

VILLAGE OF MACKINAW
Tazewell County, Illinois

Annual Financial Report

For the Year ended April 30, 2019

VILLAGE OF MACKINAW

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2019

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VILLAGE OF MACKINAW

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2019

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VILLAGE OF MACKINAW
FINANCIAL SECTION
BASIC FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Mackinaw, Illinois, as of and for the year ended April 30, 2019, and the related notes, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Mackinaw, Illinois, as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 35 through 42, the Illinois Municipal Retirement Fund Multiyear Schedule of Changes in Net Pension Liability and Related Ratios on page 43, the Illinois Municipal Retirement Fund Multiyear Schedule of Employer Contributions and related notes on pages 44 and 45, 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 42 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 43 through 45 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 25, 2019

VILLAGE OF MACKINAW
BASIC FINANCIAL STATEMENTS

VILLAGE OF MACKINAW
STATEMENT OF NET POSITION
APRIL 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 1,347,656	\$ 743,725	\$2,091,381
Certificates of Deposit	11,000	438,246	449,246
Receivables	437,672	78,186	515,858
Prepaid Expenses	23,201	13,118	36,319
Internal Balances	(58,925)	58,925	-
Total Current Assets	<u>\$ 1,760,604</u>	<u>\$ 1,332,200</u>	<u>\$3,092,804</u>
Non-Current Assets:			
Loan Receivable	\$ 72,288	\$ -	\$ 72,288
Capital Assets	1,627,737	7,899,752	9,527,489
Less: Accumulated Depreciation	(704,386)	(3,808,563)	(4,512,949)
Total Non-Current Assets	<u>\$ 995,639</u>	<u>\$ 4,091,189</u>	<u>\$5,086,828</u>
Total Assets	<u>\$ 2,756,243</u>	<u>\$ 5,423,389</u>	<u>\$8,179,632</u>
Deferred Outflows of Resources - IMRF	<u>\$ 284,697</u>	<u>\$ -</u>	<u>\$ 284,697</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,040,940</u>	<u>\$ 5,423,389</u>	<u>\$8,464,329</u>
LIABILITIES :			
Current Liabilities:			
Accounts Payable	\$ 21,368	\$ 11,357	\$ 32,725
Accrued Expenses	21,019	23,604	44,623
Accrued Interest Expense	-	4,741	4,741
Current Maturities of IEPA Loan	-	189,028	189,028
Total Current Liabilities	<u>\$ 42,387</u>	<u>\$ 228,730</u>	<u>\$ 271,117</u>
Non-Current Liabilities:			
Net Pension Liability - IMRF	\$ 350,001	\$ -	\$ 350,001
Non-Current Maturities of IEPA Loan	-	265,948	265,948
Total Non-Current Liabilities	<u>\$ 350,001</u>	<u>\$ 265,948</u>	<u>\$ 615,949</u>
Total Liabilities	<u>\$ 392,388</u>	<u>\$ 494,678</u>	<u>\$ 887,066</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Amounts Related to IMRF	\$ 173,805	\$ -	\$ 173,805
Unavailable Property Taxes	306,342	-	306,342
Total Deferred Inflows of Resources	<u>\$ 480,147</u>	<u>\$ -</u>	<u>\$ 480,147</u>
NET POSITION:			
Investment in Capital Assets, Net of Related Debt Restricted For:	\$ 923,351	\$ 3,636,213	\$4,559,564
Motor Fuel Tax	73,826	-	73,826
Business District Taxes	372,568	-	372,568
Unrestricted Net Position	798,660	1,292,498	2,091,158
Total Net Position	<u>\$ 2,168,405</u>	<u>\$ 4,928,711</u>	<u>\$7,097,116</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, 2019

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Business-Type Activities		Total
					Governmental Activities	Business-Type Activities	
FUNCTIONS/PROGRAMS:							
Governmental Activities:							
General Government	\$ 467,418	\$ 68,500	\$ 17,583	\$ -	\$ (381,335)	\$ -	\$ (381,335)
Public Safety	302,393	10,108	3,951	-	(288,334)	-	(288,334)
Highways and Streets	273,947	-	-	-	(273,947)	-	(273,947)
Recreation	13,840	5,001	-	-	(8,839)	-	(8,839)
Total Governmental Activities	\$ 1,057,598	\$ 83,609	\$ 21,534	\$ -	\$ (952,455)	\$ -	\$ (952,455)
Business-Type Activities:							
Water	\$ 663,268	\$ 697,875	\$ -	\$ -	\$ -	\$ 34,607	\$ 34,607
Sewer	159,498	238,367	-	-	-	78,869	78,869
Total Business-Type Activities	\$ 822,766	\$ 936,242	\$ -	\$ -	\$ -	\$ 113,476	\$ 113,476
Total	\$ 1,880,364	\$ 1,019,851	\$ 21,534	\$ -	\$ (952,455)	\$ 113,476	\$ (838,979)

GENERAL REVENUES:

Taxes:		
Property	\$ 297,373	\$ -
Business District	135,062	-
Utility Taxes	140,505	-
Income Taxes	273,253	-
Sales Taxes	195,108	-
Motor Fuel	49,500	-
Replacement	9,900	-
Video Gaming	5,018	-
Interest Income	11,949	12,733
Transfers	21,667	(21,667)
Total General Revenues and Transfers	\$ 1,139,335	\$ (8,934)

Change in Net Position

	\$ 186,880	\$ 104,542	\$ 291,422
Net Position - Beginning of Year	1,981,524	4,824,169	6,805,693
Net Position - End of Year	\$ 2,168,404	\$ 4,928,711	\$ 7,097,115

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

**VILLAGE OF MACKINAW
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2019**

	General Fund	Police/ ESDA Fund	Recreation Fund	Street & Bridge Fund	Economic Development Fund	Motor Fuel Tax Fund	Total
ASSETS:							
Cash and Cash Equivalents	\$1,218,786	\$ 200	\$ -	\$ -	\$ 59,160	\$ 69,510	\$1,347,656
Certificate of Deposit	11,000	-	-	-	-	-	11,000
Receivables	353,058	49,477	-	30,821	-	4,316	437,672
Prepaid Expenses	6,560	10,082	-	6,559	-	-	23,201
Due From Other Funds	-	-	-	-	100,000	-	100,000
Total Assets	\$1,589,404	\$ 59,759	\$ -	\$ 37,380	\$ 159,160	\$ 73,826	\$1,919,529
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:							
LIABILITIES:							
Accounts Payable	\$ 4,726	\$ 4,252	\$ -	\$ 12,390	\$ -	\$ -	\$ 21,368
Accrued Expenses	3,893	9,904	-	7,222	-	-	21,019
Due to Other Funds	158,925	-	-	-	-	-	158,925
Total Liabilities	\$ 167,544	\$ 14,156	\$ -	\$ 19,612	\$ -	\$ -	\$ 201,312
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Property Taxes	\$ 226,044	\$ 49,477	\$ -	\$ 30,821	\$ -	\$ -	\$ 306,342
FUND BALANCES:							
Nonspendable	\$ 6,560	\$ 10,082	\$ -	\$ 6,559	\$ -	\$ -	\$ 23,201
Restricted	372,568	-	-	-	-	73,826	446,394
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	816,688	(13,956)	-	(19,612)	159,160	-	942,280
Total Fund Balances	\$1,195,816	\$ (3,874)	\$ -	\$ (13,053)	\$ 159,160	\$ 73,826	\$1,411,875
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$1,589,404	\$ 59,759	\$ -	\$ 37,380	\$ 159,160	\$ 73,826	\$1,919,529

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, 2019

Total Governmental Fund Balances \$ 1,411,875

**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	\$1,627,737	
Accumulated Depreciation	<u>(704,386)</u>	923,351

The non-current loan receivable is not available to pay current year expenditures, and, therefore, is not reported in the governmental funds. 72,288

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	\$ (350,001)	
Deferred Outflows of Resources - IMRF	284,697	
Deferred Inflows of Resources - IMRF	<u>(173,805)</u>	(239,109)

Net Position of Governmental Activities \$ 2,168,405

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, 2019**

	General Fund	Police/ESDA Fund	Recreation Fund	Street & Bridge Fund	Economic Development Fund	Motor Fuel Tax Fund	Total Governmental Funds
REVENUES:							
Property Taxes	\$ 218,021	\$ 49,729	\$ -	\$ 29,623	\$ -	\$ -	297,373
Business District Taxes	135,062	-	-	-	-	-	135,062
Utility Taxes	140,505	-	-	-	-	-	140,505
Intergovernmental	483,279	-	5,001	-	-	49,500	537,780
Fines	-	5,008	-	-	-	-	5,008
Donations/Grants	17,583	3,951	-	-	-	-	21,534
Interest Income	9,882	-	-	-	2,044	23	11,949
Recycling	19,955	-	-	-	-	-	19,955
Licenses and Permits	5,493	-	-	-	-	-	5,493
Franchise Fees	9,604	-	-	-	-	-	9,604
Cell Tower Lease	10,957	-	-	-	-	-	10,957
Miscellaneous	22,491	5,100	-	-	-	-	27,591
Total Revenues	\$ 1,072,832	\$ 63,788	\$ 5,001	\$ 29,623	\$ 2,044	\$ 49,523	\$ 1,222,811
EXPENDITURES:							
Current							
General Government	\$ 358,567	\$ -	\$ -	\$ -	\$ -	\$ -	358,567
Public Safety	-	273,578	-	-	-	-	273,578
Highways and Streets	-	-	-	177,216	-	67,773	244,989
Recreation	-	-	10,164	-	-	-	10,164
Capital Outlay	-	35,956	-	46,034	-	-	81,990
Total Expenditures	\$ 358,567	\$ 309,534	\$ 10,164	\$ 223,250	\$ -	\$ 67,773	\$ 969,288
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 714,265	\$ (245,746)	\$ (5,163)	\$ (193,627)	\$ 2,044	\$ (18,250)	\$ 253,523
OTHER FINANCING SOURCES (USES):							
Transfers In	\$ -	\$ 255,138	\$ 5,163	\$ 191,885	\$ -	\$ -	452,186
Local Businesses Loan Principal Repayments	-	-	-	-	6,470	-	6,470
Transfers Out	(430,519)	-	-	-	-	-	(430,519)
Total Other Financing Sources (Uses)	\$ (430,519)	\$ 255,138	\$ 5,163	\$ 191,885	\$ 6,470	\$ -	\$ 28,137
Net Change in Fund Balances	\$ 283,746	\$ 9,392	\$ -	\$ (1,742)	\$ 8,514	\$ (18,250)	\$ 281,660
Fund Balance - Beginning of Year	912,070	(13,266)	-	(11,311)	150,646	92,076	1,130,215
Fund Balance - End of Year	\$ 1,195,816	\$ (3,874)	\$ -	\$ (13,053)	\$ 159,160	\$ 73,826	\$ 1,411,875

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, 2019**

Net Change in Fund Balances - Governmental Funds \$ 281,660

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	\$ 81,990	
Depreciation Expense	<u>(95,549)</u>	(13,559)

Repayment of the long-term loan receivable provides current financial resources to the governmental funds, but is not reported on the Statement of Activities.	(6,470)
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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	\$(160,293)	
(Decrease) Increase in Deferred Outflows of Resources - IMRF	259,347	
(Increase) Decrease in Deferred Inflows of Resources - IMRF	<u>(173,805)</u>	(74,751)

Change in Net Position of Governmental Activities	<u><u>\$ 186,880</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, 2019

	Water Fund	Sewer Fund	Total Proprietary Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 439,476	\$ 304,249	\$ 743,725
Certificates of Deposit	427,246	11,000	438,246
Receivables	57,942	20,244	78,186
Prepaid Expenses	6,559	6,559	13,118
Due From Other Funds	42,105	16,820	58,925
Total Current Assets	<u>\$ 973,328</u>	<u>\$ 358,872</u>	<u>\$1,332,200</u>
NONCURRENT ASSETS:			
Capital Assets:			
Land	\$ 40,789	\$ -	\$ 40,789
Buildings	6,362,011	1,496,952	7,858,963
Total	<u>\$6,402,800</u>	<u>\$1,496,952</u>	<u>\$7,899,752</u>
Less Accumulated Depreciation	<u>(3,375,074)</u>	<u>(433,489)</u>	<u>(3,808,563)</u>
Total Noncurrent Assets	<u>\$3,027,726</u>	<u>\$1,063,463</u>	<u>\$4,091,189</u>
Total Assets	<u><u>\$4,001,054</u></u>	<u><u>\$1,422,335</u></u>	<u><u>\$5,423,389</u></u>
LIABILITIES AND NET POSITION:			
Current Liabilities:			
Accounts Payable	\$ 10,258	\$ 1,099	\$ 11,357
Accrued Expenses	18,348	5,256	23,604
Accrued Interest Expense	4,741	-	4,741
Current Maturities of IEPA Loan	189,028	-	189,028
Total Current Liabilities	<u>\$ 222,375</u>	<u>\$ 6,355</u>	<u>\$ 228,730</u>
Non-Current Liabilities:			
Non-Current Maturities of IEPA Loan	265,948	-	265,948
Total Liabilities	<u>\$ 488,323</u>	<u>\$ 6,355</u>	<u>\$ 494,678</u>
NET POSITION:			
Investment in Capital Assets, Net of Related Debt	\$2,572,750	\$1,063,463	\$3,636,213
Unrestricted	939,981	352,517	1,292,498
Total Net Position	<u>\$3,512,731</u>	<u>\$1,415,980</u>	<u>\$4,928,711</u>
Total Liabilities and Net Position	<u><u>\$4,001,054</u></u>	<u><u>\$1,422,335</u></u>	<u><u>\$5,423,389</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, 2019

	Water Fund	Sewer Fund	Total Proprietary Funds
OPERATING REVENUES:			
Water and Sewer Revenue	\$ 697,875	\$ 238,367	\$ 936,242
OPERATING EXPENSES:			
Personal services	\$ 170,463	\$ 50,337	\$ 220,800
Contractual services	175,471	43,656	219,127
Supplies and materials	75,486	9,690	85,176
Depreciation expense	228,083	55,815	283,898
Total Operating Expenses	<u>\$ 649,503</u>	<u>\$ 159,498</u>	<u>\$ 809,001</u>
Operating Income	<u>\$ 48,372</u>	<u>\$ 78,869</u>	<u>\$ 127,241</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	\$ 10,822	\$ 1,911	\$ 12,733
Interest Expense	<u>(13,765)</u>	<u>-</u>	<u>(13,765)</u>
Total Nonoperating Revenues (Expenses)	<u>\$ (2,943)</u>	<u>\$ 1,911</u>	<u>\$ (1,032)</u>
Net Income Before Transfers	<u>\$ 45,429</u>	<u>\$ 80,780</u>	<u>\$ 126,209</u>
Transfers From (To) Other Funds	<u>(43,334)</u>	<u>21,667</u>	<u>(21,667)</u>
Change in Net Position	<u>\$ 2,095</u>	<u>\$ 102,447</u>	<u>\$ 104,542</u>
Net Position - Beginning of Year	<u>3,510,636</u>	<u>1,313,533</u>	<u>4,824,169</u>
Net Position - End of Year	<u><u>\$ 3,512,731</u></u>	<u><u>\$1,415,980</u></u>	<u><u>\$ 4,928,711</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, 2019**

	Water Fund	Sewer Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 698,313	\$238,766	\$ 937,079
Payments to/on behalf of employees	(160,785)	(53,749)	(214,534)
Payments to suppliers for goods/services	(260,370)	(144,853)	(405,223)
Net Cash Provided by Operating Activities	<u>\$ 277,158</u>	<u>\$ 40,164</u>	<u>\$ 317,322</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers In (Out) from (to) Other Funds	\$ (43,334)	\$ 21,667	\$ (21,667)
Advance to Other Funds	(5,000)	(5,000)	(10,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>\$ (48,334)</u>	<u>\$ 16,667</u>	<u>\$ (31,667)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	\$ (46,035)	\$ (46,034)	\$ (92,069)
Interest Payment on Loan	(15,569)	-	(15,569)
Principal Payment on Loan	(208,945)	-	(208,945)
Net Cash Used by Capital and Related Financing Activities	<u>\$(270,549)</u>	<u>\$ (46,034)</u>	<u>\$(316,583)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	\$ 10,822	\$ 1,911	\$ 12,733
Sale of Capital Asset	-	55,000	55,000
Net Maturities of (Additions to) Certificates of Deposit	48,080	(11,000)	37,080
Net Cash Provided by Investing Activities	<u>\$ 58,902</u>	<u>\$ 45,911</u>	<u>\$ 104,813</u>
Net Increase in Cash and Cash Equivalents	\$ 17,177	\$ 56,708	\$ 73,885
Cash and Cash Equivalents - Beginning of Year	<u>422,299</u>	<u>247,541</u>	<u>669,840</u>
Cash and Cash Equivalents - End of Year	<u>\$ 439,476</u>	<u>\$304,249</u>	<u>\$ 743,725</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 48,372	\$ 78,869	\$ 127,241
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	228,083	55,815	283,898
Accounts Receivable	438	398	836
Prepaid Expenses	(6,559)	(6,559)	(13,118)
Accounts Payable	(2,854)	(84,945)	(87,799)
Accrued Expenses	9,678	(3,414)	6,264
Net Cash Provided by Operating Activities	<u>\$ 277,158</u>	<u>\$ 40,164</u>	<u>\$ 317,322</u>

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

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Basis of Accounting and Financial Statement Presentation

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

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

The accounts of the Village are organized on the basis of funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures or expenses, as appropriate. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. All of the governmental funds are considered major by the Village.

Governmental Funds:

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

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

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Basis of Accounting and Financial Statement Presentation – continued

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

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

Proprietary Funds:

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

D. Cash and Cash Equivalents

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

E. Certificates of Deposit

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

F. Receivables

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

G. Inventories

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

H. Prepaid Expenses

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25-40 years
New Infrastructure	40 years
Road Improvements	10 years
Vehicles	5-7 years
Furniture, tools, and equipment	5-7 years

J. Interfund Balances

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

K. Deferred Outflows and Inflows of Resources

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

L. Fund Equity

The Village followed GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for proprietary funds is classified as “net position”.

Governmental Fund Balances

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

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (prepaid expenses) or (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.

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. Appropriation Ordinance

The Village is allowed to enact an appropriation ordinance, in lieu of a formal budget.

The Village may not legally make expenditures from a Fund in excess of appropriation. Appropriations are on the same basis as these financial statements and expire at the end of the fiscal year.

O. 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.

P. 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, 2019.

At April 30, 2019, the government-wide carrying amount of the Village's deposits totaled \$2,398,607 and the bank balances totaled \$2,558,669.

Custodial Credit Risk – Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires collateralization for account balances in excess of insured limits. Of the bank balances, \$787,916 was covered by FDIC insurance and \$1,749,279 was covered by pledged securities held by a separate custodian. As of April 30, 2019, it was determined that \$21,474 was not collateralized due to repricing of the underlying collateral. Collateralization was increased in the first week of May to cover the shortage.

NOTE 3: PROPERTY TAXES

The Village's property tax is levied each year on all taxable real property located in the Village on or before the last Tuesday in December. The levy was passed by the Village Board on November 26, 2018. 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	\$429,989	\$ -
Water and Sewer Billings	-	78,186
Grant Receivable	7,683	-
	\$437,672	\$78,186
Totals	\$437,672	\$78,186

The Loan Receivable of \$72,288 as of April 30, 2019, represents the balance of a loan made by the Village to a local business.

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

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

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
Sewer Fund	General Fund	\$16,820
Water Fund	General Fund	\$42,105
Economic Development Fund	General Fund	\$100,000

In fiscal year 2017, the Economic Development Fund loaned \$100,000 to the General Fund to help with the purchase of a building. This loan will begin 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 \$255,138 to the Police/ESDA Fund, \$191,885 to the Street & Bridge Fund, and \$5,163 to the Recreation Fund. These transfers were to cover expenditures in excess of the limited property tax levies of the smaller funds.

The Water Fund transferred \$21,667 to the General Fund and \$21,667 to the Sewer Fund.

NOTE 6: OPERATING LEASE

The Village had an agreement to lease a backhoe for \$460 per month for 35 months with a balance due of \$41,133 on the 36th payment, if the Village executed a buy-out. The equipment was returned and the Village entered into a lease for a new backhoe June 5, 2019. The new lease requires 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, 2020	\$5,797
Year ended April 30, 2021	6,324
Year ended April 30, 2022	6,324
Year ended April 30, 2023	527

Payments made under the old lease totaled \$5,060 for fiscal year ending April 30, 2019.

NOTE 7: LOAN PAYABLE

The IEPA loan payable for business-type activities on the Statement of Net Position is a loan from the Illinois EPA, with semi-annual payments of \$99,757 each due in June and December at an interest rate of 2.57%. The final payment is scheduled to be made in June 2021. The balance of the loan payable as of April 30, 2019, is as follows:

Total Loan Payable at April 30, 2019	\$ 454,976
Less Current Maturities	<u>189,028</u>
Non-Current Maturities of Loan Payable	<u>\$ 265,948</u>

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 7: LOAN PAYABLE - continued

The following is a summary of the loan payable transactions for the year ended April 30, 2019:

Loan Payable at May 1, 2018	\$ 663,921
Principal Paid	<u>(208,945)</u>
Loan Payable at April 30, 2019	<u>\$ 454,976</u>
Amounts due within one year	<u>\$ 189,028</u>
Interest expense for the year ended April 30, 2019 (Reported as a direct expense of water activity.)	<u>\$ 13,765</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/30/20	\$189,028	\$10,486	\$199,514
4/30/21	193,918	5,596	199,514
4/30/22	72,030	926	72,956

NOTE 8: CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended April 30, 2019 is as follows:

	<u>Balance May 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance April 30, 2019</u>
Governmental Activities				
Land	<u>\$ 83,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,140</u>
Capital Assets Subject to Depreciation:				
Buildings/Improvements	\$ 454,735	\$ -	\$ -	\$ 454,735
Infrastructure	648,984	-	-	648,984
Equipment	202,014	12,750	-	214,764
Vehicles	<u>182,129</u>	<u>69,240</u>	<u>25,255</u>	<u>226,114</u>
Total Capital Assets Subject to Depreciation	<u>\$ 1,487,862</u>	<u>\$ 81,990</u>	<u>\$ 25,255</u>	<u>\$ 1,544,597</u>
Less Accumulated Depreciation	<u>\$ (634,092)</u>	<u>\$ (95,549)</u>	<u>\$ (25,255)</u>	<u>\$ (704,386)</u>
Total Capital Assets Subject to Depreciation, Net	<u>\$ 853,770</u>	<u>\$ (13,559)</u>	<u>\$ -</u>	<u>\$ 840,211</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 936,910</u>	<u>\$ (13,559)</u>	<u>\$ -</u>	<u>\$ 923,351</u>

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 8: CAPITAL ASSET ACTIVITY - continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$34,100
Police/ESDA	28,815
Street & Bridge	28,958
Recreation	<u>3,676</u>

Total Depreciation Expense-Governmental Activities \$95,549

	<u>Balance</u> <u>May 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2019</u>
Business-Type Activities:				
Land	\$ 95,789	\$ -	\$ 55,000	\$ 40,789
Capital Assets Subject to Depreciation:				
Sewage Treatment Facilities	\$ 1,384,778	\$ -	\$ -	\$ 1,384,778
Water Facilities	6,014,072	-	-	6,014,072
Machinery and Equipment	<u>368,044</u>	<u>92,069</u>	<u>-</u>	<u>460,113</u>
Total Capital Assets Subject to Depreciation	\$ 7,766,894	\$ 92,069	\$ -	\$ 7,858,963
Less Accumulated Depreciation	<u>\$(3,524,665)</u>	<u>\$(283,898)</u>	<u>\$ -</u>	<u>\$(3,808,563)</u>
Total Capital Assets Subject to Depreciation, Net	\$ 4,242,229	\$ (191,829)	\$ -	\$ 4,050,400
Business-Type Activities				
Capital Assets, Net	<u>\$ 4,338,018</u>	<u>\$(191,829)</u>	<u>\$ 55,000</u>	<u>\$ 4,091,189</u>

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

Water	\$228,083
Sewer	<u>55,815</u>

Total Depreciation Expense-Business-Type Activities \$283,898

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 9: LEASE INCOME

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

NOTE 10: DEFICIT FUND BALANCES

The Village had the following deficit fund balances as of April 30, 2019:

Police/ESDA Fund	\$ 3,874
Street and Bridge Fund	13,055

NOTE 11: LEGAL DEBT MARGIN

Assessed Valuation - January 1, 2018	<u>\$28,918,422</u>
Legal Limit - 8.625% of Assessed Valuation	<u>\$ 2,494,214</u>

NOTE 12: INTERGOVERNMENTAL AGREEMENT

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

NOTE 13: TAX ABATEMENTS

The Village negotiates sales tax abatements on an individual basis. The Village has two sales tax abatement agreements as of April 30, 2019. The purpose of these agreements is to assist businesses, and to provide economic development for the Village:

	% of Sales <u>Tax Rebated</u>	Amount <u>Rebated</u>
Business #1	50%	\$ 7,034
Business #2	50%	<u>3,926</u>
Total Rebated		<u>\$10,960</u>

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

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF Plan Description

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

Benefits Provided

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

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

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

Employees Covered by Benefit Terms

As of December 31, 2018, 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	2
Active Plan Members	<u>8</u>
Total	15

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 2018 was 11.39%. For the fiscal year ended April 30, 2019, the employer contributed \$41,479 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, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with a fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with a fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with a fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20-8.50%
Cash Equivalents	1%	2.50%
Total	100%	

Continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, 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, 2017	\$ 1,382,237	\$ 1,192,529	\$ 189,708
Changes for the Year:			
Service Cost	\$ 40,002	\$ -	\$ 40,002
Interest on the Total Pension Liability	102,875	-	102,875
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(73,199)	-	(73,199)
Changes of Assumptions	43,238	-	43,238
Contributions - Employer	-	41,131	(41,131)
Contributions - Employee	-	16,250	(16,250)
Net Investment Income	-	(68,119)	68,119
Benefit Payments, Including Refunds of Employee Contributions	(61,149)	(61,149)	-
Other (Net Transfer)	-	(36,639)	36,639
Net Changes	\$ 51,767	\$ (108,526)	\$ 160,293
Balances at December 31, 2018	\$ 1,434,004	\$ 1,084,003	\$ 350,001

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

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

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

	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 544,858	\$350,001	\$188,114

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

For the year ended April 30, 2019, the Village recognized pension expense of \$116,230. At April 30, 2019, 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	\$ 82,975	\$ 92,937
Changes in Assumptions	46,448	33,950
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	139,789	46,918
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	\$ 269,212	\$ 173,805
Pension Contributions Made Subsequent to the Measurement Date	15,485	-
Total Deferred Amounts Related to Pensions	\$ 284,697	\$ 173,805

Continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 14: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

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

<u>Year Ending</u> <u>December 31</u>	<u>Net Deferred</u> <u>Inflows</u> <u>of Resources</u>
2019	\$ 31,087
2020	18,922
2021	18,001
2022	28,190
2023	2,052
Thereafter	<u>(2,845)</u>
Total	<u>\$ 95,407</u>

NOTE 15: CONTINGENCIES

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

NOTE 16: SUBSEQUENT EVENTS

Subsequent events were evaluated through the financial statement issuance date of November 25, 2019. 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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 213,600	\$ 213,600	\$ 218,021	\$ 4,421
Business District Taxes	135,000	135,000	135,062	62
Utility Taxes	170,000	170,000	140,505	(29,495)
Sales Tax	185,000	185,000	195,108	10,108
Income Taxes	240,000	240,000	273,253	33,253
Replacement Tax	10,000	10,000	9,900	(100)
Video Gaming Tax	6,500	6,500	5,018	(1,482)
Donations/Grants	30,250	30,250	17,583	(12,667)
Interest Income	22,000	22,000	9,882	(12,118)
Recycling	-	-	19,955	19,955
Licenses and Permits	6,250	6,250	5,493	(757)
Franchise Fees	2,000	2,000	9,604	7,604
Cell Tower Lease	11,000	11,000	10,957	(43)
Miscellaneous	22,700	22,700	22,491	(209)
Total Revenues	<u>\$1,054,300</u>	<u>\$1,054,300</u>	<u>\$ 1,072,832</u>	<u>\$ 18,532</u>

(Continued)

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Current:				
General Government:				
Salaries - President, Trustees, Employees	70,000	70,000	\$ 54,746	\$ 15,254
Zoning and Planning Board Salaries	4,500	4,500	3,580	920
FICA - Village Portion	35,000	35,000	37,604	(2,604)
IMRF - Village Portion	45,000	45,000	41,479	3,521
Employee Insurance	100,000	100,000	41,595	58,405
Unemployment Compensation	10,000	10,000	6,932	3,068
Uniform Allowance	1,000	1,000	40	960
Liability Insurance	70,000	70,000	6,803	63,197
Legal Fees	17,500	17,500	9,230	8,270
Office Expense	16,900	16,900	4,735	12,165
Telephone	3,500	3,500	5,305	(1,805)
Utilities	7,500	7,500	3,789	3,711
Water and Sewer	4,000	4,000	3,025	975
Publications	4,000	4,000	741	3,259
Printing and Copying Services	1,250	1,250	374	876
Property Repair and Maintenance	25,000	25,000	1,560	23,440
Postage and Shipping	1,500	1,500	1,228	272
Dues	1,500	1,500	682	818
Zoning Expense	700	700	55	645
Sales Tax Rebates	31,000	31,000	10,960	20,040
Animal Control	2,000	2,000	2,930	(930)
Garbage Disposal and Landfill Charges	9,500	9,500	4,973	4,527
Software and Support	8,000	8,000	2,127	5,873
Internet Website Maintenance	2,000	2,000	1,778	222
Training	2,500	2,500	560	1,940
Travel and Lodging	2,500	2,500	-	2,500
Donations and Rebates	-	-	9,183	(9,183)
Recycling Program	25,000	25,000	21,115	3,885
Audit and Accounting	6,000	6,000	4,945	1,055

(Continued)

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONTINUED):				
Current:				
General Government:				
Developer Reimbursements	30,000	30,000	-	30,000
Downtown Business District Expenses	75,000	75,000	8,950	66,050
Industrial Park Business District Expenses	100,000	100,000	-	100,000
First Street Business District Expenses	100,000	100,000	-	100,000
Equipment Maintenance	1,700	1,700	896	804
Park Maintenance	65,000	65,000	6,330	58,670
Tree Service	10,000	10,000	2,538	7,462
Sidewalk Repairs and Construction	40,000	40,000	29,648	10,352
Mosquito Control	2,500	2,500	-	2,500
Engineering	30,000	30,000	-	30,000
Maintenance Supplies	1,000	1,000	-	1,000
Rentals/Leases	6,000	6,000	973	5,027
Fireworks	7,500	7,500	6,100	1,400
Community Center	56,000	56,000	9,003	46,997
Beautification Program	11,200	11,200	6,935	4,265
Miscellaneous and Contingency	15,500	15,500	5,120	10,380
Capital Outlay	50,000	50,000	-	50,000
	<u>\$ 1,108,750</u>	<u>\$1,108,750</u>	<u>\$ 358,567</u>	<u>\$ 750,183</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (54,450)</u>	<u>\$ (54,450)</u>	<u>\$ 714,265</u>	<u>\$ 768,715</u>
OTHER FINANCING USES:				
Transfers to Other Funds			<u>\$ (430,519)</u>	<u>\$ (430,519)</u>
Net Change in Fund Balance			<u>\$ 283,746</u>	<u>\$ 338,196</u>
Fund Balance - Beginning of Year			<u>912,070</u>	
Fund Balance - End of Year			<u>\$1,195,816</u>	

(Concluded)

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-POLICE/ESDA FUND
FOR THE YEAR ENDED APRIL 30, 2019**

	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Property Taxes	\$ 50,500	\$ 50,500	\$ 49,729	\$ (771)
Fines	28,000	28,000	5,008	(22,992)
Protection Revenue	-	-	5,000	5,000
Grants			3,951	3,951
Miscellaneous	-	-	100	100
Total Revenues	\$ 78,500	\$ 78,500	\$ 63,788	\$ (14,711)
EXPENDITURES:				
Current:				
Public Safety:				
Salaries	\$ 165,000	\$ 165,000	\$ 149,007	\$ 15,993
Employee Insurance	2,500	2,500	1,105	1,395
Liability Insurance	-	-	6,731	(6,731)
Legal Fees	1,000	1,000	469	531
Accounting Services	500	500	-	500
Training and Education	1,500	1,500	826	674
Telephone	7,500	7,500	7,045	455
Utilities	6,000	6,000	4,100	1,900
Publication of Notices and Information	250	250	-	250
Office Expense	13,000	13,000	9,030	3,970
Software	4,000	4,000	4,445	(445)
Central Dispatch Service	30,000	30,000	23,312	6,688
Dues	1,000	1,000	475	525
Maintenance	26,000	26,000	15,792	10,208
Repairs and Supplies	10,000	10,000	18,115	(8,115)
Uniforms	2,500	2,500	3,268	(768)
Fuel	10,000	10,000	11,265	(1,265)
ESDA Expense	25,725	25,725	11,194	14,531
Miscellaneous and Contingency	16,500	16,500	7,399	9,101
Capital Outlay	10,000	10,000	35,956	(25,956)
Total Expenditures	332,975	332,975	\$ 309,534	\$ 23,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$(254,475)</u>	<u>\$(254,475)</u>	<u>\$ (245,746)</u>	<u>\$ 8,730</u>
OTHER FINANCING SOURCES:				
Transfers From General Fund			<u>\$ 255,138</u>	<u>\$ 255,138</u>
Net Change in Fund Balance			<u>\$ 9,392</u>	<u><u>\$ 263,868</u></u>
Fund Balance - Beginning of Year			<u>(13,266)</u>	
Fund Balance - End of Year			<u><u>\$ (3,874)</u></u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-RECREATION FUND
FOR THE YEAR ENDED APRIL 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Favorable
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Unfavorable)</u>
REVENUES:				
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>
EXPENDITURES:				
Current:				
Recreation:				
Salaries	\$ 10,000	\$ 10,000	\$ 7,966	\$ 2,034
Repairs and Maintenance	7,500	7,500	2,198	5,302
Miscellaneous and contingency	1,000	1,000	-	1,000
Total Expenditures	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 10,164</u>	<u>\$ 8,336</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u><u>\$(13,499)</u></u>	<u><u>\$(13,499)</u></u>	<u><u>\$ (5,163)</u></u>	<u><u>\$ 8,336</u></u>
OTHER FINANCING SOURCES:				
Transfers From General Fund			<u>\$ 5,163</u>	<u>\$ 5,163</u>
Net Change in Fund Balance			\$ -	<u><u>\$ 13,499</u></u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u><u>\$ -</u></u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-STREET AND BRIDGE FUND
FOR THE YEAR ENDED APRIL 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 55,000	\$ 55,000	\$ 29,623	\$ (25,377)
Total Revenues	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 29,623</u>	<u>\$ (25,377)</u>
EXPENDITURES:				
Current:				
Highways and Streets:				
Salaries	\$ 85,000	\$ 85,000	\$ 89,130	\$ (4,130)
Employee Insurance	2,500	2,500	820	1,680
Liability Insurance	-	-	6,731	(6,731)
Legal Fees	500	500	-	500
Street Lighting	32,000	32,000	26,702	5,298
Telephone	2,000	2,000	1,006	994
Utilities	9,000	9,000	2,331	6,669
Rentals and Leasing	10,000	10,000	2,537	7,463
Office Expense	2,000	2,000	765	1,235
Engineering	5,000	5,000	4,490	510
Software	3,500	3,500	927	2,573
Repairs and Maintenance	412,500	412,500	33,741	378,759
Uniforms	800	800	271	529
Snow Removal	4,000	4,000	2,296	1,704
Fuel	6,000	6,000	4,422	1,578
Miscellaneous and Contingency	12,700	12,700	1,047	11,653
Capital Outlay	72,000	72,000	46,034	25,966
Total Expenditures	<u>\$ 659,500</u>	<u>\$ 659,500</u>	<u>\$ 223,250</u>	<u>\$ 436,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u><u>\$(604,500)</u></u>	<u><u>\$(604,500)</u></u>	<u><u>\$ (193,627)</u></u>	<u><u>\$ 410,873</u></u>
OTHER FINANCING SOURCES:				
Transfers From General Fund			<u>\$ 191,885</u>	<u>\$ 191,885</u>
Net Change in Fund Balance			<u>\$ (1,742)</u>	<u><u>\$ 602,758</u></u>
Fund Balance, Beginning of Year			<u>(11,311)</u>	
Fund Balance, End of Year			<u><u>\$ (13,053)</u></u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED APRIL 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest Income	\$ 2,000	\$ 2,000	\$ 2,044	\$ 44
Total Revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,044</u>	<u>\$ 44</u>
EXPENDITURES:				
Current:				
Business loans	\$100,000	\$100,000	\$ -	\$ 100,000
Total Expenditures	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (98,000)</u>	<u>\$ (98,000)</u>	<u>\$ 2,044</u>	<u>\$ 100,044</u>
OTHER FINANCING SOURCES:				
Business Loan Principal Repayments	\$ 8,000	\$ 8,000	\$ 6,470	\$ (1,530)
Net Change in Fund Balance	<u>\$ (90,000)</u>	<u>\$ (90,000)</u>	<u>\$ 8,514</u>	<u>\$ 98,514</u>
Fund Balance - Beginning of Year			<u>150,646</u>	
Fund Balance - End of Year			<u>\$ 159,160</u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts	Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental - Motor Fuel Taxes	\$ 52,000	\$ 52,000	\$ 49,500	\$ (2,500)
Interest Income	-	-	23	23
	<hr/>		<hr/>	
Total Revenues	\$ 52,000	\$ 52,000	\$ 49,523	\$ (2,478)
<hr/>				
EXPENDITURES:				
Current:				
Highways and Streets:				
Maintenance	\$125,000	\$125,000	\$ 67,773	\$ 57,227
Capital Outlay	-	-	-	-
	<hr/>		<hr/>	
Total Expenditures	\$125,000	\$125,000	\$ 67,773	\$ 57,227
<hr/>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (73,000)</u>	<u>\$ (73,000)</u>	<u>\$ (18,250)</u>	<u>\$ 54,749</u>
<hr/>				
OTHER FINANCING SOURCES (USES):				
Transfers From (To) Other Funds			\$ -	\$ -
			<hr/>	
Net Change in Fund Balance			\$ (18,250)	<u>\$ 54,749</u>
			<hr/>	
Fund Balance - Beginning of Year			<u>92,076</u>	
			<hr/>	
Fund Balance - End of Year			<u>\$ 73,826</u>	

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,	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$ 40,002	\$ 41,023	\$ 40,178	\$ 33,919
Interest on Total Pension Liability	102,875	92,760	87,312	76,336
Benefit Changes	-	-	-	-
Difference Between Expected and Actual Experience of Total Pension Liability	(73,199)	91,378	(33,288)	40,803
Assumption Changes	43,238	(42,901)	(5,243)	1,648
Benefit Payments and Refunds	(61,149)	(32,629)	(10,192)	(4,890)
Net Change in Total Pension Liability	\$ 51,767	\$ 149,631	\$ 78,767	\$ 147,816
Total Pension Liability - Beginning	1,382,237	1,232,606	1,153,839	1,006,023
Total Pension Liability - Ending (A)	\$ 1,434,004	\$ 1,382,237	\$ 1,232,606	\$ 1,153,839
Plan Fiduciary Net Position				
Employer Contributions	\$ 41,131	\$ 52,936	\$ 41,207	\$ 40,745
Employee Contributions	16,250	17,676	15,876	15,207
Pension Plan Net Investment Income	(68,119)	155,164	63,847	4,683
Benefit Payments and Refunds	(61,149)	(32,629)	(10,192)	(4,890)
Other	(36,639)	(15,741)	(655)	(61,871)
Net Change in Plan Fiduciary Net Position	\$ (108,526)	\$ 177,406	\$ 110,083	\$ (6,126)
Plan Fiduciary Net Position - Beginning	1,192,529	1,015,123	905,040	911,166
Plan Fiduciary Net Position - Ending (B)	\$ 1,084,003	\$ 1,192,529	\$ 1,015,123	\$ 905,040
Net Pension Liability/(Asset) - Ending (A) - (B)	\$ 350,001	\$ 189,708	\$ 217,483	\$ 248,799
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.59%	86.28%	82.36%	78.44%
Covered Valuation Payroll	\$ 361,110	\$ 392,789	\$ 352,807	\$ 327,135
Net Pension Liability/(Asset) as a Percentage of Covered Valuation Payroll	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>
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 2018 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 2018 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): 25-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 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% 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 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). 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, 2016 actuarial valuation.