

VILLAGE OF MACKINAW
Tazewell County, Illinois

Annual Financial Report

For the Fiscal Year Ended April 30, 2021

VILLAGE OF MACKINAW
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2021

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ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2021

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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, 2021, 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, 2021, 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 36 through 44, the Illinois Municipal Retirement Fund Multiyear Schedule of Changes in Net Pension Liability and Related Ratios on page 45, the Illinois Municipal Retirement Fund Multiyear Schedule of Employer Contributions and related notes on pages 46 and 47, 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 36 through 44 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 45 through 47 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
December 10, 2021

VILLAGE OF MACKINAW
BASIC FINANCIAL STATEMENTS

VILLAGE OF MACKINAW
STATEMENT OF NET POSITION
APRIL 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 2,213,192	\$ 1,118,681	\$3,331,873
Certificates of Deposit	-	428,917	428,917
Receivables	480,847	80,222	561,069
Prepaid Expenses	8,087	7,090	15,177
Internal Balances	(48,925)	48,925	-
Total Current Assets	<u>\$ 2,653,201</u>	<u>\$ 1,683,835</u>	<u>\$4,337,036</u>
Non-Current Assets:			
Capital Assets	\$ 1,712,862	\$ 7,971,186	\$9,684,048
Less: Accumulated Depreciation	(899,547)	(4,406,910)	(5,306,457)
Total Non-Current Assets	<u>\$ 813,315</u>	<u>\$ 3,564,276</u>	<u>\$4,377,591</u>
Total Assets	<u>\$ 3,466,516</u>	<u>\$ 5,248,111</u>	<u>\$8,714,627</u>
Deferred Outflows of Resources - IMRF	<u>\$ 163,973</u>	<u>\$ -</u>	<u>\$ 163,973</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,630,489</u>	<u>\$ 5,248,111</u>	<u>\$8,878,600</u>
LIABILITIES :			
Current Liabilities:			
Accounts Payable	\$ 17,669	\$ 7,235	\$ 24,904
Accrued Expenses	30,220	27,205	57,425
Total Current Liabilities	<u>\$ 47,889</u>	<u>\$ 34,440</u>	<u>\$ 82,329</u>
Non-Current Liabilities:			
Net Pension Liability - IMRF	<u>\$ 97,300</u>	<u>\$ -</u>	<u>\$ 97,300</u>
Total Liabilities	<u>\$ 145,189</u>	<u>\$ 34,440</u>	<u>\$ 179,629</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Amounts Related to IMRF	\$ 265,816	\$ -	\$ 265,816
Unavailable Property Taxes	326,133	-	326,133
Total Deferred Inflows of Resources	<u>\$ 591,949</u>	<u>\$ -</u>	<u>\$ 591,949</u>
NET POSITION:			
Investment in Capital Assets, Net of Related Debt	\$ 813,315	\$ 3,564,276	\$4,377,591
Restricted For:			
Motor Fuel Tax	103,505	-	103,505
Rebuild Illinois Funds	64,256	-	64,256
Business District Taxes	633,728	-	633,728
Unrestricted Net Position	1,278,547	1,649,395	2,927,942
Total Net Position	<u>\$ 2,893,351</u>	<u>\$ 5,213,671</u>	<u>\$8,107,022</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, 2021

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS:						
Governmental Activities:						
General Government	\$ 418,675	\$ 80,990	\$ 64,256	\$ (210,293)	\$ -	\$ (210,293)
Public Safety	307,391	3,588	-	(277,900)	-	(277,900)
Highways and Streets	285,382	-	-	(285,382)	-	(285,382)
Recreation	10,023	-	-	(5,022)	-	(5,022)
Total Governmental Activities	\$ 1,021,471	\$ 84,578	\$ 64,256	\$ (778,597)	\$ -	\$ (778,597)
Business-Type Activities:						
Water	\$ 589,964	\$ -	\$ -	\$ -	\$ 110,500	\$ 110,500
Sewer	202,687	-	-	-	51,503	51,503
Total Business-Type Activities	\$ 792,651	\$ -	\$ -	\$ -	\$ 162,003	\$ 162,003
Total	\$ 1,814,122	\$ 1,048,694	\$ 64,256	\$ (778,597)	\$ 162,003	\$ (616,594)

GENERAL REVENUES:

Taxes:			
Property	\$ 315,260	\$ -	\$ 315,260
Business District	133,222	-	133,222
Utility Taxes	131,696	-	131,696
Income Taxes	253,308	-	253,308
Sales Taxes	212,377	-	212,377
Use Taxes	89,638	-	89,638
Motor Fuel	69,818	-	69,818
Replacement	13,746	-	13,746
Video Gaming	4,154	-	4,154
Interest Income	11,189	11,417	22,606
Total General Revenues and Transfers	\$ 1,234,408	\$ 11,417	\$ 1,245,825

Change in Net Position

	\$ 455,811	\$ 173,420	\$ 629,231
Net Position - Beginning of Year	2,437,540	5,040,251	7,477,791
Net Position - End of Year	\$ 2,893,351	\$ 5,213,671	\$ 8,107,022

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

**VILLAGE OF MACKINAW
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2021**

	General Fund	Police/ ESDA Fund	Recreation Fund	Street & Bridge Fund	Economic Development Fund	Motor Fuel Tax Fund	Total
ASSETS:							
Cash and Cash Equivalents	\$1,858,357	\$ 350	\$ -	\$ -	\$ 193,148	\$161,337	\$2,213,192
Receivables	390,115	51,954	-	32,354	-	6,424	480,847
Prepaid Expenses	5,769	1,545	-	773	-	-	8,087
Due From Other Funds	-	-	-	-	42,500	-	42,500
Total Assets	\$2,254,241	\$ 53,849	\$ -	\$ 33,127	\$ 235,648	\$167,761	\$2,744,626
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:							
LIABILITIES:							
Accounts Payable	\$ 11,975	\$ 2,799	\$ -	\$ 2,895	\$ -	\$ -	\$ 17,669
Accrued Expenses	5,130	16,877	-	8,213	-	-	30,220
Due to Other Funds	91,425	-	-	-	-	-	91,425
Total Liabilities	\$ 108,530	\$ 19,676	\$ -	\$ 11,108	\$ -	\$ -	\$ 139,314
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Property Taxes	\$ 242,821	\$ 50,958	\$ -	\$ 32,354	\$ -	\$ -	\$ 326,133
FUND BALANCES:							
Nonspendable	\$ 5,769	\$ 1,545	\$ -	\$ 773	\$ 12,500	\$ -	\$ 20,587
Restricted	633,728	-	-	-	-	167,761	801,489
Committed	-	-	-	-	-	-	-
Assigned	454,536	-	-	-	223,148	-	677,684
Unassigned	808,857	(18,330)	-	(11,108)	-	-	779,419
Total Fund Balances	\$1,902,890	\$(16,785)	\$ -	\$(10,335)	\$ 235,648	\$167,761	\$2,279,179
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$2,254,241	\$ 53,849	\$ -	\$ 33,127	\$ 235,648	\$167,761	\$2,744,626

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, 2021

Total Governmental Fund Balances \$ 2,279,179

**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	\$1,712,862	
Accumulated Depreciation	<u>(899,547)</u>	813,315

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	\$ (97,300)	
Deferred Outflows of Resources - IMRF	163,973	
Deferred Inflows of Resources - IMRF	<u>(265,816)</u>	(199,143)

Net Position of Governmental Activities		<u><u>\$ 2,893,351</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, 2021

	General Fund	Police/ESDA Fund	Recreation Fund	Street & Bridge Fund	Economic Development Fund	Motor Fuel Tax Fund	Total Governmental Funds
REVENUES:							
Property Taxes	\$ 233,954	\$ 49,496	\$ -	\$ 31,810	\$ -	\$ -	\$ 315,260
Business District Taxes	133,222	-	-	-	-	-	133,222
Utility Taxes	131,696	-	-	-	-	-	131,696
Intergovernmental	573,223	-	5,001	-	-	69,818	648,042
Police Protection	-	16,805	-	-	-	-	16,805
Fines	-	9,068	-	-	-	-	9,068
Donations/Grants	80,990	3,588	-	-	-	64,256	148,834
Interest Income	9,803	-	-	-	1,374	12	11,189
Recycling	25,449	-	-	-	-	-	25,449
Licenses and Permits	4,986	-	-	-	-	-	4,986
Franchise Fees	10,726	-	-	-	-	-	10,726
Cell Tower Lease	10,957	-	-	-	-	-	10,957
Miscellaneous	11,018	30	-	-	-	-	11,048
Total Revenues	\$ 1,226,024	\$ 78,987	\$ 5,001	\$ 31,810	\$ 1,374	\$ 134,086	\$ 1,477,282
EXPENDITURES:							
Current							
General Government	\$ 426,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426,075
Public Safety	-	284,334	-	-	-	-	284,334
Highways and Streets	-	-	-	216,457	-	40,223	256,680
Recreation	-	-	7,472	-	-	-	7,472
Capital Outlay	34,579	-	13,000	-	-	-	47,579
Total Expenditures	\$ 460,654	\$ 284,334	\$ 20,472	\$ 216,457	\$ -	\$ 40,223	\$ 1,022,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 765,370	\$ (205,347)	\$ (15,471)	\$ (184,647)	\$ 1,374	\$ 93,863	\$ 455,142
OTHER FINANCING SOURCES (USES):							
Transfers In	\$ -	\$ 193,405	\$ 15,471	\$ 176,119	\$ -	\$ -	\$ 384,995
Local Businesses Loan Principal Repayments	-	-	-	-	62,362	-	62,362
Transfers Out	(384,995)	-	-	-	-	-	(384,995)
Total Other Financing Sources (Uses)	\$ (384,995)	\$ 193,405	\$ 15,471	\$ 176,119	\$ 62,362	\$ -	\$ 62,362
Net Change in Fund Balances	\$ 380,375	\$ (11,942)	\$ -	\$ (8,528)	\$ 63,736	\$ 93,863	\$ 517,504
Fund Balance - Beginning of Year	1,522,515	(4,843)	-	(1,807)	171,912	73,898	1,761,675
Fund Balance - End of Year	\$ 1,902,890	\$ (16,785)	\$ -	\$ (10,335)	\$ 235,648	\$ 167,761	\$ 2,279,179

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, 2021**

Net Change in Fund Balances - Governmental Funds \$ 517,504

**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	\$ 47,579	
Depreciation Expense	<u>(93,248)</u>	(45,669)

Repayment of the long-term loan receivable provides current financial resources to the governmental funds, but is not reported on the Statement of Activities.		(62,362)
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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	\$ 147,793	
(Decrease) Increase in Deferred Outflows of Resources - IMRF	(62,393)	
(Increase) Decrease in Deferred Inflows of Resources - IMRF	<u>(39,062)</u>	46,338

Change in Net Position of Governmental Activities		<u><u>\$ 455,811</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, 2021**

	Water Fund	Sewer Fund	Total Proprietary Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 593,289	\$ 525,392	\$1,118,681
Certificates of Deposit	428,917	-	428,917
Receivables	56,958	23,264	80,222
Prepaid Expenses	6,318	772	7,090
Due From Other Funds	37,105	11,820	48,925
Total Current Assets	<u>\$1,122,587</u>	<u>\$ 561,248</u>	<u>\$1,683,835</u>
NONCURRENT ASSETS:			
Capital Assets:			
Land	\$ 40,789	\$ -	\$ 40,789
Buildings	6,411,556	1,518,841	7,930,397
Total	<u>\$6,452,345</u>	<u>\$1,518,841</u>	<u>\$7,971,186</u>
Less Accumulated Depreciation	<u>(3,847,442)</u>	<u>(559,468)</u>	<u>(4,406,910)</u>
Total Noncurrent Assets	<u>\$2,604,903</u>	<u>\$ 959,373</u>	<u>\$3,564,276</u>
Total Assets	<u>\$3,727,490</u>	<u>\$1,520,621</u>	<u>\$5,248,111</u>
LIABILITIES AND NET POSITION:			
Current Liabilities:			
Accounts Payable	\$ 4,507	\$ 2,728	\$ 7,235
Accrued Expenses	19,296	7,909	27,205
Total Current Liabilities	<u>\$ 23,803</u>	<u>\$ 10,637</u>	<u>\$ 34,440</u>
NET POSITION:			
Investment in Capital Assets, Net of Related Debt	\$2,604,903	\$ 959,373	\$3,564,276
Unrestricted	1,098,784	550,611	1,649,395
Total Net Position	<u>\$3,703,687</u>	<u>\$1,509,984</u>	<u>\$5,213,671</u>
Total Liabilities and Net Position	<u>\$3,727,490</u>	<u>\$1,520,621</u>	<u>\$5,248,111</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, 2021

	Water Fund	Sewer Fund	Total Proprietary Funds
OPERATING REVENUES:			
Water and Sewer Revenue	\$ 700,464	\$ 254,190	\$ 954,654
OPERATING EXPENSES:			
Personal Services	\$ 162,299	\$ 74,345	\$ 236,644
Contractual Services	107,442	54,674	162,116
Supplies and Materials	82,293	10,968	93,261
Depreciation Expense	237,930	62,700	300,630
Total Operating Expenses	<u>\$ 589,964</u>	<u>\$ 202,687</u>	<u>\$ 792,651</u>
Operating Income	\$ 110,500	\$ 51,503	\$ 162,003
NON-OPERATING REVENUES:			
Interest Income	<u>8,937</u>	<u>2,480</u>	<u>11,417</u>
Net Income Before Transfers	\$ 119,437	\$ 53,983	\$ 173,420
Transfers From (To) Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	\$ 119,437	\$ 53,983	\$ 173,420
Net Position - Beginning of Year	<u>3,584,250</u>	<u>1,456,001</u>	<u>5,040,251</u>
Net Position - End of Year	<u><u>\$ 3,703,687</u></u>	<u><u>\$1,509,984</u></u>	<u><u>\$ 5,213,671</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, 2021**

	Water Fund	Sewer Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 703,630	\$251,927	\$ 955,557
Payments to/on behalf of employees	(160,852)	(72,271)	(233,123)
Payments to suppliers for goods/services	(185,859)	(56,203)	(242,062)
Net Cash Provided by Operating Activities	<u>\$ 356,919</u>	<u>\$123,453</u>	<u>\$ 480,372</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	\$ (42,656)	\$ (9,800)	\$ (52,456)
Interest Payment on Loan	(1,936)	-	(1,936)
Principal Payment on Loan	(164,663)	-	(164,663)
Net Cash Used by Capital and Related Financing Activities	<u>\$(209,255)</u>	<u>\$ (9,800)</u>	<u>\$ (219,055)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	\$ 8,937	\$ 2,480	\$ 11,417
Net Maturities of Certificates of Deposit	5,328	11,239	16,567
Net Cash Provided by Investing Activities	<u>\$ 14,265</u>	<u>\$ 13,719</u>	<u>\$ 27,984</u>
Net Increase in Cash and Cash Equivalents	\$ 161,929	\$127,372	\$ 289,301
Cash and Cash Equivalents - Beginning of Year	<u>431,360</u>	<u>398,020</u>	<u>829,380</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 593,289</u></u>	<u><u>\$525,392</u></u>	<u><u>\$1,118,681</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 110,500	\$ 51,503	\$ 162,003
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	237,930	62,700	300,630
Accounts Receivable	3,166	(2,263)	903
Prepaid Expenses	1,709	7,255	8,964
Accounts Payable	2,167	2,184	4,351
Accrued Expenses	1,447	2,074	3,521
Net Cash Provided by Operating Activities	<u><u>\$ 356,919</u></u>	<u><u>\$123,453</u></u>	<u><u>\$ 480,372</u></u>

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

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Basis of Accounting and Financial Statement Presentation

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

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

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

Governmental Funds:

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

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

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Basis of Accounting and Financial Statement Presentation – continued

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

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

Proprietary Funds:

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

D. Cash and Cash Equivalents

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

E. Certificates of Deposit

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

F. Receivables

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

G. Inventories

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

H. Prepaid Expenses

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Capital Assets

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

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

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

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

J. Interfund Balances

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

K. Deferred Outflows and Inflows of Resources

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

L. Fund Equity

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

Governmental Fund Balances

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

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

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

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

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

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

Fund Balance Flow Assumptions

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

- Committed
- Assigned
- Unassigned

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

M. Net Position

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

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

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

N. Compensated Absences

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

O. Estimates

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 2: DEPOSITS AND INVESTMENTS

Illinois statutes authorize the Village to invest in, among other things, demand deposit accounts (checking, money market) and time deposits (certificates of deposit) with qualified financial institutions. These are the only types of accounts the Village has at April 30, 2021. At April 30, 2021, the government-wide carrying amount of the Village's deposits totaled \$3,760,290.

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, \$902,861 was covered by FDIC insurance; \$146,338 was covered by securities held by the bank's agent, but not in the Village's name; and the remaining balance of \$2,711,091 was covered by an irrevocable letter of credit from the Federal Home Loan Bank of Chicago not to exceed \$2,750,000.

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 2019 tax levy, which represents the taxes collected during the fiscal year ending April 30, 2021, was passed by the Village Board on November 25, 2019. Property taxes attach as an enforceable lien on property as of January 1 of the levy year and are payable in two installments in June and September of the year following the year of levy. The Village receives significant distributions of tax receipts approximately one month after these due dates.

NOTE 4: RECEIVABLES

	Governmental	Business-Type
Property Taxes	\$326,133	\$ -
Intergovernmental	143,560	-
Charges for Services	996	-
Utilities	10,158	-
Water and Sewer Billings	-	80,222
	<hr/>	<hr/>
Totals	<u>\$480,847</u>	<u>\$80,222</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>
Sewer Fund	General Fund	\$11,820
Water Fund	General Fund	\$37,105
Economic Development Fund	General Fund	\$42,500

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

During the current fiscal year, the General Fund transferred \$193,405 to the Police/ESDA Fund, \$176,119 to the Street & Bridge Fund, and \$15,471 to the Recreation Fund. These transfers were to cover expenditures in excess of the limited property tax levies of the smaller funds.

NOTE 6: OPERATING LEASE

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

Year ended April 30, 2022	\$5,797
Year ended April 30, 2023	527

Payments made under the lease totaled \$6,851 for fiscal year ending April 30, 2021.

NOTE 7: LOAN PAYABLE

The Village had a loan with the Illinois Environmental Protection Agency entered into in a prior fiscal year that was fully paid as of April 30, 2021.

The following is a summary of the loan payable transactions for the year ended April 30, 2021:

Loan Payable at May 1, 2020	\$ 164,663
Principal Paid	<u>(164,663)</u>
Loan Payable at April 30, 2021	<u>\$ -</u>
Interest expense for the year ended April 30, 2021 (Payment made early in current fiscal year and all interest accrued in prior fiscal year.)	<u>\$ -</u>

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 8: CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended April 30, 2021 is as follows:

	<u>Balance</u> <u>May 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2021</u>
Governmental Activities:				
Land	\$ 56,640	\$ -	\$ -	\$ 56,640
Capital Assets Subject to Depreciation:				
Buildings/Improvements	\$ 511,892	\$ 13,000	\$ -	\$ 524,892
Infrastructure	648,984	-	-	648,984
Equipment	221,653	34,579	-	256,232
Vehicles	<u>226,114</u>	<u>-</u>	<u>-</u>	<u>226,114</u>
Total Capital Assets Subject to Depreciation	<u>\$ 1,608,643</u>	<u>\$ 47,579</u>	<u>\$ -</u>	<u>\$ 1,656,222</u>
Less Accumulated Depreciation	<u>\$ (806,299)</u>	<u>\$ (93,248)</u>	<u>\$ -</u>	<u>\$ (899,547)</u>
Total Capital Assets Subject to Depreciation, Net	<u>\$ 802,344</u>	<u>\$ (45,669)</u>	<u>\$ -</u>	<u>\$ 756,675</u>
Governmental Activities Capital Assets, Net	<u>\$ 858,984</u>	<u>\$ (45,669)</u>	<u>\$ -</u>	<u>\$ 813,315</u>
Depreciation expense was charged to governmental activities as follows:				
General Government			\$38,938	
Police/ESDA			23,057	
Street & Bridge			28,702	
Recreation			<u>2,551</u>	
Total Depreciation Expense-Governmental Activities			<u>\$93,248</u>	

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 8: CAPITAL ASSET ACTIVITY - continued

	Balance May 1, 2020	Additions	Retirements	Balance April 30, 2021
Business-Type Activities:				
Land	\$ 40,789	\$ -	\$ -	\$ 40,789
Capital Assets Subject to Depreciation:				
Sewage Treatment Facilities	\$ 1,384,778	\$ -	\$ -	\$ 1,384,778
Water Facilities	6,014,072	18,780	-	6,032,852
Machinery and Equipment	<u>479,091</u>	<u>33,676</u>	<u>-</u>	<u>512,767</u>
Total Capital Assets Subject to Depreciation	<u>\$ 7,877,941</u>	<u>\$ 52,456</u>	<u>\$ -</u>	<u>\$ 7,930,397</u>
Less Accumulated Depreciation	<u>\$(4,106,280)</u>	<u>\$(300,630)</u>	<u>\$ -</u>	<u>\$(4,406,910)</u>
Total Capital Assets Subject to Depreciation, Net	<u>\$ 3,771,661</u>	<u>\$(248,174)</u>	<u>\$ -</u>	<u>\$ 3,523,487</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,812,450</u>	<u>\$(248,174)</u>	<u>\$ -</u>	<u>\$ 3,564,276</u>

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

Water	\$237,930
Sewer	<u>62,700</u>
Total Depreciation Expense-Business-Type Activities	<u>\$300,630</u>

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, 2021:

Police/ESDA Fund	\$16,785
Street and Bridge Fund	10,335

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 11: INTERGOVERNMENTAL AGREEMENTS

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

In fiscal year 2021, the Village entered into an agreement with Deer Creek-Mackinaw CUSD 701 ("school district") to provide a School Resource Officer to the school district for the 2020-2021 school year with automatic renewals unless either party requests termination. The purpose of the agreement was to provide a law enforcement presence on campus and to assist in maintaining a safe environment at the school. The agreement provided that the school district pay a total of \$23,610 in two installments of \$11,805 each with the first one due December 1, 2020 and the second due June 1, 2021. The payment was designed to reimburse the officer's wages during the school year and 40% of the annual employee benefits. The \$11,805 the Village received in fiscal year 2021 under this agreement is reflected in Charges for Services on the Statement of Activities and Police Protection revenues on the Statement of Revenues, Expenditures, and Changes in Fund Balances. Before the 2nd payment was due, the officer resigned and the agreement was suspended until school year 2021-2022 when a new officer was hired.

NOTE 12: TAX ABATEMENTS

The Village negotiates sales tax abatements on an individual basis. The Village has two sales tax abatement agreements as of April 30, 2021. The purpose of these agreements is to assist businesses, and to provide economic development for the Village:

	<u>% of Sales Tax Rebated</u>	<u>Amount Rebated</u>
Business #1	50%	\$ 6,062
Business #2	50%	<u>6,132</u>
Total Rebated		<u>\$12,194</u>

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

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 13: ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF Plan Description

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

Benefits Provided

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

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

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

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

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 13: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

Employees Covered by Benefit Terms

As of December 31, 2020, 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	4
Active Plan Members	<u>8</u>
Total	17

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 2020 was 12.61%. For the fiscal year ended April 30, 2021, the employer contributed \$50,502 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 13: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- 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, 2020:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	<u>1%</u>	.70%
Total	100%	

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 13: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, 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, 2019	\$ 1,537,949	\$ 1,292,856	\$ 245,093
Changes for the Year:			
Service Cost	\$ 41,703	\$ -	\$ 41,703
Interest on the Total Pension Liability	110,739	-	110,739
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(23,210)	-	(23,210)
Changes of Assumptions	(12,891)	-	(12,891)
Contributions - Employer	-	51,415	(51,415)
Contributions - Employee	-	18,348	(18,348)
Net Investment Income	-	184,958	(184,958)
Benefit Payments, Including Refunds of Employee Contributions	(62,736)	(62,736)	-
Other (Net Transfer)	-	9,413	(9,413)
Net Changes	\$ 53,605	\$ 201,398	\$ (147,793)
Balances at December 31, 2020	\$ 1,591,554	\$ 1,494,254	\$ 97,300

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 13: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

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

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

	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 307,516	\$97,300	(\$72,910)

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

For the year ended April 30, 2021, the Village recognized pension expense of \$4,172. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts Related to Pensions		
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences Between Expected and Actual Experience	\$ 60,590	\$ 70,274
Changes in Assumptions	24,708	31,084
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	62,416	164,458
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	\$ 147,714	\$ 265,816
Pension Contributions Made Subsequent to the Measurement Date	16,259	-
Total Deferred Amounts Related to Pensions	\$ 163,973	\$ 265,816

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 13: ILLINOIS MUNICIPAL RETIREMENT FUND – continued

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

<u>Year Ending</u> <u>December 31</u>	<u>Net Deferred</u> <u>Outflows (Inflows)</u> <u>of Resources</u>
2021	\$ (28,217)
2022	(18,028)
2023	(44,166)
2024	(23,860)
2025	(3,831)
Thereafter	-
Total	<u>\$ (118,102)</u>

NOTE 14: REBUILD ILLINOIS FUNDS

The Illinois Department of Transportation has distributed monies to municipalities under the Rebuild Illinois Capital program based upon the formula used to allocate motor fuel taxes. Recipients are required to use these funds for public infrastructure and other transportation improvement projects that would qualify as bondable capital improvements (average useful life greater than or equal to 13 years). The Village received \$64,256 of these funds in the current fiscal year, all of which remained unspent as of April 30, 2021. These funds are reported under Capital Grants and Contributions on the Statement of Activities and Donations/Grants on the Statement of Revenues, Expenditures, and Changes in Fund Balances.

NOTE 15: LOCAL CURES FUNDS

Under the CARES Act, a fund was established for payments to be made to States and certain local governments to cover costs that are for necessary expenditures incurred due to the public health emergency related to COVID-19, that were not accounted for in the most recent budget approved as of March 27, 2020 (date of enactment of the CARES Act), and were incurred during the period from March 1, 2020 through December 31, 2020. The Village went through a certification process and various qualifying expenditures were then submitted to a third-party for approval before reimbursement from Local Cures Funds. The Village received and spent \$80,440 of these funds in the fiscal year ending April 30, 2021. The income related to these funds is reported under Operating Grants and Contributions on the Statement of Activities and Donations/Grants on the Statement of Revenues, Expenditures, and Changes in Fund Balances. Of the \$80,440 spent, \$12,723 was for capital expenditures, \$56,787 was reported as General Government expenditures, and \$10,930 as Public Safety expenditures on the Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balances.

continued

VILLAGE OF MACKINAW
NOTES TO FINANCIAL STATEMENTS

NOTE 16: 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 17: SUBSEQUENT EVENTS

Subsequent events were evaluated through December 10, 2021, the date the financial statements were available to be issued. In May 2021, 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. Other than the aforementioned, there were no subsequent events that required adjustment to or disclosure in the financial statements.

Concluded

VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2021**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
REVENUES:				
Property Taxes	\$ 232,800	\$ 232,800	\$ 233,954	\$ 1,154
Business District Taxes	115,000	115,000	133,222	18,222
Utility Taxes	135,000	135,000	131,697	(3,303)
Sales Tax	175,000	175,000	212,377	37,377
Use Tax	50,000	50,000	89,639	39,639
Income Taxes	190,000	190,000	253,308	63,308
Replacement Tax	10,000	10,000	13,746	3,746
Video Gaming Tax	5,000	5,000	4,154	(846)
Donations/Grants	15,000	15,000	80,990	65,990
Interest Income	30,000	30,000	9,803	(20,197)
Recycling	19,000	19,000	25,449	6,449
Licenses and Permits	3,500	3,500	4,986	1,486
Franchise Fees	4,500	4,500	10,726	6,226
Cell Tower Lease	12,000	12,000	10,957	(1,043)
Miscellaneous	12,600	12,600	11,018	(1,582)
Total Revenues	\$1,009,400	\$1,009,400	\$ 1,226,026	\$ 216,626

continued

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Over</u> (Under)
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Current:				
General Government:				
Salaries - President, Trustees, Employees	\$70,000	\$ 70,000	\$ 59,676	\$ (10,324)
Zoning and Planning Board Salaries	4,500	4,500	5,230	730
FICA - Village Portion	35,000	35,000	38,823	3,823
IMRF - Village Portion	45,000	45,000	50,510	5,510
Employee Insurance	100,000	100,000	43,584	(56,416)
Unemployment Compensation	10,000	10,000	5,000	(5,000)
Uniform Allowance	500	500	-	(500)
Liability Insurance	70,000	70,000	9,986	(60,014)
Legal Fees	15,000	15,000	8,189	(6,811)
Office Expense	16,000	16,000	4,873	(11,127)
Telephone	6,500	6,500	5,967	(533)
Utilities	7,500	7,500	3,297	(4,203)
Water and Sewer	4,000	4,000	3,300	(700)
Publications	1,500	1,500	242	(1,258)
Printing and Copying Services	1,000	1,000	461	(539)
Property Repair and Maintenance	27,000	27,000	3,503	(23,497)
Postage and Shipping	1,500	1,500	376	(1,124)
Dues	1,500	1,500	465	(1,035)
Zoning Expense	700	700	89	(611)
Sales Tax Rebates	20,000	20,000	12,194	(7,806)
Animal Control	3,000	3,000	1,707	(1,293)
Garbage Disposal and Landfill Charges	9,000	9,000	1,460	(7,540)
Software and Support	8,000	8,000	1,653	(6,347)
Internet Website Maintenance	2,000	2,000	1,169	(831)
Training	2,000	2,000	34	(1,966)
Travel and Lodging	2,000	2,000	-	(2,000)
Recycling Program	30,000	30,000	35,209	5,209
Audit and Accounting	8,500	8,500	7,950	(550)
Grant Expenditures	-	-	54,833	54,833

continued

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONTINUED):				
Current:				
General Government:				
Developer Rebates	15,000	15,000	3,780	(11,220)
Downtown Business District Expenses	75,000	75,000	9,554	(65,446)
Industrial Park Business District Expenses	130,000	130,000	-	(130,000)
First Street Business District Expenses	200,000	200,000	4,646	(195,354)
Equipment Maintenance	1,700	1,700	874	(826)
Park Maintenance	55,000	55,000	5,645	(49,355)
Tree Service	10,000	10,000	1,065	(8,935)
Sidewalk Repairs and Construction	40,000	40,000	7,708	(32,292)
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	5,000	5,000	921	(4,079)
Fireworks	7,500	7,500	5,100	(2,400)
Community Center	66,000	66,000	13,866	(52,134)
Beautification Program	14,200	14,200	8,920	(5,280)
Miscellaneous and Contingency	12,500	12,500	4,216	(8,284)
Capital Outlay	50,000	50,000	34,579	(15,421)
	<u>\$ 1,218,100</u>	<u>\$1,218,100</u>	<u>\$ 460,654</u>	<u>\$ (757,446)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (208,700)</u>	<u>\$ (208,700)</u>	<u>\$ 765,372</u>	<u>\$ 974,072</u>
OTHER FINANCING SOURCES (USES):				
Transfers to Other Funds			(384,995)	(384,995)
Net Change in Fund Balance			\$ 380,377	\$ 589,077
Fund Balance - Beginning of Year			<u>1,522,515</u>	
Fund Balance - End of Year			<u>\$ 1,902,892</u>	

Concluded

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-POLICE/ESDA FUND
FOR THE YEAR ENDED APRIL 30, 2021**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
REVENUES:				
Property Taxes	\$ 49,400	\$ 49,400	\$ 49,496	\$ 96
Fines	9,000	9,000	9,068	68
Protection Revenue	-	-	16,805	16,805
Grants	-	-	3,588	3,588
Miscellaneous	-	-	30	30
Total Revenues	\$ 58,400	\$ 58,400	\$ 78,987	\$ 20,587
EXPENDITURES:				
Current:				
Public Safety:				
Salaries	\$ 210,000	\$ 210,000	\$ 158,514	\$ (51,486)
Employee Insurance	3,750	3,750	2,761	(989)
Liability Insurance	-	-	10,420	10,420
Legal Fees	1,000	1,000	374	(626)
Training and Education	1,500	1,500	-	(1,500)
Donations and Rebates	7,500	7,500	12,625	5,125
Telephone	7,500	7,500	7,450	(50)
Utilities	5,000	5,000	4,139	(861)
Publication of Notices and Information	250	250	185	(65)
Office Expense	10,000	10,000	1,545	(8,455)
Software and IT Consulting	8,000	8,000	4,377	(3,623)
Central Dispatch Service	30,000	30,000	22,904	(7,096)
Dues	1,000	1,000	340	(660)
Maintenance	20,500	20,500	12,596	(7,904)
Small Equipment and Supplies	7,500	7,500	3,198	(4,302)
Uniforms	4,000	4,000	3,150	(850)
Fuel	12,000	12,000	8,572	(3,428)
ESDA Expense	39,450	39,450	26,149	(13,301)
Miscellaneous and Contingency	8,750	8,750	5,035	(3,715)
Capital Outlay	26,000	26,000	-	(26,000)
Total Expenditures	\$ 403,700	\$ 403,700	\$ 284,334	\$ (119,366)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$(345,300)</u>	<u>\$(345,300)</u>	\$ (205,347)	<u>\$ 139,953</u>
OTHER FINANCING SOURCES:				
Transfers from General Fund			\$ 193,405	\$ 193,405
Net Change in Fund Balance			\$ (11,942)	<u>\$ 333,358</u>
Fund Balance - Beginning of Year			<u>(4,843)</u>	
Fund Balance - End of Year			<u>\$ (16,785)</u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-RECREATION FUND
FOR THE YEAR ENDED APRIL 30, 2021**

	Budgeted Amounts		Actual	Over
	Original	Final	Amounts	(Under)
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	\$ 5,236	\$ (4,764)
Repairs and Maintenance	7,500	7,500	2,236	(5,264)
Miscellaneous and contingency	1,000	1,000	-	(1,000)
Capital Outlay	-	-	13,000	13,000
Total Expenditures	\$ 18,500	\$ 18,500	\$ 20,472	\$ 1,972
Deficiency of Revenues				
Under Expenditures	\$(13,499)	\$(13,499)	\$(15,471)	\$ (1,972)
OTHER FINANCING SOURCES:				
Transfers from General Fund			\$ 15,471	\$ 15,471
Net Change in Fund Balance			\$ -	\$ 13,499
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-STREET AND BRIDGE FUND
FOR THE YEAR ENDED APRIL 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 44,000	\$ 44,000	\$ 31,810	\$ (12,190)
Total Revenues	<u>\$ 44,000</u>	<u>\$ 44,000</u>	<u>\$ 31,810</u>	<u>\$ (12,190)</u>
EXPENDITURES:				
Current:				
Highways and Streets:				
Salaries	\$ 95,000	\$ 95,000	\$ 80,203	\$ (14,797)
Employee Insurance	2,500	2,500	1,218	(1,282)
Liability Insurance	-	-	10,420	10,420
Legal Fees	500	500	119	(381)
Street Lighting	32,000	32,000	16,881	(15,119)
Telephone	2,000	2,000	868	(1,132)
Utilities	9,000	9,000	1,938	(7,062)
Rentals and Leasing	10,000	10,000	4,809	(5,191)
Office Expense	2,000	2,000	499	(1,501)
Engineering	5,000	5,000	1,697	(3,303)
Software	3,500	3,500	1,211	(2,289)
Repairs and Maintenance	355,000	355,000	82,996	(272,004)
Uniforms	800	800	379	(421)
Snow Removal	6,000	6,000	5,215	(785)
Fuel	6,000	6,000	3,693	(2,307)
Miscellaneous and Contingency	12,200	12,200	4,311	(7,889)
Capital Outlay	<u>74,000</u>	<u>74,000</u>	<u>-</u>	<u>(74,000)</u>
Total Expenditures	<u>\$ 615,500</u>	<u>\$ 615,500</u>	<u>\$ 216,457</u>	<u>\$ (399,043)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u><u>\$(571,500)</u></u>	<u><u>\$(571,500)</u></u>	<u>\$ (184,647)</u>	<u>\$ 386,853</u>
OTHER FINANCING SOURCES:				
Transfers from General Fund			<u>\$ 176,119</u>	<u>\$ 176,119</u>
Net Change in Fund Balance			<u>\$ (8,528)</u>	<u><u>\$ 562,972</u></u>
Fund Balance, Beginning of Year			<u>(1,807)</u>	
Fund Balance, End of Year			<u><u>\$ (10,335)</u></u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED APRIL 30, 2021**

	Budgeted Amounts		Actual	Over
	Original	Final	Amounts	(Under)
REVENUES:				
Interest Income	\$ 3,000	\$ 3,000	\$ 1,374	\$ (1,626)
Total Revenues	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 1,374</u>	<u>\$ (1,626)</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>\$(108,000)</u>	<u>\$(108,000)</u>	\$ 1,374	<u>\$ 109,374</u>
OTHER FINANCING SOURCES:				
Business Loan Principal Repayments	<u>7,000</u>	<u>7,000</u>	<u>62,362</u>	<u>55,362</u>
Net Change in Fund Balance	<u>\$(101,000)</u>	<u>\$(101,000)</u>	<u>\$ 63,736</u>	<u>\$ 164,736</u>
Fund Balance - Beginning of Year			<u>171,912</u>	
Fund Balance - End of Year			<u>\$ 235,648</u>	

**VILLAGE OF MACKINAW
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE-MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2021**

	Budgeted Amounts		Actual	Over
	Original	Final	Amounts	(Under)
REVENUES:				
Intergovernmental - Motor Fuel Taxes	\$ 90,000	\$ 90,000	\$ 69,818	\$ (20,182)
Intergovernmental - Rebuild Illinois Funds	-	-	64,256	64,256
Interest Income	-	-	12	12
Total Revenues	\$ 90,000	\$ 90,000	\$134,086	\$ 44,086
EXPENDITURES:				
Current:				
Highways and Streets:				
Maintenance	\$ 65,000	\$ 65,000	\$ 40,223	\$ (24,777)
Capital Outlay	-	-	-	-
Total Expenditures	\$ 65,000	\$ 65,000	\$ 40,223	\$ (24,777)
Excess of Revenues Over Expenditures				
	\$ 25,000	\$ 25,000	\$ 93,863	\$ 68,863
OTHER FINANCING SOURCES (USES):				
Transfers from (to) Other Funds			\$ -	\$ -
Net Change in Fund Balance			\$ 93,863	\$ 68,863
Fund Balance - Beginning of Year			73,898	
Fund Balance - End of Year			\$167,761	

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 #997, the annual budget and appropriation ordinance, was adopted on July 27, 2020, for the fiscal year ending April 30, 2021.

The Village may not legally make expenditures from a Fund in excess of appropriation. There were no funds that had expenditures in excess of appropriations for the fiscal year ending April 30, 2021. 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,	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 41,703	\$ 39,231	\$ 40,002	\$ 41,023	\$ 40,178	\$ 33,919
Interest on Total Pension Liability	110,739	103,175	102,875	92,760	87,312	76,336
Benefit Changes	-	-	-	-	-	-
Difference Between Expected and Actual Experience of Total Pension Liability	(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	(62,736)	(61,026)	(61,149)	(32,629)	(10,192)	(4,890)
Net Change in Total Pension Liability	\$ 53,605	\$ 103,945	\$ 51,767	\$ 149,631	\$ 78,767	\$ 147,816
Total Pension Liability - Beginning	1,537,949	1,434,004	1,382,237	1,232,606	1,153,839	1,006,023
Total Pension Liability - Ending (A)	\$ 1,591,554	\$ 1,537,949	\$ 1,434,004	\$ 1,382,237	\$ 1,232,606	\$ 1,153,839
Plan Fiduciary Net Position						
Employer Contributions	\$ 51,415	\$ 44,811	\$ 41,131	\$ 52,936	\$ 41,207	\$ 40,745
Employee Contributions	18,348	17,581	16,250	17,676	15,876	15,207
Pension Plan Net Investment Income	184,958	205,888	(68,119)	155,164	63,847	4,683
Benefit Payments and Refunds	(62,736)	(61,026)	(61,149)	(32,629)	(10,192)	(4,890)
Other	9,413	1,599	(36,639)	(15,741)	(655)	(61,871)
Net Change in Plan Fiduciary Net Position	\$ 201,398	\$ 208,853	\$ (108,526)	\$ 177,406	\$ 110,083	\$ (6,126)
Plan Fiduciary Net Position - Beginning	1,292,856	1,084,003	1,192,529	1,015,123	905,040	911,166
Plan Fiduciary Net Position - Ending (B)	\$ 1,494,254	\$ 1,292,856	\$ 1,084,003	\$ 1,192,529	\$ 1,015,123	\$ 905,040
Net Pension Liability/(Asset) - Ending (A) - (B)	\$ 97,300	\$ 245,093	\$ 350,001	\$ 189,708	\$ 217,483	\$ 248,799
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.89%	84.06%	75.59%	86.28%	82.36%	78.44%
Covered Valuation Payroll	\$ 407,730	\$ 390,682	\$ 361,110	\$ 392,789	\$ 352,807	\$ 327,135
Net Pension Liability/(Asset) as a Percentage of Covered Valuation Payroll	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>
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 2020 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 2020 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): 23-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 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).

Asset Valuation Method 5-Year smoothed market; 20% corridor

Wage Growth 3.25%

Price Inflation 2.50%

Salary Increases 3.35% to 14.25% including inflation

Investment Rate of Return 7.50%

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.

Mortality For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.