



CITY OF MASCOUTAH, ILLINOIS

**FINANCIAL STATEMENTS AND
AND SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
APRIL 30, 2021**

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CITY OF MASCOUHAH, ILLINOIS

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CITY OF MASCOUTAH, ILLINOIS

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C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

David M. Bartosiak
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Mascoutah, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Mascoutah, Illinois as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City'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 opinions on these financial statements based on our audits. 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, each major fund, and the aggregate remaining fund information of the City of Mascoutah, 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 Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 to 10), budgetary comparison information (pages 52 to 54) and schedules of pension funding information (pages 55 to 61) 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. We have applied certain limited procedures to the required supplementary information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mascoutah, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate 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 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountants
Alton, Illinois

September 23, 2021

CITY OF MASCOUTAH, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Mascoutah, Illinois' (City) annual audit presents a management's discussion and analysis of the City's financial activity during the fiscal year ended April 30, 2021. The management's discussion and analysis (MD&A) is designed to focus on current activities, resulting changes and currently known facts and should be read in conjunction with the basic financial statements and footnotes. Responsibility for the completeness and fairness of this information rests with the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. There are three components to the basic statements:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to financial statements

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements exclude fiduciary fund activities.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets and highways, health and welfare, development and cultural and recreational. The business-type activities include electric light, water and sewer.

The statement of net position presents information on all of the City's assets, deferred inflows and outflows, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. Changes in net position are reported on the accrual basis for the government-wide statements and the business-type activities.

CITY OF MASCOUTAH, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds. Governmental funds are used to account for essential functions reported as governmental activities in the government-wide financial statements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balance for three major funds: the General Fund, the TIF 2B Fund, and the Ambulance Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "Other Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules in the other supplementary information section of this report.

The City adopts an annual budget for all governmental funds. A budgetary comparison schedule for the major funds have been provided to demonstrate legal compliance with the adopted budget.

Proprietary funds. Enterprise funds are used to report the same functions and the same type of information presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric light, water and sewer operations.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used in proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other supplementary information. The combining nonmajor fund statements, referred to earlier in connection with nonmajor governmental funds, as well as information related to property taxes and TIF compliance are presented immediately following the required supplementary information.

CITY OF MASCOUTAH, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the net position balance was \$51,824,128 at the close of the most recent fiscal year.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The condensed statement of net assets is as follows:

	Governmental Activities		Business-type Activities		Total	
	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020
Current and other assets	\$ 11,404,474	\$ 9,416,783	\$ 14,736,415	\$ 15,012,493	\$ 26,140,889	\$ 24,429,276
Capital assets	23,114,653	22,109,618	24,335,975	22,950,474	47,450,628	45,060,092
Total assets	<u>34,519,127</u>	<u>31,526,401</u>	<u>39,072,390</u>	<u>37,962,967</u>	<u>73,591,517</u>	<u>69,489,368</u>
Deferred outflows	<u>1,693,127</u>	<u>2,176,213</u>	<u>605,173</u>	<u>833,782</u>	<u>2,298,300</u>	<u>3,009,995</u>
Long-term liabilities						
outstanding	8,982,989	11,094,630	5,791,319	6,809,630	14,774,308	17,904,260
Other liabilities	535,326	504,263	671,932	782,880	1,207,258	1,287,143
Total liabilities	<u>9,518,315</u>	<u>11,598,893</u>	<u>6,463,251</u>	<u>7,592,510</u>	<u>15,981,566</u>	<u>19,191,403</u>
Deferred inflows	<u>6,395,311</u>	<u>4,604,958</u>	<u>1,688,812</u>	<u>944,534</u>	<u>8,084,123</u>	<u>5,549,492</u>
Net position:						
Net investment in capital assets	18,362,899	17,567,660	18,646,822	16,866,118	37,009,721	34,433,778
Restricted	4,297,495	3,885,416	-	-	4,297,495	3,885,416
Unrestricted	(2,361,766)	(3,954,313)	12,878,678	13,393,587	10,516,912	9,439,274
Total net position	<u>\$ 20,298,628</u>	<u>\$ 17,498,763</u>	<u>\$ 31,525,500</u>	<u>\$ 30,259,705</u>	<u>\$ 51,824,128</u>	<u>\$ 47,758,468</u>

Total net position increased \$4,065,660 resulting in a balance of \$51,824,128 as of April 30, 2021. Current and other assets, which include cash, investments, accounts receivable, unbilled revenues, and net pension assets increased by \$1,711,613. Non-current assets increased \$2,390,536 due primarily to capital asset additions exceeding depreciation.

Long term liabilities decreased in the current year by \$3,129,952 due to the maturity of debt exceeding the collectively lower net pension liability. The total long-term liability balance at April 30, 2021 is \$14,774,308.

CITY OF MASCOUTAH, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

ANALYSIS OF NET POSITION

<u>Analysis of Net Position</u>	<u>2021</u>		<u>2020</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Net investment in capital assets	71.4%	\$ 37,009,721	72.1%	\$ 34,433,778
Restricted	8.3%	4,297,495	8.1%	3,885,416
Unrestricted	20.3%	10,516,912	19.8%	9,439,274
Total net position	100.0%	\$ 51,824,128	100.0%	\$ 47,758,468

Total net position balances increased by \$4,065,660 in fiscal year 2021 to a total ending balance of \$51,824,128. Restricted net position balances increased due to overall increases in the restricted special revenue funds. The unrestricted balances increased in accordance with the excesses in the General Fund and the reduced net pension liabilities. The revenue and expenditure comparisons that comprise the current year increases follow.

GOVERNMENTAL ACTIVITIES

REVENUE COMPARISON BY TYPE

<u>Revenues by type</u>	<u>2021</u>	<u>2020</u>
Property tax	\$ 3,668,960	\$ 3,484,022
Charges for services	772,824	926,427
Sales and use tax	1,184,073	953,520
State income tax	1,040,005	842,963
Motor fuel tax	336,985	321,358
Telecommunications tax	79,767	100,800
Corporate personal property tax	32,937	25,242
Utility tax	380,624	365,232
Other taxes	71,335	121,623
Franchise fees	129,787	119,713
Hotel tax	43,544	66,605
Investment earnings	39,347	60,706
Contributions/grants	1,065,815	26,514
Other miscellaneous	10,814	10,829
Governmental revenues	\$ 8,856,817	\$ 7,425,554

Total governmental revenues increased \$1,431,263 in the year ended April 30, 2021. The largest reason for the increase was that the City received funding for COVID-19 in the amount of \$319,784 in addition to receiving the first three Rebuild Illinois payments for a total of \$282,332. Property taxes reported an increase of \$184,938 over the 2020 fiscal year. Sales and use taxes and income taxes also reported large increases.

CITY OF MASCOUTAH, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

EXPENDITURES BY CATEGORY

<u>Expenditures by category</u>	<u>2021</u>		<u>2020</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
General government	0.9%	\$ 53,667	3.0%	\$ 187,730
Public safety	39.8%	2,263,523	43.5%	2,728,841
Streets and highways	22.2%	1,263,856	17.6%	1,102,688
Health and Welfare	13.4%	761,539	11.6%	730,472
Development	8.1%	462,510	7.5%	468,269
Cultural and recreational	12.5%	713,511	13.9%	870,935
Interest on long-term debt	3.0%	172,168	2.9%	181,657
Total expenditures	<u>100.0%</u>	<u>\$ 5,690,774</u>	<u>100.0%</u>	<u>\$ 6,270,592</u>

The City reported an decrease in the governmental activities expenditures largely due to the fluctuations from the implementation of GASB 68 and the related retirement expenditures. In both years, the largest category of expense is public safety which consists of the City police department. General government expenditures are those related to the general operations and administration of the City.

The above expenditure categories include amounts for depreciation expense on assets purchased in the current and prior years. The breakdown by category is as follows:

	<u>2021</u>	<u>2020</u>
General government	\$ 119,066	\$ 119,066
Public safety	128,718	138,377
Streets and highways	567,902	504,393
Health and welfare	21,358	21,358
Cultural and recreational	191,203	191,406
Total depreciation	<u>\$ 1,028,247</u>	<u>\$ 974,600</u>

Total capital outlay expenditures for the governmental activities in the current year totaled \$2,033,282 which included increases related to infrastructure improvements in addition to the purchase of various equipment. These capital additions were offset in the government-wide financial statements by the depreciation expense related to additions in the current and prior years.

CITY OF MASCOUTAH, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS-TYPE ACTIVITIES

REVENUE COMPARISON BY TYPE

<u>Revenues by type</u>	<u>2021</u>	<u>2020</u>
Water, sewer and electric charges	\$ 11,871,534	\$ 11,543,042
Contributions/grants	53,107	35,148
Investment earnings	57,480	102,474
Business-type revenues	<u>\$ 11,982,121</u>	<u>\$ 11,680,664</u>

EXPENDITURES BY CATEGORY

<u>Operating Expenditures</u>	<u>2021</u>		<u>2020</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Personal services	17.5%	\$ 1,890,124	20.1%	\$ 2,183,436
Contractual services	58.3%	6,306,989	56.0%	6,102,397
Supplies and materials	1.5%	167,199	1.9%	205,044
Administrative overhead	12.9%	1,395,248	12.1%	1,317,970
Depreciation	9.7%	1,050,793	9.9%	1,078,819
Total expenditures	<u>100.0%</u>	<u>\$ 10,810,353</u>	<u>100.0%</u>	<u>\$ 10,887,666</u>

Expenses in the business type activities decreased by \$77,313 from the prior year. As in the prior year, the largest categories of operating expense were for contractual services that include power and water purchases. The largest increase between years was also related to contractual services.

FUNDS FINANCIAL ANALYSIS

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2021, the City's governmental funds reported combined ending fund balances of \$6,848,683. The governmental fund balance includes \$4,297,495 that has been restricted for specific purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,611,176. The fund balance of the General Fund increased by \$894,934 during the current fiscal year. Total expenditures in the General fund were \$3,336,479.

The TIF 2B Fund had a decrease in the current year of \$508,614 to a balance of \$1,200,160.

The Ambulance Fund had an increase in the current year of \$255,652 to a balance of \$824,307.

CITY OF MASCOUTAH, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Proprietary fund. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer, and electric light funds at the end of the year amounted to \$12,878,678. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's government-wide financial statements.

BUDGETARY HIGHLIGHTS

The City's General fund had budgetary expenditures of \$3,290,949. The budgeted amount for the General Fund was \$4,078,015. The appropriations were not amended in the current year. Total expenditures, including transfers for debt, in the General Fund did not exceed the budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2021, amounts to \$47,450,628, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, equipment, vehicles and infrastructure. The total net increase in capital assets for the current year was \$2,390,536. This increase is due to governmental capital additions of \$2,033,282 and additions of \$2,442,604 in the business-type activities exceeding depreciation expense. The major additions include road projects, electric line additions, WWTP engineering projects, a street sweeper, and other miscellaneous equipment purchases. Additional information related to the capital assets of the City can be found in Note 6 of the financial statements. The following schedule reports the different asset accounts net of accumulated depreciation.

	Governmental Activities		Business-type Activities		Total	
	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020
Land	\$ 863,657	\$ 863,657	\$ 307,313	\$ 307,313	\$ 1,170,970	\$ 1,170,970
Land Improvements	767,217	827,499	-	-	767,217	827,499
Buildings and Improvements	2,333,203	2,443,378	3,446,090	2,924,449	5,779,293	5,367,827
Equipment	996,521	1,131,245	200,028	252,324	1,196,549	1,383,569
Vehicles	722,064	537,942	518,938	217,719	1,241,002	755,661
Infrastructure	17,431,991	16,305,897	19,863,606	19,248,669	37,295,597	35,554,566
	<u>\$ 23,114,653</u>	<u>\$ 22,109,618</u>	<u>\$ 24,335,975</u>	<u>\$ 22,950,474</u>	<u>\$ 47,450,628</u>	<u>\$ 45,060,092</u>

CITY OF MASCOUTAH, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Long-term Debt

At the end of 2021, the City had total debt obligations of \$14,774,308 compared to \$17,904,260 at the end of 2020. The only debt addition was related to providing funding for the electric infrastructure project. Current year decreases resulted from the required GASB 68 reporting for the much lower overall retirement obligations. The net pension liability as of the prior year related to IMRF is now being calculated as being in an overfunded position by the State actuarial. As a result, this is now being reported as an asset in the current year. Additional information related to the debt of the City can be found in Note 4 of the financial statements.

	Governmental Activities		Business-type Activities		Total	
	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020
Notes Payable	\$ 3,158,476	\$ 3,346,958	\$ 3,559,153	\$ 3,699,356	\$ 6,717,629	\$ 7,046,314
Bonds Payable	1,070,000	1,195,000	2,130,000	2,385,000	3,200,000	3,580,000
Compensated Absences	522,758	455,050	102,166	86,970	624,924	542,020
Net Pension Liability	4,231,755	6,097,622	-	638,304	4,231,755	6,735,926
Total Debt	\$ 8,982,989	\$ 11,094,630	\$ 5,791,319	\$ 6,809,630	\$ 14,774,308	\$ 17,904,260

Requests for Information

This financial report is designed to provide a general overview of the City of Mascoutah, Illinois for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's administrative office, 3 West Main St., Mascoutah, IL 62258.

CITY OF MASCOUTAH, ILLINOISSTATEMENT OF NET POSITION
APRIL 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 6,427,581	\$ 12,252,240	\$ 18,679,821
Investments	78,123	-	78,123
Receivables (Net of allowance for uncollectible):			
Property Tax	3,575,000	-	3,575,000
Intergovernmental	532,264	-	532,264
Accounts	77,990	1,397,381	1,475,371
Interest/Other	135,905	6,673	142,578
Internal Balances	(269,713)	269,713	-
Restricted Assets - Cash and Investments	324,046	182,735	506,781
Capital Assets:			
Land	863,657	307,313	1,170,970
Land Improvements	1,563,276	-	1,563,276
Buildings and Improvements	5,806,011	10,672,677	16,478,688
Equipment	2,796,566	877,311	3,673,877
Vehicles	2,866,920	1,544,898	4,411,818
Infrastructure	22,814,017	33,246,808	56,060,825
Accumulated Depreciation	(13,595,794)	(22,313,032)	(35,908,826)
Net Capital Assets	23,114,653	24,335,975	47,450,628
Net Pension Asset	523,278	627,673	1,150,951
Total Assets	34,519,127	39,072,390	73,591,517
<u>Deferred Outflows of Resources</u>			
Future Pension Expense	1,693,127	605,173	2,298,300
	1,693,127	605,173	2,298,300
<u>Liabilities</u>			
Accounts Payable	285,007	434,934	719,941
Accrued Payroll and Benefits	225,495	52,334	277,829
Accrued Interest Payable	24,824	1,929	26,753
Liabilities Payable from Restricted Assets:			
Customer Deposits	-	182,735	182,735
Noncurrent Liabilities:			
Due Within One Year	319,968	413,677	733,645
Due in More Than One Year	8,663,021	5,377,642	14,040,663
Total Liabilities	9,518,315	6,463,251	15,981,566
<u>Deferred Inflows of Resources</u>			
Future Pension Expense	2,820,311	1,615,790	4,436,101
Unearned Revenue	3,575,000	73,022	3,648,022
	6,395,311	1,688,812	8,084,123
<u>Net Position</u>			
Net Investment in Capital Assets	18,362,899	18,646,822	37,009,721
Restricted for:			
Debt Service	272,105	-	272,105
Other Purposes	4,025,390	-	4,025,390
Unrestricted	(2,361,766)	12,878,678	10,516,912
Total Net Position	\$ 20,298,628	\$ 31,525,500	\$ 51,824,128

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

CITY OF MASCOUTAH, ILLINOIS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Functions/Programs</u>							
Governmental Activities:							
General Government	\$ 53,667	\$ 411,342	\$ -	\$ -	\$ 357,675		\$ 357,675
Public Safety	2,263,523	28,455	319,784	-	(1,915,284)		(1,915,284)
Streets and Highways	1,263,856	-	-	732,332	(531,524)		(531,524)
Health and Welfare	761,539	319,896	-	-	(441,643)		(441,643)
Development	562,510	-	-	-	(562,510)		(562,510)
Cultural and Recreational	713,511	13,131	13,699	-	(686,681)		(686,681)
Interest on Long-term Debt	172,168	-	-	-	(172,168)		(172,168)
Total Governmental Activities (see Note 1)	<u>5,790,774</u>	<u>772,824</u>	<u>333,483</u>	<u>732,332</u>	<u>(3,952,135)</u>		<u>(3,952,135)</u>
Business-type Activities:							
Waterworks and Sewerage	3,090,735	3,497,925	-	-		\$ 407,190	407,190
Electric Light	7,885,459	8,373,609	-	53,107		541,257	541,257
Total Business-type Activities	<u>10,976,194</u>	<u>11,871,534</u>	<u>-</u>	<u>53,107</u>		<u>948,447</u>	<u>948,447</u>
Total Government	<u>\$ 16,766,968</u>	<u>\$ 12,644,358</u>	<u>\$ 333,483</u>	<u>\$ 785,439</u>	<u>(3,952,135)</u>	<u>948,447</u>	<u>(3,003,688)</u>
General Revenues:							
Property Tax, Levied for General Purposes					3,668,960	-	3,668,960
Sales and Use Tax					1,184,073	-	1,184,073
Income Tax					1,040,005	-	1,040,005
Corporate Personal Property Tax					32,937	-	32,937
Motor Fuel Tax					336,985	-	336,985
Telecommunications Tax					79,767	-	79,767
Hotel Tax					43,544	-	43,544
Gaming Taxes					71,335	-	71,335
Utility Tax					380,624	-	380,624
Franchise Fees					129,787	-	129,787
Investment Earnings					39,347	57,480	96,827
Loss on Disposal of Asset					-	(6,310)	(6,310)
Miscellaneous					10,814	-	10,814
Transfers					(266,178)	266,178	-
Total General Revenues and Transfers					<u>6,752,000</u>	<u>317,348</u>	<u>7,069,348</u>
Change in Net Position					<u>2,799,865</u>	<u>1,265,795</u>	<u>4,065,660</u>
Net Position - Beginning					<u>17,498,763</u>	<u>30,259,705</u>	<u>47,758,468</u>
Net Position - Ending					<u>\$ 20,298,628</u>	<u>\$ 31,525,500</u>	<u>\$ 51,824,128</u>

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

CITY OF MASCOUTAH, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2021

	General Fund	TIF 2B Fund	Ambulance Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and Cash Equivalents	\$ 1,660,796	\$ 1,177,660	\$ 778,564	\$ 2,810,561	\$ 6,427,581
Investments	78,123	-	-	-	78,123
Receivables (Net, where applicable, of allowances for uncollectible):					
Property Tax	436,000	1,184,000	479,000	1,476,000	3,575,000
Intergovernmental	479,697	-	-	52,567	532,264
Other	113,405	22,500	54,411	23,579	213,895
Due From Other Funds	596,460	-	-	24,152	620,612
Restricted Cash and Investments	-	-	-	324,046	324,046
Total Assets	<u>\$ 3,364,481</u>	<u>\$ 2,384,160</u>	<u>\$ 1,311,975</u>	<u>\$ 4,710,905</u>	<u>\$ 11,771,521</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities:					
Accrued Payroll and Benefits	\$ 38,997	\$ -	\$ 8,668	\$ 13,175	\$ 60,840
Accounts Payable	152,538	-	-	132,469	285,007
Due to Other Funds	21,464	-	-	868,861	890,325
Total Liabilities	<u>212,999</u>	<u>-</u>	<u>8,668</u>	<u>1,014,505</u>	<u>1,236,172</u>
Deferred Inflows of Resources:					
Unearned Revenue	<u>540,306</u>	<u>1,184,000</u>	<u>479,000</u>	<u>1,483,360</u>	<u>3,686,666</u>
Fund Balances:					
Nonspendable	-	-	-	345,510	345,510
Restricted For:					
Debt Service	-	-	-	272,105	272,105
Revenue Restrictions	-	1,200,160	824,307	2,000,923	4,025,390
Unassigned	<u>2,611,176</u>	<u>-</u>	<u>-</u>	<u>(405,498)</u>	<u>2,205,678</u>
Total Fund Balances	<u>2,611,176</u>	<u>1,200,160</u>	<u>824,307</u>	<u>2,213,040</u>	<u>6,848,683</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,364,481</u>	<u>\$ 2,384,160</u>	<u>\$ 1,311,975</u>	<u>\$ 4,710,905</u>	<u>\$ 11,771,521</u>

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

CITY OF MASCOUTAH, ILLINOIS

RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
APRIL 30, 2021

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 6,848,683
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	23,114,653
Some receivables are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds balance sheet, but recognized as revenue as economic financial resources.	111,666
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(24,824)
Accrued compensated absences are not reported as a liability on the balance sheet of the governmental funds.	(687,413)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(4,228,476)
Net pension liabilities and the related future pension expense are not reported on the balance sheet of the governmental funds.	<u>(4,835,661)</u>
Net position of governmental activities	<u>\$ 20,298,628</u>

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

CITY OF MASCOUTAH, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2021**

	<u>General Fund</u>	<u>TIF 2B Fund</u>	<u>Ambulance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property Tax	\$ 481,945	\$ 1,125,180	\$ 623,729	\$ 1,438,106	\$ 3,668,960
Utility Tax	380,624	-	-	-	380,624
Hotel Tax	43,544	-	-	-	43,544
Intergovernmental	2,629,448	450,000	-	703,091	3,782,539
Licenses, Permits and Fees	110,847	-	-	10,914	121,761
Charges for Services	429,482	-	319,896	5,491	754,869
Fines and Forfeitures	25,155	-	-	826	25,981
Investment Earnings	11,094	7,408	2,888	17,957	39,347
Contributions	-	-	-	2,989	2,989
Miscellaneous	<u>1,180</u>	<u>-</u>	<u>3,005</u>	<u>6,629</u>	<u>10,814</u>
Total Revenues	<u>4,113,319</u>	<u>1,582,588</u>	<u>949,518</u>	<u>2,186,003</u>	<u>8,831,428</u>
Expenditures:					
Current:					
General Government	(78,994)	-	-	550	(78,444)
Public Safety	2,030,669	-	-	78,807	2,109,476
Streets and Highways	594,162	-	-	162,745	756,907
Health and Welfare	-	-	736,046	-	736,046
Development	22,788	331,656	-	208,066	562,510
Cultural and Recreational	-	-	-	558,949	558,949
Capital Outlay	471,396	1,493,368	-	68,518	2,033,282
Debt Service:					
Principal	183,278	-	-	130,204	313,482
Interest and Charges	<u>113,180</u>	<u>-</u>	<u>-</u>	<u>59,698</u>	<u>172,878</u>
Total Expenditures	<u>3,336,479</u>	<u>1,825,024</u>	<u>736,046</u>	<u>1,267,537</u>	<u>7,165,086</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>776,840</u>	<u>(242,436)</u>	<u>213,472</u>	<u>918,466</u>	<u>1,666,342</u>
Other Financing Sources (Uses):					
Operating Transfers In	118,094	-	42,180	-	160,274
Operating Transfers Out	<u>-</u>	<u>(266,178)</u>	<u>-</u>	<u>(160,274)</u>	<u>(426,452)</u>
Total Other Financing Sources (Uses)	<u>118,094</u>	<u>(266,178)</u>	<u>42,180</u>	<u>(160,274)</u>	<u>(266,178)</u>
Net Change in Fund Balances	894,934	(508,614)	255,652	758,192	1,400,164
Fund Balance, Beginning of Year	<u>1,716,242</u>	<u>1,708,774</u>	<u>568,655</u>	<u>1,454,848</u>	<u>5,448,519</u>
Fund Balance, End of Year	<u>\$ 2,611,176</u>	<u>\$ 1,200,160</u>	<u>\$ 824,307</u>	<u>\$ 2,213,040</u>	<u>\$ 6,848,683</u>

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

CITY OF MASCOUTAH, ILLINOIS

**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**

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balances - total governmental funds	\$ 1,400,164
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 and reported as depreciation expense. This is the amount by which capital outlay (\$2,033,282) exceeded depreciation expense (\$1,028,247) and losses on disposals in the current year.	1,005,035
Accrued compensated absences are reported in the government-wide statement of activities and changes in net position, but do not require the use of current financial resources; therefore, accrued compensated absences are not reported as expenditures in governmental funds. This is the change in accrued compensated absences between years.	(88,621)
Net pension liabilities and the related future pension expense are reported in the government-wide statement of activities and changes in net position, but do not require the use of current financial resources; therefore, these obligations are not reported as expenditures in governmental funds. This is the change in the net pension obligation between years.	143,706
The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.	313,482
Some intergovernmental revenues will not be collected for several months after the City's fiscal year end. They are not considered "available" revenues in the governmental funds. This is the change in deferred revenues between fiscal years.	25,389
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net assets, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds.	710
Change in net position of governmental activities	<u><u>\$ 2,799,865</u></u>

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

CITY OF MASCOUTAH, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2021

	Waterworks and Sewerage	Electric Light	Total		Waterworks and Sewerage	Electric Light	Total
<u>Assets:</u>				<u>Liabilities:</u>			
Current Assets:				Current Liabilities:			
Cash	\$ 2,345,309	\$ 9,906,931	\$ 12,252,240	Accrued Payroll and Benefits	\$ 29,848	\$ 22,486	\$ 52,334
Receivables (Net, where applicable, of allowances for uncollectible):				Accounts Payable	86,707	348,227	434,934
Accounts	141,764	454,707	596,471	Accrued Interest	-	1,929	1,929
Unbilled Revenue	300,370	500,540	800,910	Notes/Leases Payable	105,522	43,155	148,677
Other	6,673	-	6,673	Bonds Payable	-	265,000	265,000
Due from Other Funds	27,101	242,612	269,713	Total Current Liabilities	222,077	680,797	902,874
Total Current Assets	2,821,217	11,104,790	13,926,007				
Noncurrent Assets:				Liabilities Payable from Restricted Assets:			
Restricted Assets:				Customer Deposits	42,942	139,793	182,735
Cash and Cash Equivalents:							
Customer Deposits	42,942	139,793	182,735	Noncurrent Liabilities:			
Capital Assets:				Accrued Sick Leave	22,627	79,539	102,166
Land	145,341	161,972	307,313	Notes/Leases Payable	1,615,149	1,795,327	3,410,476
Buildings and Improvements	6,495,304	4,177,373	10,672,677	Bonds Payable	-	1,865,000	1,865,000
Equipment	399,857	477,454	877,311	Total Noncurrent Liabilities	1,637,776	3,739,866	5,377,642
Vehicles	561,156	983,742	1,544,898	Total Liabilities	1,902,795	4,560,456	6,463,251
Distribution System	16,610,161	16,636,647	33,246,808				
Total	24,211,819	22,437,188	46,649,007				
Less - Accumulated Depreciation	(11,031,651)	(11,281,381)	(22,313,032)	<u>Deferred Inflows of Resources:</u>			
Net Capital Assets	13,180,168	11,155,807	24,335,975	Future Pension Expense	756,265	859,525	1,615,790
Net Pension Asset	293,780	333,893	627,673	Deferred Connection Fees	-	73,022	73,022
Total Noncurrent Assets	13,516,890	11,629,493	25,146,383		756,265	932,547	1,688,812
Total Assets	\$ 16,338,107	\$ 22,734,283	\$ 39,072,390				
<u>Deferred Outflows of Resources:</u>				<u>Net Position:</u>			
Future Pension Expense	\$ 283,249	\$ 321,924	\$ 605,173	Net Investment in Capital Assets	11,459,497	7,187,325	18,646,822
	\$ 283,249	\$ 321,924	\$ 605,173	Unrestricted	2,502,799	10,375,879	12,878,678
				Total Net Position	\$ 13,962,296	\$ 17,563,204	\$ 31,525,500

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

CITY OF MASCOUTAH, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Business-Type Activities--Enterprise Funds</u>		
	<u>Waterworks and Sewerage</u>	<u>Electric Light</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 3,497,925	\$ 8,373,609	\$ 11,871,534
Operating Expenses:			
Personal Services	872,029	1,018,095	1,890,124
Supplies	57,889	109,310	167,199
Contractual Services	1,020,026	5,286,963	6,306,989
Administrative Overhead	600,304	794,944	1,395,248
Depreciation	535,491	515,302	1,050,793
Total Operating Expenses	<u>3,085,739</u>	<u>7,724,614</u>	<u>10,810,353</u>
Operating Income	<u>412,186</u>	<u>648,995</u>	<u>1,061,181</u>
Nonoperating Revenues (Expenses):			
Investment Earnings	12,975	44,505	57,480
Loss on Disposal of Assets	-	(6,310)	(6,310)
Interest and Fiscal Charges	<u>(4,996)</u>	<u>(160,845)</u>	<u>(165,841)</u>
Total Nonoperating Revenues (Expenses)	<u>7,979</u>	<u>(122,650)</u>	<u>(114,671)</u>
Income Before Contributions and Transfers	420,165	526,345	946,510
Capital Contributions	-	53,107	53,107
Transfers In (Out)	<u>266,178</u>	<u>-</u>	<u>266,178</u>
Change in Net Position	686,343	579,452	1,265,795
Net Position - Beginning of Year	<u>13,275,953</u>	<u>16,983,752</u>	<u>30,259,705</u>
Net Position - End of Year	<u>\$ 13,962,296</u>	<u>\$ 17,563,204</u>	<u>\$ 31,525,500</u>

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

CITY OF MASCOUTAH, ILLINOIS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED APRIL 30, 2021

	Business-Type Activities--Enterprise Funds		
	Waterworks and Sewerage	Electric Light	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 3,474,798	\$ 8,405,068	\$ 11,879,866
Payments to Suppliers	(2,027,498)	(6,576,283)	(8,603,781)
Payments to Employees	(745,548)	(846,835)	(1,592,383)
Net Cash Provided by Operating Activities	<u>701,752</u>	<u>981,950</u>	<u>1,683,702</u>
Cash Flows from Noncapital Financing Activities:			
Payments from (to) Other Funds	<u>252,203</u>	<u>2,688</u>	<u>254,891</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>252,203</u>	<u>2,688</u>	<u>254,891</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Long-Term Debt	(182,747)	(298,634)	(481,381)
Net Proceeds from Debt	-	86,178	86,178
Interest Paid on Debt	(4,996)	(160,829)	(165,825)
Customer Deposits	795	(1,545)	(750)
Capital Contributions	-	53,107	53,107
Cash Payments for Capital Assets	(1,534,284)	(908,320)	(2,442,604)
Net Cash Used by Capital Related Financing Activities	<u>(1,721,232)</u>	<u>(1,230,043)</u>	<u>(2,951,275)</u>
Cash Flows from Investing Activities:			
Interest Received	<u>12,975</u>	<u>44,505</u>	<u>57,480</u>
Net Cash Provided by Investing Activities	<u>12,975</u>	<u>44,505</u>	<u>57,480</u>
Net Change in Cash and Cash Equivalents	(754,302)	(200,900)	(955,202)
Cash and Cash Equivalents, Beginning of Year	<u>3,142,553</u>	<u>10,247,624</u>	<u>13,390,177</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,388,251</u>	<u>\$ 10,046,724</u>	<u>\$ 12,434,975</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 412,186	\$ 648,995	\$ 1,061,181
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	535,491	515,302	1,050,793
Net Pension Obligation and Deferrals	(155,177)	(186,409)	(341,586)
(Increase) Decrease in Assets:			
Accounts Receivables	(31,767)	(23,917)	(55,684)
Unbilled Revenue	8,640	6,880	15,520
Increase (Decrease) in Liabilities:			
Accrued Payroll and Benefits	(25,914)	(24,022)	(49,936)
Accounts Payable	(41,707)	(3,375)	(45,082)
Deferred Fees	-	48,496	48,496
Net Cash Provided by Operating Activities	<u>\$ 701,752</u>	<u>\$ 981,950</u>	<u>\$ 1,683,702</u>
Reconciliation of Total Cash and Cash Equivalents			
Current Assets	\$ 2,345,309	\$ 9,906,931	\$ 12,252,240
Restricted Assets	<u>42,942</u>	<u>139,793</u>	<u>182,735</u>
Total Cash and Cash Investments	<u>\$ 2,388,251</u>	<u>\$ 10,046,724</u>	<u>\$ 12,434,975</u>

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

CITY OF MASCOUTAH, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - POLICE PENSION TRUST FUND
APRIL 30, 2021

Assets

Cash and Cash Equivalents	\$ 263,364
Investments:	
U.S. Treasury Securities	1,808,970
Corporate Bonds	1,721,862
Mutual Funds	3,011,537
Receivables (Net of Allowance for Doubtful Accounts):	
Property Tax	371,000
Interest	<u>26,931</u>
Total Assets	<u>7,203,664</u>

Liabilities

None	<u>-</u>
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Net Position

Held in Trust For Pension Benefits and Other Purposes	<u>\$ 7,203,664</u>
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The notes to the financial statements are an integral part of this statement

CITY OF MASCOUTAH, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - POLICE PENSION TRUST FUND
FOR THE YEAR ENDED APRIL 30, 2021

Additions:

Employer Contributions	\$ 368,527
Employee Contributions	100,925

Investment Earnings:

Interest and Dividends	140,894
Gain (Loss) on Sale of Investments	262,638
Net Appreciation in Fair Value of Investments	<u>729,220</u>
Total Investment Earnings	1,132,752
Less: Investment Expense	<u>18,037</u>
Net Investment Earnings	<u>1,114,715</u>
Total Additions	<u>1,584,167</u>

Deductions:

Benefit Payments	360,054
Administrative Expenses	<u>9,934</u>
Total Deductions	<u>369,988</u>

Change in Net Position	1,214,179
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Net Position - Beginning of Year	<u>5,989,485</u>
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Net Position - End of Year	<u><u>\$ 7,203,664</u></u>
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The notes to the financial statements are an integral part of this statement

CITY OF MASCOUTAH, ILLINOIS

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mascoutah (City) was incorporated in 1921. The City is a home rule unit of government and operates under a managerial council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, culture and recreation (library and parks), health and welfare (ambulance service), electric and water distribution, sewage treatment, public improvements, planning and zoning and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

(a) The financial reporting entity

The City is a political subdivision of the State of Illinois. These financial statements present the government and its component units. Component units are legally separate entities for which the City is financially accountable. The City defines its reporting entity in accordance with Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Component units are organizations for which the City, as the primary government, is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either (1) be able to impose its will on the organization or (2) the relationship must have the potential for creating a financial benefit to or imposing a financial burden on the City. The City did not have any component units at April 30, 2021.

(b) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(c) Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, permits and fees associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized, when applicable, as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues, other revenues, and expenditures that are not restricted by law or contractual agreement to other funds are accounted for in this fund.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The TIF 2B Fund reports all revenue and expenses related to the respective TIF fund

The Ambulance Fund reports all revenue and expenses related to the ambulance operations.

The government reports the following major proprietary funds:

The Waterworks and Sewerage Fund and the Electric Light Fund account for all activities related to the billing, administration, distribution and collection processes of the water, sewer and electric operations. The City operates the water and electric distribution systems as well as the sewage treatment plant, sewage pumping stations and collection systems.

Additionally, the government reports the following fund type:

The pension trust fund accounts for the activities of the police pension fund, which accumulates resources for pension benefit payments to qualified public safety employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) Assets, liabilities and net assets or equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less.

The City is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

associations or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America. The pension trust fund and cemetery trust fund are also allowed to invest limited percentages of their monies in mutual funds and equity securities.

All investments are recorded in all funds at fair value. Investment income is recognized as earned. Gains or losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Unbilled water, sewer and electric service receivables are recorded at year-end. They are determined by taking cycle billings subsequent to April 30 and prorating the applicable number of days to the current fiscal year.

The City levied its property taxes on December 17, 2019 based upon the assessed valuation as of the previous January 1. Property taxes are due in two installments in the following year, usually in June and August, and are considered delinquent after the due dates. Property taxes for 2020 become an enforceable lien in January 2021. Because this tax levy will be used to pay for expenses budgeted in fiscal year 2022, this tax levy is shown as a receivable and as unearned revenue as of April 30, 2021 in the governmental funds statements and in the statement of activities. Tax revenues reflected in these financial statements are taxes collected on the 2019 levy.

Restricted assets

Governmental Activities

Cemetery Maintenance Trust – The reserve for cemetery maintenance was created to restrict the use of all resources contributed to or earned by the Cemetery Trust Fund. The restriction was mandated by a declaration of trust.

Business-Type Activities

Deposits – These accounts accumulate to provide funds to offset the existing liability for customer utility deposits.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government generally defines capital assets as assets with an individual cost of more than \$1,000 and an estimated useful life in excess of two years. Assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The City hired a valuation consulting firm to perform an initial valuation of the fixed assets of the City. This valuation was used as the historical basis for the value of the assets reported in the governmental type activities. Subsequent fixed asset additions are based on amounts as recorded by the City in the accounting records.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10 - 40
Buildings and improvements	25 - 50
Infrastructure	25
Distribution systems	20 - 25
Vehicles	5 - 15
Office and other equipment	5 - 20

Compensated absences

The City allows employees to accumulate unused sick leave. Earned vacation time is required to be used within one year of accrual. Upon termination, accumulated sick and any accumulated vacation that has not been taken due to work-related assignments, will be paid to the employee.

Sick leave in excess of 300 hours is accumulated and tracked for IMRF applicable employees. Sick leave in excess of 320 hours for police officers is paid to the employee on or near December 1st. Employees may request to be paid for any and all sick leave at any time.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. The City has entered into an agreement with IMLRMA, an intergovernmental association formed pursuant to Article VII, Section 10 of the Illinois Constitution of 1970, to provide the City insurance coverage. There has been no significant reduction in coverage from the prior year.

Fund Balance

In the fund financial statements, the City classifies the fund balances based upon the following criteria:

Nonspendable - includes amounts that cannot be spent because they are either 1) not in spendable form, or 2) legally or contractually required to remain intact.

Restricted - balances with constraints that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed - balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. (City Council)

Assigned - balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - the residual classification of the General Fund balance.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following details the description and amount of all constraints recorded by the City in the fund financial statements:

<u>Governmental Funds</u>	
Nonspendable:	
Cemetery Trust	\$ 345,510
Restricted:	
Debt Service	\$ 272,105
Ambulance Fund	824,307
Fire Fund	341,651
TIF #2B	1,200,160
TIF #3	62,106
Public Library	396,743
Motor Fuel Tax	1,089,631
Retirement Fund	44,764
Special Service Area	1,245
Playground & Recreation	64,783
	<u>\$ 4,297,495</u>

When expenditures are incurred for which the City has both restricted and unrestricted funds available, the City spends any restricted funds before using unrestricted sources. Likewise, the City uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available.

Budget Policy and Practices

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed budget ordinance for the fiscal year commencing May 1.
2. A public hearing at the City Hall is conducted to obtain taxpayer comments.
3. Prior to May 1, the budget is legally enacted through the passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Enterprise Funds.
5. Unexpended budgets for all the above annually budgeted funds lapse at the fiscal year end.
6. The budget is prepared on a cash basis of accounting.

CITY OF MASCOUHAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Governmental & Business-Type Activities

At April 30, 2021, the carrying amount of the City's deposits was \$19,264,125 and the bank balance was \$20,268,940. The deposits were comprised of interest checking accounts, savings accounts and certificates of deposit.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the City's name. As of April 30, 2021, the City's deposits were covered by FDIC insurance or collateralized by the financial institutions.

At April 30, 2021, the City had the following cash and investments:

	Weighted Average Maturity (Days)	Fair Value
Cash on Hand	N/A	\$ 600
Deposits as reported above	N/A	19,264,125
Total deposits and investments		<u>\$ 19,264,725</u>
As Reported in the Statement of Net Assets:		
Cash and Cash Equivalents		\$ 18,679,821
Investments		78,123
Cash and Cash Equivalents - Restricted		506,781
		<u>\$ 19,264,725</u>

Interest Rate Risk. The City's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of April 30, 2021, the City did not have a credit risk.

Concentration of Credit Risk. As of April 30, 2021, the City did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2021, the City did not have a foreign currency risk.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Police Pension Fund

At April 30, 2021, the carrying amount and the bank balance of the Police Pension Fund's deposits was \$263,364. The deposits are comprised of an interest checking account and a money market account.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Police Pension Fund's name.

As of April 30, 2021, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Mutual Funds	--	\$ 3,011,537
US Treasury Notes	2.80	828,810
US Treasury Bonds	14.06	844,150
FFCB	7.18	62,277
FHLB	3.15	47,584
FNMA	2.25	26,149
Corporate Bonds	8.36	1,721,862
Deposits as reported above		263,364
Total deposits and investments		<u>\$ 6,805,733</u>

Interest Rate Risk. The Police Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of April 30, 2021, the Police Pension Fund had investments in corporate bonds with Moody's ratings of Aa1 to Baa3.

Concentration of Credit Risk. As of April 30, 2021, the Police Pension Fund did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2021, the Police Pension Fund did not have a foreign currency risk.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: RECEIVABLES

City receivables, as reported in the statement of net assets, including the applicable allowances for uncollectible accounts, are as follows as of April 30, 2021:

	General Fund	TIF 2B Fund	Ambulance Fund	Enterprise Funds	Nonmajor Funds	Total
Receivables:						
Property Tax	\$ 436,000	\$ 1,184,000	\$ 479,000	\$ -	\$ 1,476,000	\$ 3,575,000
Intergovernmental	479,697	-	-	-	52,567	532,264
Accounts	-	-	159,627	1,597,583	-	1,757,210
Licenses/Fees/Other	113,405	22,500	-	6,673	23,579	166,157
Gross Receivables	1,029,102	1,206,500	638,627	1,604,256	1,552,146	6,030,631
Less: Allowance for uncollectible	-	-	105,216	200,202	-	305,418
Net Total Receivables	<u>\$ 1,029,102</u>	<u>\$ 1,206,500</u>	<u>\$ 533,411</u>	<u>\$ 1,404,054</u>	<u>\$ 1,552,146</u>	<u>\$ 5,725,213</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

NOTE 4: LONG-TERM DEBT

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The City has the following outstanding general obligation bond issues:

General Obligation Bonds

General Obligation Bonds, Series 2008 due in annual installments of \$380,000 to \$520,000 through November 1, 2027; interest at 4.30% to 4.625%. The bonds and related interest are being retired by the Debt Service Fund and the Electric Light Fund. The amount of bonds outstanding as of April 30, 2021 is \$3,200,000.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual requirements to retire general obligation bonds as of April 30, 2021 are as follows:

Fiscal Year Ended April 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 135,000	\$ 48,240	\$ 265,000	\$ 96,029
2023	140,000	42,367	280,000	84,501
2024	145,000	36,207	290,000	72,181
2025	150,000	29,755	305,000	59,276
2026	160,000	38,730	315,000	45,551
2027-2028	340,000	8,093	675,000	47,174
	<u>\$ 1,070,000</u>	<u>\$ 203,392</u>	<u>\$ 2,130,000</u>	<u>\$ 404,712</u>

Notes Payable

On April 24, 2009, the City entered into a loan agreement with the Illinois Environmental Protection Agency for \$3,188,881. The loan is being used to provide funding for the construction and rehabilitation of lift stations. The loan is to be paid in 39 semi-annual installments of \$60,782, including interest at 2.5 percent. The note and related interest are being retired by the Waterworks and Sewerage Fund. The outstanding balance as of April 30, 2021 is \$1,094,076.

On July 6, 2009, the City entered into a loan agreement with the Illinois Environmental Protection Agency for \$729,835. The loan is being used to provide funding for improvements and replacement of parts of the water distribution system. The loan is to be paid in 39 interest-free semi-annual installments of \$13,993. The note is being retired by the Waterworks and Sewerage Fund. The outstanding balance as of April 30, 2021 is \$251,871.

The City entered into a loan agreement with the Illinois Environmental Protection Agency for \$866,575 on August 28, 2011 to provide funding for sewer infrastructure improvements. The loan is to be repaid in 40 semi-annual installments including interest at 1.25 percent. The note is being retired by the Waterworks and Sewerage Fund. The outstanding balance as of April 30, 2021 is \$374,724.

On November 5, 2009, the City entered into an amended loan agreement with Farmers & Merchants National Bank for \$330,348 to provide funding for special service area improvements. The loan is due to be repaid by an current payment of \$155,348 and 22 annual installments, including interest at 5.25 percent. The loan is secured by the property. Upon default on the loan, the entire balance and interest may be declared immediately due. The loan and related interest are being retired by the Special Service Area Fund. The outstanding balance as of April 30, 2021 is \$161,305.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

On May 20, 2019, the City entered into a loan agreement with Citizens Community Bank for \$3,295,461 to provide funds to refinance an existing loan for infrastructure improvements. The loan is due on demand, or if no demand, in 19 quarterly installments of \$71,528, interest at 3.64 percent, with a balloon payment on May 20, 2024. The loan is unsecured. Upon default on the loan, the entire balance and interest may be declared immediately due. The loan and related interest are being retired by the General Fund. The outstanding balance as of April 30, 2021 is \$2,997,171.

On July 18, 2016, the City entered into a loan agreement with Citizens Community Bank to provide funds up to \$7,000,000 for the Electric Phase II infrastructure project. The loan and related interest are being retired based on the funded balance at the time quarterly payments are due with interest at 3.24 percent. Final payment is due on July 18, 2026. The loan is unsecured. Upon default on the loan, the entire balance and interest may be declared immediately due. The loan and related interest are being retired by the Light Fund. The outstanding balance as of April 30, 2021 is \$1,838,482.

On October 23, 2018, the City entered into a loan agreement with First Federal Savings Bank for \$20,000. The loan is to be repaid in 2 installments of \$10,345, plus interest at 2.25 percent. The loan is secured by the related vehicle. Upon default on the loan, the entire balance and interest may be declared immediately due. The loan and related interest are being retired by the General Fund. This loan was paid off during the fiscal year.

The annual requirements to retire the loan agreements are as follows:

Fiscal Year Ended April 30.	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 184,968	\$ 115,119	\$ 148,677	\$ 61,388
2023	191,880	108,209	227,944	62,000
2024	199,050	101,038	229,830	60,114
2025	2,445,051	29,769	231,768	58,175
2026	6,750	7,225	233,763	56,181
2027-2031	39,433	30,442	2,449,334	21,894
2032-2036	50,933	18,942	37,837	355
2037-2041	40,411	4,649	-	-
	<u>\$ 3,158,476</u>	<u>\$ 415,393</u>	<u>\$ 3,559,153</u>	<u>\$ 320,107</u>

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended April 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
General obligation bonds	\$ 1,195,000	\$ -	\$ 125,000	\$ 1,070,000	\$ 135,000
Notes from direct borrowings	3,346,958	-	188,482	3,158,476	184,968
Compensated absences	455,050	67,708	-	522,758	-
Net pension liability	<u>6,097,622</u>	<u>-</u>	<u>1,865,867</u>	<u>4,231,755</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 11,094,630</u>	<u>\$ 67,708</u>	<u>\$ 2,179,349</u>	<u>\$ 8,982,989</u>	<u>\$ 319,968</u>
<u>Business-type Activities:</u>					
General obligation bonds	\$ 2,385,000	\$ -	\$ 255,000	\$ 2,130,000	\$ 265,000
Notes from direct borrowings	3,699,356	86,515	226,718	3,559,153	148,677
Net pension liability	638,304	-	638,304	-	-
Compensated absences	<u>86,970</u>	<u>15,196</u>	<u>-</u>	<u>102,166</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 6,809,630</u>	<u>\$ 101,711</u>	<u>\$ 1,120,022</u>	<u>\$ 5,791,319</u>	<u>\$ 413,677</u>

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The following is a schedule of interfund receivables and payables for the year ending April 30, 2021.

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 596,460	\$ 21,464
TIF #1 Fund	-	132,300
Business District Fund	-	596,460
Special Service Area Fund	-	27,101
Playground & Recreation Fund	-	113,000
Debt Service Fund	2,688	-
Cemetery Trust Fund	21,464	-
Waterworks and Sewerage Fund	27,101	-
Electric Light Fund	<u>242,612</u>	<u>-</u>
Totals	<u>\$ 890,325</u>	<u>\$ 890,325</u>

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6: CAPITAL ASSETS

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

	Beginning Balance	Additions/ Completions	Retirements/ Deletions	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 863,657	\$ -	\$ -	\$ 863,657
Capital assets, being depreciated:				
Land improvements	1,563,276	-	-	1,563,276
Buildings and improvements	5,746,735	59,276	-	5,806,011
Equipment	2,810,774	20,835	35,043	2,796,566
Vehicles	2,533,215	333,705	-	2,866,920
Infrastructure	21,194,551	1,619,466	-	22,814,017
Total capital assets being depreciated	33,848,551	2,033,282	35,043	35,846,790
Less accumulated depreciation for:				
Land improvements	735,777	60,282	-	796,059
Buildings and improvements	3,303,357	169,451	-	3,472,808
Equipment	1,679,529	155,559	35,043	1,800,045
Vehicles	1,995,273	149,583	-	2,144,856
Infrastructure	4,888,654	493,372	-	5,382,026
Total accumulated depreciation	12,602,590	1,028,247	35,043	13,595,794
Total capital assets, being depreciated, net	22,109,618	1,005,035	-	22,250,996
Governmental activities capital assets, net	\$ 22,109,618	\$ 1,005,035	\$ -	\$ 23,114,653
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 307,313	\$ -	\$ -	\$ 307,313
Capital assets, being depreciated:				
Buildings and improvements	10,039,105	640,616	7,044	10,672,677
Distribution systems	31,807,286	1,439,522	-	33,246,808
Equipment	902,161	-	24,850	877,311
Vehicles	1,370,632	362,466	188,200	1,544,898
Total capital assets, being depreciated	44,119,184	2,442,604	220,094	46,341,694
Less accumulated depreciation for:				
Buildings and improvements	7,114,656	118,975	7,044	7,226,587
Distribution systems	12,558,617	824,585	-	13,383,202
Equipment	649,837	45,986	18,540	677,283
Vehicles	1,152,913	61,247	188,200	1,025,960
Total accumulated depreciation	21,476,023	1,050,793	213,784	22,313,032
Total capital assets, being depreciated, net	22,643,161	1,391,811	6,310	24,028,662
Business-type activities capital assets, net	\$ 22,950,474	\$ 1,391,811	\$ 6,310	\$ 24,335,975

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense was charged as direct expense to functions of the City as follows:

Governmental activities:	
General government	\$ 119,066
Public safety	128,718
Streets and highways, including depreciation of general infrastructure assets	567,902
Health and welfare	21,358
Cultural and recreational	191,203
Total depreciation expense - governmental activities	<u>\$ 1,028,247</u>
Business-type activities:	
Electric, waterworks and sewerage	<u>\$ 1,050,793</u>

NOTE 7: RETIREMENT AND PENSION FUND COMMITMENTS

1. Illinois Municipal Retirement Fund

Plan Description. The City'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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, members are required to contribute 4.50 percent 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 employer annual required contribution rate for calendar year 2020 was 10.59 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Covered Employees. The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	38
Inactive, non-Retired Members	14
Active Members	<u>49</u>
Total	<u>101</u>

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Discount Rate. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) 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 (2) 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.00%; and the resulting single discount rate is 7.25%.

Actuarial Valuation Date	12/31/20
Measurement Date of the Net Pension Liability	12/31/20
Fiscal Year End	04/30/21
Development of the Single Discount Rate as of December 31, 2020	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	2.00%
Last year ending December 31 in the 2021 to 2120 projection period for which projected benefit payments are fully funded	2120
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate calculated using December 31, 2019 Measurement Date	7.25%

The Long-Term Municipal Bond Rate is based on Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2020.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions. The following are the actuarial assumptions used in the calculation of the net pension liability.

Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Net Pension Liability. The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

Total pension liability	
Service Cost	\$ 299,836
Interest on the Total Pension Liability	1,083,646
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(1,328,046)
Changes of assumptions	(28,646)
Benefit payments, including refunds of employee contributions	<u>(682,411)</u>
Net change in total pension liability	\$ (655,621)
Total pension liability - beginning	<u>15,138,131</u>
Total pension liability - ending	<u><u>\$ 14,482,510</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 278,154
Contributions - employee	118,195
Net investment income	1,929,857
Benefit payments, including refunds of employee contributions	(682,411)
Other (Net Transfer)	<u>53,552</u>
Net change in plan fiduciary net position	\$ 1,697,347
Plan fiduciary net position - beginning	<u>13,936,114</u>
Plan fiduciary net position - ending	<u><u>\$ 15,633,461</u></u>
Net pension liability/(asset)	<u><u>\$ (1,150,951)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	
	107.95%
Covered valuation payroll	\$ 2,626,569
Net pension liability as a percentage of covered valuation payroll	-43.82%

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 15,559,056	\$ 14,482,510	\$ 13,669,298
Plan Fiduciary Net Position	15,633,461	15,633,461	15,633,461
Net Pension Liability/(Asset)	<u>\$ (74,405)</u>	<u>\$ (1,150,951)</u>	<u>\$ (1,964,163)</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 220,443	\$ 1,113,181
Changes in assumptions	162,768	132,048
Subsequent contributions	112,557	
Net difference between projected and actual earnings on pension plan investments	613,925	1,717,612
Total	<u>\$ 1,109,693</u>	<u>\$ 2,962,841</u>

Year Ending December 31,	Net Deferred Inflows of Resources
2021	\$ (461,740)
2022	(283,181)
2023	(639,982)
2024	(454,093)
2025	(14,152)
	<u>\$ (1,853,148)</u>

2. Sheriff's Law Enforcement Personnel (SLEP)

Plan Description. The City's defined benefit pension plan for certain City SLEP eligible employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Membership in SLEP is based on several factors including the member's role at the employer and type of appointment. SLEP members include many Illinois county sheriffs and deputy sheriffs, correctional officers, forest preserve district rangers, airport police and police chiefs. The Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Funding Policy. As set by statute, members are required to contribute 7.50 percent 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 annual employer annual required contribution for calendar year 2020 was \$32,273. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Covered Employees. The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	1
Inactive, non-Retired Members	0
Active Members	<u>1</u>
Total	<u>2</u>

Discount Rate. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) 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 (2) 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.00%; and the resulting single discount rate is 7.25%.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Valuation Date	12/31/20
Measurement Date of the Net Pension Liability	12/31/20
Fiscal Year End	04/30/21

Development of the Single Discount Rate as of December 31, 2020

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	2.00%
Last year ending December 31 in the 2021 to 2120 projection period for which projected benefit payments are fully funded	2120
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2019 Measurement Date 7.25%

The Long-Term Municipal Bond Rate is based on Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2020.

Actuarial Assumptions. The following are the actuarial assumptions used in the calculation of the net pension liability.

Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Net Pension Liability. The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

Total pension liability	
Service Cost	\$ 18,597
Interest on the Total Pension Liability	38,764
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(48,433)
Changes of assumptions	2,951
Benefit payments, including refunds of employee contributions	<u>(35,881)</u>
Net change in total pension liability	\$ (24,002)
Total pension liability - beginning	<u>543,323</u>
Total pension liability - ending	<u><u>\$ 519,321</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 32,273
Contributions - employee	7,157
Net investment income	39,942
Benefit payments, including refunds of employee contributions	(35,881)
Other (Net Transfer)	<u>5,251</u>
Net change in plan fiduciary net position	\$ 48,742
Plan fiduciary net position - beginning	<u>217,264</u>
Plan fiduciary net position - ending	<u><u>\$ 266,006</u></u>
Net pension liability/(asset)	<u><u>\$ 253,315</u></u>
Plan fiduciary net position as a percentage of the total pension liability	51.22%
Covered valuation payroll	\$ 95,425
Net pension liability as a percentage of covered valuation payroll	265.46%

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	<u>1% Decrease</u>	<u>Rate Assumption</u>	<u>1% Increase</u>
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 569,716	\$ 519,321	\$ 476,451
Plan Fiduciary Net Position	266,006	266,006	266,006
Net Pension Liability/(Asset)	<u>\$ 303,710</u>	<u>\$ 253,315</u>	<u>\$ 210,445</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 4,605	\$ 37,053
Changes in assumptions	6,567	-
Subsequent contributions	11,719	
Net difference between projected and actual earnings on pension plan investments	22,342	46,134
Total	<u>\$ 45,233</u>	<u>\$ 83,187</u>

<u>Year Ending December 31,</u>	Net Deferred Inflows of <u>Resources</u>
2021	\$ (661)
2022	(8,035)
2023	(21,749)
2024	(7,509)
2025	-
	<u>\$ (37,954)</u>

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Police Pension

a) Plan Description

Plan Administration. The Board consists of two members appointed by the City, two active members of the police department elected by the membership, and one retired member of the police department elected by the membership.

Plan Membership as of April 30, 2021:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	9
Inactive Plan Member Entitled to Deferral of Benefits	1
Active Plan Members	<u>13</u>
Total	<u>23</u>

Benefits Provided.

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: An annual increase each January 1 equal to 3.00 per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Disability Benefit:

Eligibility: Total and permanent as determined by the Board of Trustees. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 50% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination times creditable service.

Contributions.

Employee: 9.91% of Salary. City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over a period ending in 2040.

b) Investments

Investment Policy:

The City follows the guidelines as set by the Illinois Compiled Statutes regarding the targeted investment allocation.

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended April 30, 2021, the annual rate of return on pension plan investments, net of pension plan investment expense, was 18.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

c) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2021 were as follows:

Total Pension Liability	\$ 11,182,104
Plan Fiduciary Net Position	<u>(7,203,664)</u>
Net Pension Liability	<u>\$ 3,978,440</u>
Plan Fiduciary Net Position	
as a % of Total Pension Liability	64.42%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2021 using the following actuarial assumptions.

Inflation	2.25%
Salary Increases	3.25%
Discount Rate used for the Net Pension Liability	5.69%
Retirement Mortality Rate: L&A 2020 Illinois Police 100% capped at age 65	
Disabled Mortality Rate: L&A 2020 Illinois Police Disability	

The long-term expected rate of return on pension plan investments was determined using best estimate of future real rates of return (expected returns, net of pension plan investment expenses and inflation) and 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 by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class as of April 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
US Equity	4.09%
US Mid Cap Equity	4.39%
US Small Cap Equity	4.49%
US Government Fixed Income	-1.41%
US Credit Fixed Income	-0.31%
US Municipal	-1.41%
Emerging Market Equity	4.69%
Global Real Estate	4.69%

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Discount Rate:

The discount rate used to measure the total pension liability was 5.69 percent. The projection of cash flows were used to determine the extent which the plan's future net position will be able to cover future benefit payments. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future projected benefit payments through 2078. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of May 01, 2020	\$ 11,197,335	\$ 5,989,485	\$ 5,207,850
Changes for a year			
Service Cost	381,090	-	381,090
Interest	588,336	-	588,336
Differences between expected and actual experience	101,209	-	101,209
Changes of assumptions	(725,812)	-	(725,812)
Changes of benefit terms	-	-	-
Contributions - employer	-	368,527	(368,527)
Contributions - employee	-	100,925	(100,925)
Net investment income	-	1,114,715	(1,114,715)
Benefit payments, including refunds	(360,054)	(360,054)	-
Administrative	-	(9,934)	9,934
Net Changes	(15,231)	1,214,179	(1,229,410)
Balances as of April 30, 2021	<u>\$ 11,182,104</u>	<u>\$ 7,203,664</u>	<u>\$ 3,978,440</u>

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Discount Rate	1% Increase
	4.69%	5.69%	6.69%
Net Pension Liability	\$ 5,932,027	\$ 3,978,440	\$ 2,432,225

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. For the year ended April 30, 2021, the City recognized a pension expense of \$372,931. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 198,051	\$ (70,074)
Changes in assumptions	701,538	(708,906)
Net difference between projected and actual earnings on pension plan investments	<u>243,785</u>	<u>(611,093)</u>
Total	<u>\$ 1,143,374</u>	<u>\$ (1,390,073)</u>

Year Ending <u>April 30,</u>	Net Deferred Inflows of <u>Resources</u>
2022	\$ 34,600
2023	(6,202)
2024	(29,436)
2025	(126,851)
2026	(47,188)
Thereafter	<u>(71,622)</u>
	<u>\$ (246,699)</u>

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8: SUBSEQUENT EVENTS

The City has evaluated events occurring after the financial statement date through September 23, 2021 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

The City is aware of potential litigation related to old City transformers that were shipped to the Ward Transformer EPA Superfund Site in Raleigh, North Carolina. The transformers allegedly leaked contaminants into the soil at the Ward Site. There is a present action with which the City is not presently involved. However, the EPA has expressed an opinion that the City is liable for a proportionate share of the clean-up costs. As of April 30, 2021, the City is denying liability. The likelihood of an unfavorable outcome is 60% with a range of loss of \$200,000 to \$400,000.

There is a claim alleging that the City was negligent and as a result, the Plaintiff was electrocuted and died. Discovery is almost complete and, to date, some facts have come to light which would subject the City to liability. The City denies liability. The likelihood of an unfavorable outcome is 20% with a range of loss of \$1,000,000 to \$5,000,000. Any possible loss should be covered by insurance.

There are no other asserted, unasserted or threatened litigation matters that are known at this time.

NOTE 9: LEGAL DEBT MARGIN

The computation of legal debt margin at April 30, 2021 is as follows:

Total EAV - 2020	\$ 158,973,860
Bonded Debt Limit*	13,711,495
Bonded Indebtedness	<u>4,228,476</u>
Legal Debt Margin	<u>\$ 9,483,019</u>

- * The bonded indebtedness of the City is limited by Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes to 8.625% of the assessed valuation of taxable tangible property.

CITY OF MASCOUTAH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10: INTERFUND TRANSFERS

The following is a summary of interfund transfers for the year ended April 30, 2021:

General Fund Transfer From (To):	
IMRF Fund	\$ 118,094
TIF #2 Fund Transfer (To):	
Water and Sewer Fund	(266,178)
Ambulance Fund Transfer From:	
IMRF Fund	42,180
IMRF Fund Transfer (To):	
General Fund	(118,094)
Ambulance Fund	(42,180)
Water and Sewer Fund Transfer From:	
TIF #2 Fund	<u>266,178</u>
	<u>\$ -</u>

The City makes various transfers to reimburse funds for expenses that are related to or shared by one fund and paid for by another fund. The transfers are primarily related to debt service payments and IMRF reimbursements.

NOTE 11: REDEVELOPMENT AGREEMENT

The City entered into a redevelopment agreement with Mascoutah Development LLC on November 21, 2016. The City has agreed to assist with the construction and related costs of the Legacy Place Living and Memory Care facility by providing redevelopment cost reimbursements. The reimbursements will be made using TIF funds. The City has agreed to reimburse 60% of the project's annual property taxes, after annual fees, up to a total amount of \$633,480 through December 31, 2032. For the year ended April 30, 2021, the City reimbursed \$51,144 to the developer. The remaining amount outstanding to be reimbursed in future years is \$498,169.

CITY OF MASCOUTAH, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 512,500	\$ 512,500	\$ 475,548
Utility Tax	375,430	375,430	379,133
Hotel Tax	75,000	75,000	37,025
Intergovernmental	2,179,730	2,179,730	2,189,366
Licenses and Permits	116,400	116,400	117,910
Charges for Services	444,955	444,955	412,633
Fines and Forfeitures	17,500	17,500	25,155
Investment Earnings	16,500	16,500	6,363
Miscellaneous	18,700	18,700	341,667
Total Receipts	<u>3,756,715</u>	<u>3,756,715</u>	<u>3,984,800</u>
Disbursements			
Current:			
General Government	264,295	264,295	(65,491)
Public Safety	2,033,200	2,033,200	2,073,863
Streets and Highways	699,600	699,600	592,462
Development	29,100	29,100	22,788
Debt Service	286,120	286,120	286,113
Capital Outlay	765,700	765,700	381,214
Total Disbursements	<u>4,078,015</u>	<u>4,078,015</u>	<u>3,290,949</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(321,300)</u>	<u>(321,300)</u>	<u>693,851</u>
Other Financing Sources:			
Transfers In	<u>128,600</u>	<u>128,600</u>	<u>120,442</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (192,700)</u>	<u>\$ (192,700)</u>	814,293
Change for reporting on modified accrual basis:			
Change in intergovernmental revenue on modified accrual basis			120,299
Change in utility tax revenue on modified accrual basis			1,491
Change in other receivables on modified accrual basis			6,519
Change in accrued salaries on modified accrual basis			61,472
Change in franchise fee revenue on modified accrual basis			(1,449)
Change in accounts payable on modified accrual basis			(108,141)
Change in transfer amount from other funds			<u>450</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 894,934</u>

CITY OF MASCOUTAH, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
TIF 2B FUND
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Budget</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 1,088,915	\$ 1,088,915	\$ 1,125,180
Grants	450,000	450,000	427,500
Investment Earnings	<u>5,500</u>	<u>5,500</u>	<u>7,408</u>
Total Receipts	<u>1,544,415</u>	<u>1,544,415</u>	<u>1,560,088</u>
Disbursements:			
Development	45,500	45,500	600
Debt Payment	394,000	394,000	401,722
Project Costs	<u>2,919,700</u>	<u>2,919,700</u>	<u>1,703,744</u>
Total Disbursements	<u>3,359,200</u>	<u>3,359,200</u>	<u>2,106,066</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (1,814,785)</u>	<u>\$ (1,814,785)</u>	(545,978)
Change for reporting on modified accrual basis:			
Change in intergovernmental receivable on modified accrual basis			22,500
Change in accounts payable on modified accrual basis			<u>14,864</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (508,614)</u>

CITY OF MASCOUTAH, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
AMBULANCE FUND
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Budget</u>	
Receipts:			
Property Tax	\$ 635,200	\$ 635,200	\$ 623,729
Charges for Services	399,530	399,530	381,472
Investment Earnings	3,400	3,400	2,888
Miscellaneous	-	-	3,005
Total Receipts	<u>1,038,130</u>	<u>1,038,130</u>	<u>1,011,094</u>
Disbursements:			
Health and Welfare	737,552	737,552	744,422
Capital Outlay	<u>11,000</u>	<u>11,000</u>	<u>4,497</u>
Total Disbursements	<u>748,552</u>	<u>748,552</u>	<u>748,919</u>
Excess of Receipts Over Disbursements	<u>289,578</u>	<u>289,578</u>	<u>262,175</u>
Other Financing Sources:			
Transfer In	<u>38,900</u>	<u>38,900</u>	<u>42,180</u>
Excess of Receipts and Other Financing Sources Over Disbursements	<u>\$ 328,478</u>	<u>\$ 328,478</u>	304,355
Change for reporting on modified accrual basis:			
Change in accrued salaries on modified accrual basis			12,872
Change in accounts receivable on modified accrual basis			<u>(61,575)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 255,652</u>

CITY OF MASCOUTAH, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND
APRIL 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:							
Service cost	\$ 381,090	\$ 356,528	\$ 301,154	\$ 293,029	\$ 277,332	\$ 285,669	\$ 275,565
Interest	588,336	536,830	504,059	475,167	458,220	382,767	361,003
Changes in benefit terms	-	87,726	-	-	-	-	-
Differences between expected and actual	101,209	(75,070)	182,761	15,516	(1,072)	(54,619)	-
Changes in assumptions	(725,812)	379,169	372,399	141,261	(273,999)	643,200	-
Benefit payments, including refunds	<u>(360,054)</u>	<u>(357,290)</u>	<u>(313,479)</u>	<u>(195,198)</u>	<u>(126,928)</u>	<u>(114,379)</u>	<u>(109,971)</u>
Net change in total pension liability	(15,231)	927,893	1,046,894	729,775	333,553	1,142,638	526,597
Total pension liability - beginning	<u>11,197,335</u>	<u>10,269,442</u>	<u>9,222,548</u>	<u>8,492,773</u>	<u>8,159,220</u>	<u>7,016,582</u>	<u>6,489,985</u>
Total pension liability - ending	<u>\$ 11,182,104</u>	<u>\$ 11,197,335</u>	<u>\$ 10,269,442</u>	<u>\$ 9,222,548</u>	<u>\$ 8,492,773</u>	<u>\$ 8,159,220</u>	<u>\$ 7,016,582</u>
Plan Fiduciary Net Position							
Contributions - employer	368,527	273,655	257,139	241,884	266,669	264,929	261,621
Contributions - employee	100,925	91,902	80,736	76,508	83,497	82,182	76,899
Net investment income	1,114,715	185,193	264,701	252,385	274,754	(67,680)	206,177
Benefit payments, including refunds	(360,054)	(357,290)	(313,479)	(195,198)	(126,928)	(114,379)	(109,971)
Administrative	<u>(9,934)</u>	<u>(8,623)</u>	<u>(20,154)</u>	<u>(9,240)</u>	<u>(7,649)</u>	<u>(8,215)</u>	<u>(8,844)</u>
Net change in plan fiduciary net position	1,214,179	184,837	268,943	366,339	490,343	156,837	425,882
Plan fiduciary net position - beginning	<u>5,989,485</u>	<u>5,804,648</u>	<u>5,535,705</u>	<u>5,169,366</u>	<u>4,679,023</u>	<u>4,522,186</u>	<u>4,096,304</u>
Plan fiduciary net position - ending	<u>\$ 7,203,664</u>	<u>\$ 5,989,485</u>	<u>\$ 5,804,648</u>	<u>\$ 5,535,705</u>	<u>\$ 5,169,366</u>	<u>\$ 4,679,023</u>	<u>\$ 4,522,186</u>
Net Pension Liability	<u>\$ 3,978,440</u>	<u>\$ 5,207,850</u>	<u>\$ 4,464,794</u>	<u>\$ 3,686,843</u>	<u>\$ 3,323,407</u>	<u>\$ 3,480,197</u>	<u>\$ 2,494,396</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>64.42%</u>	<u>53.49%</u>	<u>56.52%</u>	<u>60.02%</u>	<u>60.87%</u>	<u>57.35%</u>	<u>64.45%</u>
Covered-employee Payroll	<u>\$ 976,579</u>	<u>\$ 876,013</u>	<u>\$ 983,630</u>	<u>\$ 952,669</u>	<u>\$ 999,389</u>	<u>\$ 950,533</u>	<u>\$ 936,302</u>
Net position liability as a percentage of covered-employee payroll	<u>407.39%</u>	<u>594.49%</u>	<u>453.91%</u>	<u>387.00%</u>	<u>332.54%</u>	<u>366.13%</u>	<u>266.41%</u>

CITY OF MASCOUATAH, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:						
Service Cost	\$ 299,836	\$ 293,822	\$ 266,560	\$ 296,048	\$ 270,111	\$ 265,973
Interest	1,083,646	1,010,399	959,817	952,097	902,425	861,516
Difference between expected and actual experience	(1,328,046)	333,566	51,129	(182,655)	(18,355)	(98,315)
Assumption changes	(28,646)	-	403,974	(418,430)	(34,082)	16,114
Benefit payments, including refunds	<u>(682,411)</u>	<u>(578,579)</u>	<u>(533,686)</u>	<u>(525,063)</u>	<u>(480,822)</u>	<u>(489,338)</u>
Net change in total pension liability	(655,621)	1,059,208	1,147,794	121,997	639,277	555,950
Total pension liability - beginning	<u>15,138,131</u>	<u>14,078,923</u>	<u>12,931,129</u>	<u>12,809,132</u>	<u>12,169,855</u>	<u>11,613,905</u>
Total pension liability - ending	<u>\$ 14,482,510</u>	<u>\$ 15,138,131</u>	<u>\$ 14,078,923</u>	<u>\$ 12,931,129</u>	<u>\$ 12,809,132</u>	<u>\$ 12,169,855</u>
Plan Fiduciary Net Position						
Contributions - employer	278,154	267,217	325,428	313,655	316,257	295,019
Contributions - employee	118,195	129,438	121,709	114,760	121,635	109,357
Net investment income	1,929,857	2,131,438	(597,247)	1,867,371	716,818	52,925
Benefit payments, including refunds	(682,411)	(578,579)	(533,686)	(525,063)	(480,822)	(489,338)
Other	<u>53,552</u>	<u>58,084</u>	<u>136,298</u>	<u>(134,468)</u>	<u>(308,642)</u>	<u>(120,996)</u>
Net change in plan fiduciary net position	1,697,347	2,007,598	(547,498)	1,636,255	365,246	(153,033)
Plan fiduciary net position - beginning	<u>13,936,114</u>	<u>11,928,516</u>	<u>12,476,014</u>	<u>10,839,759</u>	<u>10,474,513</u>	<u>10,627,546</u>
Plan fiduciary net position - ending	<u>\$ 15,633,461</u>	<u>\$ 13,936,114</u>	<u>\$ 11,928,516</u>	<u>\$ 12,476,014</u>	<u>\$ 10,839,759</u>	<u>\$ 10,474,513</u>
Net Pension Liability	<u>\$ (1,150,951)</u>	<u>\$ 1,202,017</u>	<u>\$ 2,150,407</u>	<u>\$ 455,115</u>	<u>\$ 1,969,373</u>	<u>\$ 1,695,342</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>107.95%</u>	<u>92.06%</u>	<u>84.73%</u>	<u>96.48%</u>	<u>84.63%</u>	<u>86.07%</u>
Covered-employee Payroll	<u>\$ 2,626,569</u>	<u>\$ 2,876,401</u>	<u>\$ 2,704,646</u>	<u>\$ 2,550,221</u>	<u>\$ 2,693,845</u>	<u>\$ 2,430,144</u>
Net position liability as a percentage of covered-employee payroll	<u>-43.82%</u>	<u>41.79%</u>	<u>79.51%</u>	<u>17.85%</u>	<u>73.11%</u>	<u>69.76%</u>

CITY OF MASCOUTAH, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SLEP FUND
APRIL 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:						
Service Cost	\$ 18,597	\$ 17,852	\$ 16,153	\$ -	\$ -	\$ -
Interest	38,764	36,952	35,490	34,263	62,622	61,336
Difference between expected and actual experience	(48,433)	5,242	5,278	19,931	(437,196)	5,343
Assumption changes	2,951	-	13,198	(12,364)	(25,209)	(6,781)
Benefit payments, including refunds	<u>(35,881)</u>	<u>(34,952)</u>	<u>(34,016)</u>	<u>(33,090)</u>	<u>(37,758)</u>	<u>(63,014)</u>
Net change in total pension liability	(24,002)	25,094	36,103	8,740	(437,541)	(3,116)
Total pension liability - beginning	<u>543,323</u>	<u>518,229</u>	<u>482,126</u>	<u>473,386</u>	<u>910,927</u>	<u>914,043</u>
Total pension liability - ending	<u>\$ 519,321</u>	<u>\$ 543,323</u>	<u>\$ 518,229</u>	<u>\$ 482,126</u>	<u>\$ 473,386</u>	<u>\$ 910,927</u>
Plan Fiduciary Net Position						
Contributions - employer	32,273	31,907	12,976	17,077	45,381	45,891
Contributions - employee	7,157	7,525	7,329	5,700	-	-
Net investment income	39,942	46,241	(40,423)	45,837	37,131	2,645
Benefit payments, including refunds	(35,881)	(34,952)	(34,016)	(33,090)	(37,758)	(63,014)
Other	<u>5,251</u>	<u>1,166</u>	<u>13,804</u>	<u>(10,841)</u>	<u>(420,533)</u>	<u>33,795</u>
Net change in plan fiduciary net position	48,742	51,887	(40,330)	24,683	(375,779)	19,317
Plan fiduciary net position - beginning	<u>217,264</u>	<u>165,377</u>	<u>205,707</u>	<u>181,024</u>	<u>556,803</u>	<u>537,486</u>
Plan fiduciary net position - ending	<u>\$ 266,006</u>	<u>\$ 217,264</u>	<u>\$ 165,377</u>	<u>\$ 205,707</u>	<u>\$ 181,024</u>	<u>\$ 556,803</u>
Net Pension Liability	<u>\$ 253,315</u>	<u>\$ 326,059</u>	<u>\$ 352,852</u>	<u>\$ 276,419</u>	<u>\$ 292,362</u>	<u>\$ 354,124</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>51.22%</u>	<u>39.99%</u>	<u>31.91%</u>	<u>42.67%</u>	<u>38.24%</u>	<u>61.12%</u>
Covered-employee Payroll	<u>\$ 95,425</u>	<u>\$ 100,338</u>	<u>\$ 97,715</u>	<u>\$ 76,006</u>	<u>\$ -</u>	<u>\$ -</u>
Net position liability as a percentage of covered-employee payroll	<u>265.46%</u>	<u>324.96%</u>	<u>361.10%</u>	<u>363.68%</u>	<u>0.00%</u>	<u>0.00%</u>

CITY OF MASCOUTAH, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
POLICE PENSION FUND
APRIL 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 326,232	\$ 258,193	\$ 243,092	\$ 267,716	\$ 268,325	\$ 263,248	\$ 268,829
Contributions in relation to actuarial determined contribution	<u>368,527</u>	<u>273,655</u>	<u>257,139</u>	<u>241,884</u>	<u>266,669</u>	<u>264,929</u>	<u>261,621</u>
Contribution deficiency (excess)	<u>\$ (42,295)</u>	<u>\$ (15,462)</u>	<u>\$ (14,047)</u>	<u>\$ 25,832</u>	<u>\$ 1,656</u>	<u>\$ (1,681)</u>	<u>\$ 7,208</u>
Covered-employee Payroll	<u>976,579</u>	<u>876,013</u>	<u>983,630</u>	<u>952,669</u>	<u>999,389</u>	<u>950,533</u>	<u>801,416</u>
Contributions as a percentage of covered-employee payroll	<u>37.74%</u>	<u>31.24%</u>	<u>26.14%</u>	<u>25.39%</u>	<u>26.68%</u>	<u>27.87%</u>	<u>32.64%</u>

Actuarial valuations are performed as of April 30 each year with the related contributions to be paid in the following year. Actuarial valuation date for above is April 30, 2019.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	21 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Investment Rate of Return	6.25%
Payroll Growth	3.50%
Inflation	2.50%

CITY OF MASCOUTAH, ILLINOIS

**SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2021**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 278,154	\$ 267,218	\$ 317,255	\$ 289,195	\$ 316,257	\$ 295,019
Contributions in relation to actuarial determined contribution	<u>278,154</u>	<u>267,217</u>	<u>325,428</u>	<u>313,655</u>	<u>316,257</u>	<u>295,019</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (8,173)</u>	<u>\$ (24,460)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	<u>2,626,569</u>	<u>2,876,401</u>	<u>2,704,646</u>	<u>2,550,221</u>	<u>2,693,845</u>	<u>2,430,144</u>
Contributions as a percentage of covered-employee payroll	<u>10.59%</u>	<u>9.29%</u>	<u>12.03%</u>	<u>12.30%</u>	<u>11.74%</u>	<u>12.14%</u>

Actuarial valuation date for above is December 31, 2020.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	23 years
Asset Valuation Method:	5-Year smoothed market; 20% corridor
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Wage Growth	3.25%
Price Inflation	2.50%

CITY OF MASCOUTAH, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
SLEP FUND
APRIL 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 32,273	\$ 31,907	\$ 12,977	\$ 10,154	\$ -	\$ -
Contributions in relation to actuarial determined contribution	<u>32,273</u>	<u>31,907</u>	<u>12,976</u>	<u>17,077</u>	<u>45,891</u>	<u>45,891</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (6,923)</u>	<u>\$ (45,891)</u>	<u>\$ (45,891)</u>
 Covered-employee Payroll	 <u>95,425</u>	 <u>100,338</u>	 <u>97,715</u>	 <u>76,006</u>	 <u>-</u>	 <u>-</u>
 Contributions as a percentage of covered-employee payroll	 <u>33.82%</u>	 <u>31.80%</u>	 <u>13.28%</u>	 <u>22.47%</u>	 <u>0.00%</u>	 <u>0.00%</u>

Actuarial valuation date for above is December 31, 2020.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	23 years
Asset Valuation Method:	5-Year smoothed market; 20% corridor
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Wage Growth	3.25%
Price Inflation	2.50%

CITY OF MASCOUTAH, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND
APRIL 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual rate of return, net of investment expense	18.61%	3.19%	4.78%	4.88%	5.87%	-1.50%	5.41%

CITY OF MASCOUTAH, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2021

	Total Special Revenue	Debt Service	Permanent Fund Cemetery Trust	Total Nonmajor Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,541,144	\$ 269,417	\$ -	\$ 2,810,561
Receivables (Net of Allowance for Doubtful Accounts):				
Property Tax	1,293,000	183,000	-	1,476,000
Intergovernmental	52,567	-	-	52,567
Other	23,579	-	-	23,579
Due from Other Funds	-	2,688	21,464	24,152
Restricted Cash and Investments	-	-	324,046	324,046
Total Assets	<u>\$ 3,910,290</u>	<u>\$ 455,105</u>	<u>\$ 345,510</u>	<u>\$ 4,710,905</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>				
Liabilities:				
Accrued Payroll and Benefits	\$ 13,175	\$ -	\$ -	\$ 13,175
Accounts Payable	132,469	-	-	132,469
Due to Other Funds	868,861	-	-	868,861
Total Liabilities	<u>1,014,505</u>	<u>-</u>	<u>-</u>	<u>1,014,505</u>
Deferred Inflows of Resources				
Unearned Revenue	<u>1,300,360</u>	<u>183,000</u>	<u>-</u>	<u>1,483,360</u>
Fund Balances:				
Nonspendable	-	-	345,510	345,510
Restricted For:				
Debt Service	-	272,105	-	272,105
Revenue Restrictions	2,000,923	-	-	2,000,923
Unassigned	(405,498)	-	-	(405,498)
Total Fund Balances	<u>1,595,425</u>	<u>272,105</u>	<u>345,510</u>	<u>2,213,040</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,910,290</u>	<u>\$ 455,105</u>	<u>\$ 345,510</u>	<u>\$ 4,710,905</u>

CITY OF MASCOUTAH, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED APRIL 30, 2021

	Total Special Revenue	Debt Service	Permanent Fund Cemetery Trust	Total Nonmajor Governmental Funds
Revenues:				
Property Tax	\$ 1,261,108	\$ 176,998	\$ -	\$ 1,438,106
Intergovernmental	703,091	-	-	703,091
Licenses, Permits and Fees	10,914	-	-	10,914
Charges for Services	4,691	-	800	5,491
Fines and Forfeitures	826	-	-	826
Investment Income	8,525	1,205	8,227	17,957
Contributions	2,989	-	-	2,989
Miscellaneous	6,629	-	-	6,629
Total Revenues	<u>1,998,773</u>	<u>178,203</u>	<u>9,027</u>	<u>2,186,003</u>
Expenditures:				
Current:				
General Government	-	-	550	550
Public Safety	78,807	-	-	78,807
Streets and Highways	162,745	-	-	162,745
Development	208,066	-	-	208,066
Cultural and Recreational	558,949	-	-	558,949
Capital Outlay	68,518	-	-	68,518
Debt Service:				
Principal	5,204	125,000	-	130,204
Interest and Fiscal Charges	8,771	50,927	-	59,698
Total Expenditures	<u>1,091,060</u>	<u>175,927</u>	<u>550</u>	<u>1,267,537</u>
Excess (Deficiency) of Revenues Over Expenditures	907,713	2,276	8,477	918,466
Other Financing Sources (Uses):				
Transfers Out	(160,274)	-	-	(160,274)
Total Other Financing Sources (Uses)	<u>(160,274)</u>	<u>-</u>	<u>-</u>	<u>(160,274)</u>
Net Change in Fund Balances	747,439	2,276	8,477	758,192
Fund Balances, Beginning of Year	<u>847,986</u>	<u>269,829</u>	<u>337,033</u>	<u>1,454,848</u>
Fund Balances, End of Year	<u>\$ 1,595,425</u>	<u>\$ 272,105</u>	<u>\$ 345,510</u>	<u>\$ 2,213,040</u>

CITY OF MASCOUATAH, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
APRIL 30, 2021

	Fire	Playground & Recreation	Motor Fuel Tax	TIF #1	TIF #3	Business District	Public Library	Illinois Municipal Retirement	Special Service Area	Total
<u>Assets</u>										
Cash and Cash Equivalents	\$ 341,809	\$ 158,335	\$ 1,061,405	\$ 1,119	\$ 113,250	\$ 305,162	\$ 421,873	\$ 109,845	\$ 28,346	\$ 2,541,144
Receivables (Net of Allowance for Doubtful Accounts):										
Property Tax	160,000	277,000	-	-	272,000	-	417,000	167,000	-	1,293,000
Intergovernmental	-	-	28,226	-	-	24,341	-	-	-	52,567
Accounts	-	23,579	-	-	-	-	-	-	-	23,579
Total Assets	<u>\$ 501,809</u>	<u>\$ 458,914</u>	<u>\$ 1,089,631</u>	<u>\$ 1,119</u>	<u>\$ 385,250</u>	<u>\$ 329,503</u>	<u>\$ 838,873</u>	<u>\$ 276,845</u>	<u>\$ 28,346</u>	<u>\$ 3,910,290</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>										
Liabilities:										
Accrued Payroll and Benefits	\$ -	\$ 1,354	\$ -	\$ -	\$ -	\$ -	\$ 11,821	\$ -	\$ -	\$ 13,175
Accounts Payable	158	2,777	-	-	51,144	-	13,309	65,081	-	132,469
Due to Other Funds	-	113,000	-	132,300	-	596,460	-	-	27,101	868,861
Total Liabilities	<u>158</u>	<u>117,131</u>	<u>-</u>	<u>132,300</u>	<u>51,144</u>	<u>596,460</u>	<u>25,130</u>	<u>65,081</u>	<u>27,101</u>	<u>1,014,505</u>
Deferred Inflows of Resources:										
Unearned Revenue	<u>160,000</u>	<u>277,000</u>	<u>-</u>	<u>-</u>	<u>272,000</u>	<u>7,360</u>	<u>417,000</u>	<u>167,000</u>	<u>-</u>	<u>1,300,360</u>
Fund Balance (Deficit):										
Restricted	341,651	64,783	1,089,631	-	62,106	-	396,743	44,764	1,245	2,000,923
Unassigned	-	-	-	(131,181)	-	(274,317)	-	-	-	(405,498)
Total Fund Balance (Deficit)	<u>341,651</u>	<u>64,783</u>	<u>1,089,631</u>	<u>(131,181)</u>	<u>62,106</u>	<u>(274,317)</u>	<u>396,743</u>	<u>44,764</u>	<u>1,245</u>	<u>1,595,425</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 501,809</u>	<u>\$ 458,914</u>	<u>\$ 1,089,631</u>	<u>\$ 1,119</u>	<u>\$ 385,250</u>	<u>\$ 329,503</u>	<u>\$ 838,873</u>	<u>\$ 276,845</u>	<u>\$ 28,346</u>	<u>\$ 3,910,290</u>

CITY OF MASCOUTAH, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2021

	Fire	Playground & Recreation	Motor Fuel Tax	TIF #1	TIF #3	Business District	Public Library	Illinois Municipal Retirement	Special Service Area	Total
Revenues:										
Property Tax	\$ 163,902	\$ 267,566	\$ -	\$ -	\$ 254,475	\$ -	\$ 395,352	\$ 164,593	\$ 15,220	\$ 1,261,108
Intergovernmental	-	-	619,317	-	-	68,880	14,894	-	-	703,091
Licenses, Permits and Fees	3,300	4,236	-	-	-	-	3,378	-	-	10,914
Charges for Services	-	4,070	-	-	-	-	621	-	-	4,691
Fines and Forfeitures	-	-	-	-	-	-	826	-	-	826
Investment Income	1,439	523	3,379	1	136	-	2,814	233	-	8,525
Contributions	-	-	-	-	-	-	2,989	-	-	2,989
Miscellaneous	-	-	-	-	-	-	6,629	-	-	6,629
Total Revenues	168,641	276,395	622,696	1	254,611	68,880	427,503	164,826	15,220	1,998,773
Expenditures:										
Current:										
Public Safety	78,807	-	-	-	-	-	-	-	-	78,807
Streets and Highways	-	-	162,745	-	-	-	-	-	-	162,745
Development	-	-	-	-	208,066	-	-	-	-	208,066
Cultural and Recreational	-	170,415	-	-	-	-	388,534	-	-	558,949
Debt Service:										
Principal	-	-	-	-	-	-	-	-	8,771	8,771
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	5,204	5,204
Capital Outlay	31,608	25,404	-	-	-	-	11,506	-	-	68,518
Total Expenditures	110,415	195,819	162,745	-	208,066	-	400,040	-	13,975	1,091,060
Excess of Revenues Over Expenditures	58,226	80,576	459,951	1	46,545	68,880	27,463	164,826	1,245	907,713
Other Financing Sources (Uses):										
Transfers Out	-	-	-	-	-	-	-	(160,274)	-	(160,274)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	(160,274)	-	(160,274)
Net Change in Fund Balances	58,226	80,576	459,951	1	46,545	68,880	27,463	4,552	1,245	747,439
Fund Balance (Deficit), Beginning of Year	283,425	(15,793)	629,680	(131,182)	15,561	(343,197)	369,280	40,212	-	847,986
Fund Balance (Deficit), End of Year	\$ 341,651	\$ 64,783	\$ 1,089,631	\$ (131,181)	\$ 62,106	\$ (274,317)	\$ 396,743	\$ 44,764	\$ 1,245	\$ 1,595,425

CITY OF MASCOUATAH, ILLINOIS

**SCHEDULE OF TAX RATES, EXTENSIONS AND COLLECTIONS
APRIL 30, 2021**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed Valuation	<u>\$ 141,987,320</u>	<u>\$ 139,146,429</u>	<u>\$ 135,531,447</u>	<u>\$ 128,716,679</u>	<u>\$ 124,871,274</u>	<u>\$ 121,551,273</u>	<u>\$ 124,234,550</u>	<u>\$ 121,995,577</u>	<u>\$ 117,798,572</u>	<u>\$ 113,195,248</u>
Tax Rates:										
General	\$ 0.2624	\$ 0.3038	\$ 0.3120	\$ 0.3098	\$ 0.2891	\$ 0.3047	\$ 0.3904	\$ 0.3796	\$ 0.3781	\$ 0.3870
Playground	0.1948	0.1941	0.1865	0.1886	0.1841	0.1909	0.1771	0.1722	0.1703	0.1679
Fire Protection	0.1128	0.1189	0.1192	0.1197	0.1189	0.1251	0.1127	0.1126	0.1105	0.1105
Ambulance	0.3371	0.3525	0.3542	0.3605	0.3584	0.3075	0.2641	0.2423	0.2107	0.1860
Police Pension	0.2610	0.1977	0.1906	0.1889	0.2144	0.2189	0.2119	0.2204	0.2375	0.1775
IMRF	0.1177	0.1194	0.1203	0.1130	0.1106	0.1115	0.1019	0.1046	0.1105	0.1563
Bond and Interest	0.1291	0.1284	0.1319	0.1397	0.1446	0.1615	0.1620	0.1647	0.1770	0.2371
Library	<u>0.2940</u>	<u>0.2868</u>	<u>0.2804</u>	<u>0.2867</u>	<u>0.2741</u>	<u>0.2888</u>	<u>0.2881</u>	<u>0.2810</u>	<u>0.2740</u>	<u>0.2788</u>
Total	<u>\$ 1.7089</u>	<u>\$ 1.7016</u>	<u>\$ 1.6951</u>	<u>\$ 1.7069</u>	<u>\$ 1.6942</u>	<u>\$ 1.7089</u>	<u>\$ 1.7082</u>	<u>\$ 1.6774</u>	<u>\$ 1.6686</u>	<u>\$ 1.7011</u>
Tax Extensions:										
General	\$ 372,575	\$ 422,727	\$ 422,858	\$ 398,764	\$ 361,003	\$ 370,367	\$ 485,012	\$ 463,095	\$ 445,396	\$ 438,066
Playground	276,591	270,083	252,766	242,760	229,888	232,041	220,019	210,076	200,611	190,055
Fire Protection	160,162	165,445	161,554	154,074	148,472	152,061	140,012	137,367	130,167	125,081
Ambulance	478,639	490,491	480,052	464,024	447,538	373,770	328,103	295,595	248,202	210,543
Police Pension	370,587	275,093	258,323	243,146	267,724	266,076	263,253	268,878	279,772	200,922
IMRF	167,119	166,141	163,044	145,450	138,108	135,530	126,595	127,607	130,167	176,924
Bond and Interest	183,306	178,664	178,766	179,817	180,564	196,305	201,260	200,927	208,503	268,386
Library	<u>417,443</u>	<u>399,072</u>	<u>380,030</u>	<u>369,031</u>	<u>342,272</u>	<u>351,040</u>	<u>357,920</u>	<u>342,808</u>	<u>322,768</u>	<u>315,588</u>
Total	<u>\$ 2,426,422</u>	<u>\$ 2,367,716</u>	<u>\$ 2,297,393</u>	<u>\$ 2,197,066</u>	<u>\$ 2,115,569</u>	<u>\$ 2,077,190</u>	<u>\$ 2,122,174</u>	<u>\$ 2,046,353</u>	<u>\$ 1,965,586</u>	<u>\$ 1,925,565</u>
Tax Collections	<u>\$ -</u>	<u>\$ 2,345,476</u>	<u>\$ 2,281,529</u>	<u>\$ 2,185,941</u>	<u>\$ 2,108,020</u>	<u>\$ 2,065,972</u>	<u>2,111,440</u>	<u>\$ 2,036,778</u>	<u>\$ 1,955,940</u>	<u>\$ 1,920,332</u>
Percentage Collected	<u>0.00%</u>	<u>99.06%</u>	<u>99.31%</u>	<u>99.49%</u>	<u>99.64%</u>	<u>99.46%</u>	<u>99.49%</u>	<u>99.53%</u>	<u>99.51%</u>	<u>99.73%</u>



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

David M. Bartosiak
Cindy A. Tefteller
Kevin J. Tepen

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH TAX INCREMENT FINANCING ACT

To the Mayor and City Council
City of Mascoutah, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Mascoutah, Illinois as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City'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 opinions on these financial statements based on our audits. 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.

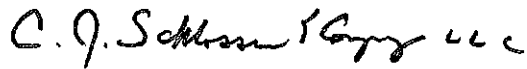
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

Other Matters

The management of the City of Mascoutah, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the City of Mascoutah, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the City of Mascoutah, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".



Certified Public Accountants

September 23, 2021