded

VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-POLICE/ESDA FUND
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
REVENUES:				
Property Taxes	\$ 55,500	\$ 55,500	\$ 51,935	\$ (3,565)
Fines	40,000	40,000	28,112	(11,888)
Protection Revenue	-	-	46,631	46,631
Grants	-	-	21,426	21,426
Miscellaneous	-	-	695	695
Total Revenues	\$ 95,500	\$ 95,500	\$ 148,799	\$ 53,299
EXPENDITURES:				
Current:				
Public Safety:				
Salaries	\$ 260,000	\$ 260,000	\$ 241,846	\$ (18,154)
Employee Insurance	3,750	3,750	2,655	(1,095)
Liability Insurance	-	-	11,363	11,363
Legal Fees	1,000	1,000	5,356	4,356
Training and Education	2,000	2,000	6,151	4,151
Donations and Grant Expense	7,500	7,500	2,425	(5,075)
Telephone	7,750	7,750	6,928	(822)
Utilities	5,000	5,000	5,301	301
Publication of Notices and Information	250	250	100	(150)
Office Expense	8,500	8,500	1,149	(7,351)
Software and IT Consulting	8,000	8,000	5,809	(2,191)
Central Dispatch Service	35,000	35,000	30,260	(4,740)
Dues	1,000	1,000	1,415	415
Maintenance	20,500	20,500	8,996	(11,504)
Small Equipment and Supplies	2,000	2,000	3,046	1,046
Uniforms	6,000	6,000	8,950	2,950
Fuel	12,000	12,000	14,310	2,310
ESDA Expense	43,900	43,900	29,725	(14,175)
Miscellaneous and Contingency	9,000	9,000	6,582	(2,418)
Capital Outlay	90,000	90,000	65,620	(24,380)
Total Expenditures	\$ 523,150	\$ 523,150	\$ 457,987	\$ (65,163)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>\$(427,650)</u>	<u>\$(427,650)</u>	\$ (309,188)	<u>\$ 118,462</u>
OTHER FINANCING SOURCES:				
Transfers from General Fund			\$ 303,313	\$ 303,313
Net Change in Fund Balance			\$ (5,875)	<u>\$ 421,775</u>
Fund Balance - Beginning of Year			(7,618)	
Fund Balance - End of Year			<u>\$ (13,493)</u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-RECREATION FUND
FOR THE YEAR ENDED APRIL 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental - Mackinaw Township	\$ 5,001	\$ 5,001	\$ 5,001	\$ -
Total Revenues	\$ 5,001	\$ 5,001	\$ 5,001	\$ -
EXPENDITURES:				
Current:				
Recreation:				
Salaries	\$ 10,000	\$ 10,000	\$ 18,300	\$ 8,300
Repairs and Maintenance	7,500	7,500	1,825	(5,675)
Miscellaneous and contingency	1,000	1,000	-	(1,000)
Capital Outlay	-	-	-	-
Total Expenditures	\$ 18,500	\$ 18,500	\$ 20,125	\$ 1,625
Deficiency of Revenues				
Under Expenditures	<u>\$(13,499)</u>	<u>\$(13,499)</u>	<u>\$(15,124)</u>	<u>\$ (1,625)</u>
OTHER FINANCING SOURCES:				
Transfers from General Fund			\$ 15,124	\$ 15,124
Net Change in Fund Balance			\$ -	<u>\$ 13,499</u>
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			<u>\$ -</u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-STREET AND BRIDGE FUND
FOR THE YEAR ENDED APRIL 30, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
REVENUES:				
Property Taxes	\$ 36,000	\$ 36,000	\$ 32,724	\$ (3,276)
Total Revenues	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ 32,724</u>	<u>\$ (3,276)</u>
EXPENDITURES:				
Current:				
Highways and Streets:				
Salaries	\$ 95,000	\$ 95,000	\$ 90,722	\$ (4,278)
Employee Insurance	2,500	2,500	1,226	(1,274)
Liability Insurance	-	-	11,427	11,427
Legal Fees	500	500	1,150	650
Street Lighting	32,000	32,000	19,340	(12,660)
Telephone	2,000	2,000	949	(1,051)
Utilities	6,000	6,000	1,865	(4,135)
Rentals (Inc. Interest on Lease Liab	9,111	9,111	3,056	(6,055)
Office Expense	2,000	2,000	280	(1,720)
Engineering	5,000	5,000	-	(5,000)
Software	3,500	3,500	1,730	(1,770)
Repairs and Maintenance	563,500	563,500	70,956	(492,544)
Uniforms	800	800	512	(288)
Snow Removal	12,000	12,000	3,239	(8,761)
Fuel	6,000	6,000	7,261	1,261
Miscellaneous and Contingency	12,200	12,200	1,343	(10,857)
Debt Service on Lease Liability	889	889	8,597	7,708
Capital Outlay	66,000	66,000	64,350	(1,650)
Total Expenditures	<u>\$ 819,000</u>	<u>\$ 819,000</u>	<u>\$ 288,003</u>	<u>\$ (530,997)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>\$(783,000)</u>	<u>\$(783,000)</u>	<u>\$ (255,279)</u>	<u>\$ 527,721</u>
OTHER FINANCING SOURCES (USES):				
Right-To-Use lease asset financing			\$ 39,980	\$ 39,980
Proceeds from Disposal of Assets			8,200	8,200
Transfers from General Fund			221,234	221,234
Total Other Financing Sources (Uses)			<u>\$ 269,414</u>	<u>\$ 269,414</u>
Net Change in Fund Balance			\$ 14,135	<u>\$ 797,135</u>
Fund Balance, Beginning of Year			<u>(9,168)</u>	
Fund Balance, End of Year			<u>\$ 4,967</u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED APRIL 30, 2023**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
REVENUES:				
Interest Income	\$ 1,000	\$ 1,000	\$ 1,570	\$ 570
Total Revenues	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,570</u>	<u>\$ 570</u>
EXPENDITURES:				
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>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$(110,000)</u>	<u>\$(110,000)</u>	<u>\$ 1,570</u>	<u>\$ 111,570</u>
OTHER FINANCING SOURCES:				
Business Loan Principal Repayments	-	-	-	-
Net Change in Fund Balance	<u>\$(110,000)</u>	<u>\$(110,000)</u>	<u>\$ 1,570</u>	<u>\$ 111,570</u>
Fund Balance - Beginning of Year			<u>236,393</u>	
Fund Balance - End of Year			<u>\$ 237,963</u>	

VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental - Motor Fuel Taxes	\$ 40,000	\$ 40,000	\$ 77,660	\$ 37,660
Intergovernmental - Rebuild Illinois Funds	-	-	21,419	21,419
Interest Income	-	-	1,333	1,333
Total Revenues	\$ 40,000	\$ 40,000	\$100,412	\$ 60,412
EXPENDITURES:				
Current:				
Highways and Streets:				
Maintenance	\$105,000	\$105,000	\$108,992	\$ 3,992
Capital Outlay	-	-	-	-
Total Expenditures	\$105,000	\$105,000	\$108,992	\$ 3,992
Excess of Revenues Over Expenditures	\$ (65,000)	\$ (65,000)	\$ (8,580)	\$ 56,420
OTHER FINANCING SOURCES (USES):				
Transfers from (to) Other Funds			\$ -	\$ -
Net Change in Fund Balance			\$ (8,580)	\$ 56,420
Fund Balance - Beginning of Year			243,402	
Fund Balance - End of Year			\$234,822	

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 #1033, the annual budget and appropriation ordinance, was adopted on July 11, 2022, for the fiscal year ending April 30, 2023.

The Village may not legally make expenditures from a Fund in excess of appropriation. For the fiscal year ending April 30, 2023, the Village made expenditures in excess of appropriations in the Recreation and Motor Fuel Tax funds. However, the appropriation ordinance provides that any deficiencies in a fund may be made up from the General fund and are appropriated from the General fund. All expenditures for the Recreation fund are paid out of the General fund. For the Motor Fuel Tax fund, the only funds expended are from tax monies received from the Illinois Department of Transportation and for projects approved by the Illinois Department of Transportation. All Motor Fuel Tax monies are restricted for projects approved by the Illinois Department of Transportation, and any unspent monies carry over to the following year. 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, 2022 2021 2020 2019 2018 2017 2016 2015

Total Pension Liability	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 45,256	\$ 37,958	\$ 41,703	\$ 39,231	\$ 40,002	\$ 41,023	\$ 40,178	\$ 33,919
Interest on Total Pension Liability	129,799	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	62,962	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	(66,131)	(64,429)	(62,736)	(61,026)	(61,149)	(32,629)	(10,192)	(4,890)
Net Change in Total Pension Liability	\$ 171,886	\$ 209,215	\$ 53,605	\$ 103,945	\$ 51,767	\$ 149,631	\$ 78,767	\$ 147,816
Total Pension Liability - Beginning	1,800,769	1,591,554	1,537,949	1,434,004	1,382,237	1,232,606	1,153,839	1,006,023
Total Pension Liability - Ending (A)	\$1,972,655	\$1,800,769	\$ 1,591,554	\$ 1,537,949	\$ 1,434,004	\$ 1,382,237	\$ 1,232,606	\$1,153,839

Plan Fiduciary Net Position	2022	2021	2020	2019	2018	2017	2016	2015
Employer Contributions	\$ 52,644	\$ 51,725	\$ 51,415	\$ 44,811	\$ 41,131	\$ 52,936	\$ 41,207	\$ 40,745
Employee Contributions	23,548	18,621	18,348	17,581	16,250	17,676	15,876	15,207
Pension Plan Net Investment Income	(205,607)	249,874	184,958	205,888	(68,119)	155,164	63,847	4,683
Benefit Payments and Refunds	(66,131)	(64,429)	(62,736)	(61,026)	(61,149)	(32,629)	(10,192)	(4,890)
Other	270	(2,590)	9,413	1,599	(36,639)	(15,741)	(655)	(61,871)
Net Change in Plan Fiduciary Net Position	\$ (195,276)	\$ 253,201	\$ 201,398	\$ 208,853	\$ (108,526)	\$ 177,406	\$ 110,083	\$ (6,126)
Plan Fiduciary Net Position - Beginning	1,747,455	1,494,254	1,292,856	1,084,003	1,192,529	1,015,123	905,040	911,166
Plan Fiduciary Net Position - Ending (B)	\$1,552,179	\$1,747,455	\$ 1,494,254	\$ 1,292,856	\$ 1,084,003	\$ 1,192,529	\$ 1,015,123	\$ 905,040

Net Pension Liability/(Asset) - Ending (A) - (B)	\$ 420,476	\$ 53,314	\$ 97,300	\$ 245,093	\$ 350,001	\$ 189,708	\$ 217,483	\$ 248,799
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Plan Fiduciary Net Position as a Percentage of Total Pension Liability	2022	2021	2020	2019	2018	2017	2016	2015
	78.68%	97.04%	93.89%	84.06%	75.59%	86.28%	82.36%	78.44%
Covered Valuation Payroll	\$ 523,295	\$ 413,800	\$ 407,730	\$ 390,682	\$ 361,110	\$ 392,789	\$ 352,807	\$ 327,135
Net Pension Liability/(Asset) as a Percentage of Covered Valuation Payroll	80.35%	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>
2022	\$ 52,643	\$ 52,644	\$ (1)	\$ 523,295	10.06%
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 2022 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 2022 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): 21-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 16 years for most employers, with a number of employers financed over 17 - 27 years.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.85% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation.