



VILLAGE OF PECATONICA, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



SIKICH.COM

VILLAGE OF PECATONICA, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Village of Pecatonica, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Pecatonica, Illinois (the Village) as of and for the year ended April 30, 2019 and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1e; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Pecatonica, Illinois as of April 30, 2019 and the respective changes in financial position and, where applicable, cash flows - modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note 1e.

Basis of Accounting

We draw attention to Note 1e of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information, combining and individual fund financial statements and schedules and supplemental data listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and combining and individual fund financial statements and schedules are the responsibility of management and was 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplemental data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on these schedules.

Sikich LLP

Naperville, Illinois
August 12, 2019

BASIC FINANCIAL STATEMENTS

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,163,791	\$ 1,998,949	\$ 3,162,740
Restricted cash and cash equivalents	-	185,983	185,983
Capital assets not being depreciated	-	486,258	486,258
Capital assets being depreciated (net of accumulated depreciation)	639,415	8,373,699	9,013,114
Total assets	1,803,206	11,044,889	12,848,095
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	11,681	11,681
Total deferred outflows of resources	-	11,681	11,681
Total assets and deferred outflows of resources	1,803,206	11,056,570	12,859,776
LIABILITIES			
Meter deposits	-	63,024	63,024
Noncurrent liabilities			
Due within one year	-	328,530	328,530
Due in more than one year	-	3,130,157	3,130,157
Total liabilities	-	3,521,711	3,521,711
NET POSITION			
Net investment in capital assets	639,415	5,412,951	6,052,366
Restricted	392,511	185,983	578,494
Unrestricted	771,280	1,935,925	2,707,205
TOTAL NET POSITION	\$ 1,803,206	\$ 7,534,859	\$ 9,338,065

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 357,500	\$ 174,047	\$ 320	\$ -
Streets	578,449	10,939	-	-
Public safety	296,384	25,585	-	-
Public works	16,414	-	55,886	-
Economic development	16,019	-	-	-
Interest and fiscal charges	34	-	-	-
Total governmental activities	1,264,800	210,571	56,206	-
Business-Type Activities				
Water	321,570	392,142	-	-
Sewer	582,983	668,721	-	-
Total business-type activities	904,553	1,060,863	-	-
TOTAL PRIMARY GOVERNMENT	\$ 2,169,353	\$ 1,271,434	\$ 56,206	\$ -

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (183,133)	\$ -	\$ (183,133)
	(567,510)	-	(567,510)
	(270,799)	-	(270,799)
	39,472	-	39,472
	(16,019)	-	(16,019)
	(34)	-	(34)
	(998,023)	-	(998,023)
	-	70,572	70,572
	-	85,738	85,738
	-	156,310	156,310
	(998,023)	156,310	(841,713)
General Revenues			
Taxes			
Property	203,299	-	203,299
Replacement	7,011	-	7,011
Sales	146,422	-	146,422
Utility taxes	122,285	-	122,285
Other taxes	136,734	-	136,734
Income taxes	213,111	-	213,111
Investment income	784	25,251	26,035
Miscellaneous	4,526	2,703	7,229
Transfers in (out)	75,000	(75,000)	-
Total	909,172	(47,046)	862,126
CHANGE IN NET POSITION	(88,851)	109,264	20,413
NET POSITION, MAY 1	1,892,057	7,425,595	9,317,652
NET POSITION, APRIL 30	\$ 1,803,206	\$ 7,534,859	\$ 9,338,065

See accompanying notes to financial statements.

VILLAGE OF PECAONICA, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

April 30, 2019

	General	MFT	Street, Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 730,482	\$ 146,117	\$ 100,026	\$ 187,166	\$ 1,163,791
TOTAL ASSETS	\$ 730,482	\$ 146,117	\$ 100,026	\$ 187,166	\$ 1,163,791
LIABILITIES AND FUND BALANCES					
LIABILITIES					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
FUND BALANCES					
Restricted					
Police protection	-	-	-	82,910	82,910
IMRF	-	-	-	35,723	35,723
Social Security	-	-	-	27,735	27,735
Streets	-	146,117	100,026	-	246,143
Assigned					
Subsequent year's budget	27,500	-	-	-	27,500
Economic development	-	-	-	40,798	40,798
Unrestricted					
Unassigned	702,982	-	-	-	702,982
Total fund balances	730,482	146,117	100,026	187,166	1,163,791
TOTAL LIABILITIES AND FUND BALANCES	\$ 730,482	\$ 146,117	\$ 100,026	\$ 187,166	\$ 1,163,791

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT
OF NET POSITION - MODIFIED CASH BASIS**

April 30, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,163,791
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the fund	
Depreciable capital assets, net of accumulated depreciation	<u>639,415</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,803,206</u></u>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2019

	General	MFT	Street, Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES COLLECTED					
Taxes	\$ 497,553	\$ -	\$ 26,202	\$ 91,996	\$ 615,751
Licenses and permits	8,129	-	-	-	8,129
Fines and fees	25,833	-	-	20	25,853
Intergovernmental	213,431	55,886	-	-	269,317
Charges for services	167,152	-	-	-	167,152
Investment income	341	443	-	-	784
Miscellaneous	10,361	-	-	3,602	13,963
Total revenues collected	922,800	56,329	26,202	95,618	1,100,949
EXPENDITURES PAID					
Current					
General government	345,279	-	-	5,579	350,858
Streets	175,304	144,324	25,767	5,581	350,976
Public safety	270,395	-	-	13,257	283,652
Public works	-	-	-	16,414	16,414
Economic development	-	-	-	16,019	16,019
Capital outlay	38,270	-	145,279	1,094	184,643
Debt service					
Principal	-	-	-	4,853	4,853
Interest	-	-	-	34	34
Total expenditures paid	829,248	144,324	171,046	62,831	1,207,449
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	93,552	(87,995)	(144,844)	32,787	(106,500)
OTHER FINANCING SOURCES (USES)					
Transfers in	75,000	-	114,210	51,258	240,468
Transfers (out)	(142,468)	-	-	(23,000)	(165,468)
Total other financing sources (uses)	(67,468)	-	114,210	28,258	75,000
NET CHANGE IN FUND BALANCES	26,084	(87,995)	(30,634)	61,045	(31,500)
FUND BALANCES, MAY 1	704,398	234,112	130,660	126,121	1,195,291
FUND BALANCES, APRIL 30	\$ 730,482	\$ 146,117	\$ 100,026	\$ 187,166	\$ 1,163,791

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS**

For the Year Ended April 30, 2019

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (31,500)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense on capital assets is reported as an expense in the statement of activities	(62,204)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	<u>4,853</u>
CHANGE IN NET POSITION OF THE GOVERNMENTAL ACTIVITIES	<u><u>\$ (88,851)</u></u>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND

April 30, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,064,044	\$ 934,905	\$ 1,998,949
Restricted cash	185,983	-	185,983
Total current assets	<u>1,250,027</u>	<u>934,905</u>	<u>2,184,932</u>
NONCURRENT ASSETS			
Capital assets not being depreciated	378,301	107,957	486,258
Capital assets being depreciated	2,457,950	9,388,881	11,846,831
Less accumulated depreciation	<u>(1,226,989)</u>	<u>(2,246,143)</u>	<u>(3,473,132)</u>
Total noncurrent assets	<u>1,609,262</u>	<u>7,250,695</u>	<u>8,859,957</u>
Total assets	<u>2,859,289</u>	<u>8,185,600</u>	<u>11,044,889</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	<u>11,681</u>	-	<u>11,681</u>
Total deferred outflows of resources	<u>11,681</u>	-	<u>11,681</u>
Total assets and deferred outflows of resources	<u>2,870,970</u>	<u>8,185,600</u>	<u>11,056,570</u>
CURRENT LIABILITIES			
Meter deposits	63,024	-	63,024
Current portion of long-term debt	<u>75,000</u>	<u>253,530</u>	<u>328,530</u>
Total current liabilities	138,024	253,530	391,554
NONCURRENT LIABILITIES			
Long-term debt, net of current portion	<u>468,099</u>	<u>2,662,058</u>	<u>3,130,157</u>
Total liabilities	<u>606,123</u>	<u>2,915,588</u>	<u>3,521,711</u>
NET POSITION			
Net investment in capital assets	1,077,844	4,335,107	5,412,951
Restricted	185,983	-	185,983
Unrestricted	<u>1,001,020</u>	<u>934,905</u>	<u>1,935,925</u>
TOTAL NET POSITION	<u>\$ 2,264,847</u>	<u>\$ 5,270,012</u>	<u>\$ 7,534,859</u>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

**STATEMENT OF REVENUES COLLECTED, EXPENSES PAID
AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND**

For the Year Ended April 30, 2019

	Water	Sewer	Total
OPERATING REVENUES COLLECTED			
Water and sewer service	\$ 392,142	\$ 668,721	\$ 1,060,863
Total operating revenues collected	392,142	668,721	1,060,863
OPERATING EXPENSES PAID			
Water department	226,555	-	226,555
Sewer department	-	343,538	343,538
Depreciation	75,732	239,445	315,177
Total operating expenses paid	302,287	582,983	885,270
OPERATING INCOME	89,855	85,738	175,593
NON-OPERATING REVENUES (EXPENSES)			
Investment income	11,820	13,431	25,251
Miscellaneous revenue	-	2,703	2,703
Interest expense	(19,283)	-	(19,283)
Total non-operating revenues (expenses)	(7,463)	16,134	8,671
INCOME BEFORE TRANSFERS	82,392	101,872	184,264
TRANFERS			
Transfer in	-	5,168,140	5,168,140
Transfers (out)	(5,243,140)	-	(5,243,140)
Total transfers	(5,243,140)	5,168,140	(75,000)
CHANGE IN NET POSITION	(5,160,748)	5,270,012	109,264
NET POSITION, MAY 1	7,425,595	-	7,425,595
NET POSITION, APRIL 30	\$ 2,264,847	\$ 5,270,012	\$ 7,534,859

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS
PROPRIETARY FUND

For the Year Ended April 30, 2019

	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 392,172	\$ 668,721	\$ 1,060,893
Receipts from miscellaneous income	-	2,703	2,703
Payments to personnel	(92,659)	(125,565)	(218,224)
Payments to suppliers	(133,896)	(217,973)	(351,869)
Net cash from operating activities	165,617	327,886	493,503
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	(1,138,325)	1,063,325	(75,000)
Net cash from noncapital financing activities	(1,138,325)	1,063,325	(75,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(342,217)	(216,207)	(558,424)
Principal payments on long-term debt	(75,000)	(253,530)	(328,530)
Interest paid on long-term debt	(20,775)	-	(20,775)
Net cash from capital and related financing activities	(437,992)	(469,737)	(907,729)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	11,820	13,431	25,251
Net cash from investing activities	11,820	13,431	25,251
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,398,880)	934,905	(463,975)
CASH AND CASH EQUIVALENTS, MAY 1	2,648,907	-	2,648,907
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,250,027	\$ 934,905	\$ 2,184,932
CASH AND CASH EQUIVALENTS, APRIL 30			
Cash and cash equivalents	\$ 1,064,044	\$ 934,905	\$ 1,998,949
Restricted cash	185,983	-	185,983
TOTAL CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,250,027	\$ 934,905	\$ 2,184,932
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating income	\$ 89,855	\$ 85,738	\$ 175,593
Miscellaneous income	-	2,703	2,703
Adjustments to reconcile net operating income to net cash from operating activities			
Meter deposits	30	-	30
Depreciation expense	75,732	239,445	315,177
NET CASH FROM OPERATING ACTIVITIES	\$ 165,617	\$ 327,886	\$ 493,503
NONCASH TRANSACTIONS			
Noncash related transfer	\$ (4,104,815)	\$ 4,104,815	\$ -
TOTAL NONCASH TRANSACTIONS	\$ (4,104,815)	\$ 4,104,815	\$ -

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Pecatonica, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)) except as described in Note 1e. 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 Village's accounting policies are described below.

a. Organization

The Village, located in Winnebago County, was incorporated on March 14, 1881 under the provisions of the State of Illinois. The Village operates under a Mayor and Board of Trustees form of government and provides services to the public such as police, sanitation, water and sewer systems, public works and general administrative services.

b. Report Entity

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 31*, there are no component units for which the Village is considered to be financially accountable for.

c. Fund Accounting

The Village uses funds to report on its financial position - modified cash basis and the changes in its financial position - modified cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain village functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental and proprietary. Governmental funds are used to account for all of the Village's general activities. The General Fund is the primary operating fund, accounting for all financial resources not accounted for in another fund. Special revenue funds account for revenue sources that are legally restricted or committed for specific purposes. Capital project funds account for funds committed, restricted or assigned for the acquisition or construction of capital assets. Debt service funds account for funds committed, restricted or assigned for the servicing of long-term debt. Permanent funds are used to account for the management of funds held in trust where the interest earnings can be used for governmental services. The Village has no debt service or permanent funds.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial information. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds). The Village has no internal service funds.

d. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of the net position - modified cash basis and the statement of activities - modified cash basis) report information on all of the activities of the Village. The effect of interfund activity has been eliminated from these statements. 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.

The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 and proprietary funds.

Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village. It is used to account for all the financial resources except those accounted for in another fund.

The Motor Fuel Tax Fund is used to account for the revenues and expenditures related to the motor fuel tax and related highway projects. The primary revenues from motor fuel taxes are restricted to highway improvements.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Government-Wide and Fund Financial Statements (Continued)

The Street, Road and Bridge Fund is used to account for the revenues and expenditures restricted for local street, road and bridge projects.

The Village reports the following major enterprise funds:

The Water Fund accounts for the provision of water treatment and distribution to the residential and commercial users of the Village.

The Sewer Fund accounts for the storm drainage runoff service provided to the residential and commercial users of the Village.

e. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements and the enterprise fund are accounted for using the economic resources measurement focus and the modified cash basis of accounting which is a comprehensive basis of accounting other than GAAP. Revenues are recorded at the time of receipt by the Village. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP. Operating revenues collected/expenditures paid include all revenues/expenditures directly related to providing enterprise fund services. Incidental revenues collected/expenditures paid are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recorded at the time of receipt by the Village. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

f. Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village and filed with the Winnebago County Clerk on or before the second Tuesday in December. Property taxes attach as an enforceable lien on property as of the January prior to levy passage. Generally, in April of the subsequent year, the County Clerk calculates the tax rates using the equalized assessed value of the township as determined by the Illinois Department of Revenue. These rates are then extended against the equalized assessed value of each parcel of property. The tax bills are then normally mailed by May 1 with payments due in two equal installments on June 1 and September 1. The Village receives significant distributions of tax receipts approximately one month after these due dates.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Property Taxes (Continued)

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of tax districts in Illinois to raise revenue through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5% or the percentage increase in the Consumer Price Index for all urban consumers. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

g. Cash, Cash Equivalents and Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

h. Capital Assets

Capital assets, which include building, building improvements, equipment, vehicles and infrastructure assets (e.g., building roads, bridges, storm water), are reported in the government-wide and enterprise fund financial statements. Capital assets are defined by the Village as assets with an initial, individual cost ranging from \$5,000 to \$50,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	50
Equipment and vehicles	5-20
Infrastructure	50
Utility system	50

Capital assets in the governmental fund financial statements are reported as expenditures when paid.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Long-Term Debt

Capital related Long-term liabilities are reported in the government-wide and enterprise fund financial statements as liabilities. The governmental fund financial statements do not report long-term liabilities because they do not require the use of current financial resources. Bond premiums are deferred and amortized over the term of the bonds using the effective interest method in the government-wide financial statements but are recognized during the current period in the governmental fund financial statements. Bond issue costs are recognized during the current period as debt service expenditures in both the government-wide and governmental fund financial statements.

j. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for specific purpose, externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Village Board of Trustees retains the authority to assign fund balance. Any residual fund balance in the General Fund is reported as unassigned. Any deficit fund balances of all other governmental funds are also reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets. All other net position that does not meet the definition of "restricted" or "net investment in capital assets" are classified as unrestricted net position.

None of the Village's net position or fund balances were restricted as a result of enabling legislation.

2. CASH AND INVESTMENTS

The Village categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village held no investments at April 30, 2019.

The Village is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments insured by the Federal Deposit Insurance Corporation (FDIC), obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds and The Illinois Funds. The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity and yield.

a. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits might not be recovered. The Village's deposits with financial institutions were covered either by FDIC or pledged collateral held by an independent third party depository in the Village's name at April 30, 2019.

b. Investments

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by diversifying its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

b. Investments (Continued)

Interest rate risk is the risk that the market value of investments will fall due to changes in market interest rates. In accordance with its investment policy, the Village limits its exposure to interest rate risk by matching its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village does not directly invest in securities maturing more than five years from the date of purchase. Reserved funds and other funds with longer term investment horizons may be invested in securities exceeding two years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk. The investments shall be diversified by type of investment, number of institutions invested in and length of maturity.

3. RESTRICTED CASH

Certain resources of cash accounts are classified as restricted in the financial statements because their use is to be limited to and accumulated for future restricted purposes. The Waterworks and Sewerage Revenue Bonds issued during fiscal 1995 and 2006 require the establishment of the following restricted accounts within the Enterprise Fund: Bond and Interest - to pay principal and interest on the outstanding bond and to create a reserve for repairs and maintenance on equipment as required by a bond covenant.

Restricted cash consists of the following:

Series 2006 bond and interest sinking fund	<u>\$ 185,983</u>
TOTAL RESTRICTED	<u>\$ 185,983</u>

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

The capital asset activity for the year ended April 30, 2019 was as follows:

	Balances May 1, (Restated)	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Infrastructure	492,523	-	-	492,523
Building and improvements	385,679	-	-	385,679
Equipment and vehicles	492,602	-	-	492,602
Total capital assets being depreciated	1,370,804	-	-	1,370,804
Less accumulated depreciation for				
Infrastructure	200,901	23,762	-	224,663
Building and improvements	112,442	8,589	-	121,031
Equipment and vehicles	355,842	29,853	-	385,695
Total accumulated depreciation	669,185	62,204	-	731,389
Capital assets being depreciated, net	701,619	(62,204)	-	639,415
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 701,619	\$ (62,204)	\$ -	\$ 639,415
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 17,993	\$ -	\$ -	\$ 17,993
Construction in progress	108,278	359,987	-	468,265
Total capital assets not being depreciated	126,271	359,987	-	486,258
Capital assets being depreciated				
Infrastructure	1,760,223	-	-	1,760,223
Buildings and improvements	9,406,718	-	-	9,406,718
Equipment and vehicles	481,453	198,437	-	679,890
Total capital assets being depreciated	11,648,394	198,437	-	11,846,831
Less accumulated depreciation for				
Infrastructure	799,052	44,485	-	843,537
Buildings and improvements	2,081,185	235,168	-	2,316,353
Equipment and vehicles	277,718	35,524	-	313,242
Total accumulated depreciation	3,157,955	315,177	-	3,473,132
Capital assets being depreciated, net	8,490,439	(116,740)	-	8,373,699
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 8,616,710	\$ 243,247	\$ -	\$ 8,859,957

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 6,642
Streets	42,830
Public safety	<u>12,732</u>

**TOTAL DEPRECIATION/AMORTIZATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 62,204

5. LONG-TERM DEBT

Long-term debt activity for the year ended April 30, 2019 for governmental activities was as follows:

	Balances May 1	Additions	Reductions	Balances April 30	Due in One Year
Loan payable	\$ 4,853	\$ -	\$ 4,853	\$ -	\$ -
TOTAL LONG-TERM DEBT	<u>\$ 4,853</u>	<u>\$ -</u>	<u>\$ 4,853</u>	<u>\$ -</u>	<u>\$ -</u>

During 2017, the Village entered into a loan agreement for the kiosk/shelter project. The loan proceeds were \$40,000 and the loan has interest rate of 1.99%. The term of the loan is for five years with payments occurring on a monthly basis.

Long-term debt activity for the year ended April 30, 2019 for business-type activities and the Enterprise Fund was as follows:

	Balances May 1	Additions	Reductions	Balances April 30	Due in One Year
IEPA - notes payable	\$ 3,169,118	\$ -	\$ 253,530	\$ 2,915,588	\$ 253,530
General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	590,000	-	75,000	515,000	75,000
Unamortized bond premium	30,653	-	2,554	28,099	-
TOTAL LONG-TERM DEBT	<u>\$ 3,789,771</u>	<u>\$ -</u>	<u>\$ 331,084</u>	<u>\$ 3,458,687</u>	<u>\$ 328,530</u>

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

On June 22, 2009, the Village entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Pollution Control Loan Program and American Recovery and Reinvestment Act of 2009 for wastewater treatment plant. The note is non-interest-bearing. The term of the loan is for 20 years with semiannual repayments of \$126,765 on January 1 and July 1.

In March 2016, the Village issued \$740,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016 with an average rate of 3.30% to advance refund \$727,400 of outstanding Illinois Finance Authority Waterworks and Sewerage Revenue Bonds, Series 2006 with an average rate of 3.44%. Interest is payable semiannually on August 1 and February 1 at rates of 3.00% to 3.50%. Principal is payable annually on February 1, beginning February 1, 2017 through February 1, 2025. The bonds are being repaid by the Water and Sewer Funds. The bonds were issued to provide resources to purchase state and local government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position.

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of April 30, 2019 are as follows:

Year Ending April 30,	IEPA Notes Payable		General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016		
	Principal	Total	Principal	Interest	Total
2020	\$ 253,530	\$ 253,530	\$ 75,000	\$ 18,025	\$ 93,025
2021	253,530	253,530	80,000	15,400	95,400
2022	253,530	253,530	85,000	12,600	97,600
2023	253,530	253,530	90,000	9,625	99,625
2024	253,530	253,530	90,000	6,475	96,475
2025-2029	1,267,649	1,267,649	95,000	3,325	98,325
2030-2033	380,289	380,289	-	-	-
TOTAL	\$ 2,915,588	\$ 2,915,588	\$ 515,000	\$ 65,450	\$ 580,450

The amount of pledge remaining as of April 30, 2019 is as follows:

	Pledged Revenue Source	Pledge Remaining	Commitment End Date	Pledged Revenue Collected	Principal and Interest Paid
General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	Revenues of the System	\$ 580,450	2/1/2025	\$ 1,060,863	\$ 95,275

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$26,820,393. As of April 30, 2019, the Village had \$2,313,259 of remaining legal debt margin.

6. RISK MANAGEMENT

The Village is exposed to various risks related to torts and employee health claims; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Village carries commercial insurance. The amount of coverage has not decreased and amount of settlements have not exceeded insurance coverage for any of the last three years.

7. INDIVIDUAL FUND DISCLOSURES

During the normal course of village operations, transfers between funds arise to reimburse individual funds for expenditures incurred for the benefit of other funds. The following operating transfers occurred during the fiscal year ended April 30, 2019:

	Transfers Out	Transfers In
	<hr/>	<hr/>
General Fund	\$ 142,468	\$ 75,000
Water Fund	5,243,140	-
Sewer Fund	-	5,168,140
Street, Road and Bridge Fund	-	114,210
Nonmajor Governmental Funds	23,000	51,258
	<hr/>	<hr/>
TOTAL	\$ 5,408,608	\$ 5,408,608
	<hr/>	<hr/>

The purposes of the interfund balances are as follows:

- \$5,066,344 from the Water Fund to the Sewer Fund to establish the Sewer Fund. This transfer will not be repaid.
- \$75,000 from the Water Fund was transferred to the General Fund to record refuse in the General Fund. This transfer will not be repaid.
- \$101,796 from the Water Fund to the Sewer Fund to fund a portion of the IEPA loan debt service payments. This transfer will not be repaid.
- \$51,248 from the General Fund to the Economic Development Fund to establish the Economic Development Fund. This transfer will not be repaid.
- \$91,210 from the General Fund was transferred to the Street, Road and Bridge Fund for additional road work projects. This transfer will not be repaid.

8. OTHER POSTEMPLOYMENT BENEFITS

The Village has evaluated its potential other postemployment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. As a result, the Village has determined that no material liability is required to be reported under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, the total OPEB liability, deferred outflows of resources and deferred inflows of resources would not be reported on the Village's financial statements as the Village reports on the modified cash basis of accounting as discussed in Note 1e. Therefore, the Village has not recorded any postemployment benefit liability as of April 30, 2019.

9. RETIREMENT PLAN

The Village's defined benefit pension plan (the Plan), Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and schools in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2018 (most recent information available), IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	13
Active employees	<u>9</u>
 TOTAL	 <u><u>29</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended 2019 was 5.90% of covered payroll.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.50%
Asset valuation method	Market value

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

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25% (7.50% for the 2017 plan year). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2018	\$ 905,023	\$ 968,828	\$ (63,805)
Changes for the period			
Service cost	33,372	-	33,372
Interest	67,348	-	67,348
Difference between expected and actual experience	66,487	-	66,487
Changes in assumptions	31,159	-	31,159
Employer contributions	-	28,948	(28,948)
Employee contributions	-	17,747	(17,747)
Net investment income	-	(59,901)	59,901
Benefit payments and refunds	(47,463)	(47,463)	-
Other (net transfer)	-	28,902	(28,902)
Net changes	150,903	(31,767)	182,670
BALANCES AT DECEMBER 31, 2018	\$ 1,055,926	\$ 937,061	\$ 118,865

Changes in assumptions related to the discount rate were made since the prior measurement date.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2019, the Village incurred pension expenditures paid of \$29,216.

At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 52,395	\$ 1,467
Assumption changes	18,650	8,586
Net difference between projected and actual earnings on pension plan investments	65,054	-
Contributions subsequent to the measurement date	7,997	-
TOTAL	\$ 144,096	\$ 10,053

For disclosure purposes, the amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF would be recognized in pension expense as follows:

\$7,997 reported as deferred outflows of resources related to pensions resulting from village contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the year ending April 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2020	\$ 62,198
2021	28,606
2022	8,520
2023	26,722
2024	-
Thereafter	-
TOTAL	\$ 126,046

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The net pension liability (asset), deferred outflows of resources and deferred inflows of resources are not reported on the Village's financial statements as the Village reports on the modified cash basis of accounting as discussed in Note 1e.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 261,520	\$ 118,865	\$ 2,982

SUPPLEMENTARY INFORMATION

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2019

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Taxes					
Property		\$ 118,115	\$ 118,115	\$ 117,795	\$ (320)
Sales tax		131,000	131,000	146,422	15,422
State replacement tax		8,000	8,000	7,011	(989)
Telecommunication tax		51,000	51,000	39,140	(11,860)
State use tax		55,000	55,000	64,900	9,900
Utility		111,600	111,600	122,285	10,685
Total taxes		474,715	474,715	497,553	22,838
License and permits		7,880	7,880	8,129	249
Fines and fees					
Franchise fees		17,475	17,475	18,995	1,520
Police fines and fees		9,820	9,820	6,838	(2,982)
Total fines and fees		27,295	27,295	25,833	(1,462)
Intergovernmental					
State income tax		256,000	256,000	213,111	(42,889)
Other grants		1,000	1,000	320	(680)
Total intergovernmental		257,000	257,000	213,431	(43,569)
Charges for services					
Garbage collection fees		140,500	140,500	146,923	6,423
Rental income		-	-	20,229	20,229
Total charges for services		140,500	140,500	167,152	26,652
Investment income		90	90	341	251
Other revenue					
Miscellaneous		62,220	62,220	10,361	(51,859)
Total other revenue		62,220	62,220	10,361	(51,859)
Total revenues collected		969,700	969,700	922,800	(46,900)
EXPENDITURES PAID					
Current					
General government					
Personnel		68,000	68,000	44,997	(23,003)
Unemployment		-	-	998	998
General insurance		8,000	8,000	2,534	(5,466)
Health insurance		16,000	16,000	11,836	(4,164)
Auto allowance		800	800	113	(687)
Building repairs and maintenance		3,000	3,000	4,231	1,231
Equipment repairs and maintenance		3,000	3,000	559	(2,441)
Professional services		35,000	35,000	42,388	7,388
Other professional services		45,500	45,500	39,566	(5,934)
Postage		1,000	1,000	613	(387)
Phone and pagers		2,000	2,000	3,623	1,623

(This schedule is continued on the following pages.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES PAID (Continued)				
Current (Continued)				
General government (Continued)				
Publishing/printed material	\$ 1,200	\$ 1,200	\$ 707	\$ (493)
Community relations	1,000	1,000	2,035	1,035
Training	8,000	8,000	5,729	(2,271)
Dues	1,200	1,200	1,705	505
Utilities	950	950	1,009	59
Capital outlay	30,000	30,000	13,016	(16,984)
Technology and new equipment	12,000	12,000	14,676	2,676
Office supplies	5,000	5,000	6,068	1,068
Miscellaneous	10,000	10,000	22,040	12,040
Garbage pickup service	138,000	138,000	138,802	802
Bank fees	500	500	1,050	550
Total general government	\$ 436,188	390,150	358,295	(31,855)
Streets				
Personnel	69,160	69,160	74,192	5,032
Health insurance	15,000	15,000	13,751	(1,249)
Liability insurance	10,000	10,000	12,687	2,687
Building repairs and maintenance	2,000	2,000	446	(1,554)
Equipment repairs and maintenance	3,000	3,000	3,406	406
Vehicle maintenance	5,000	5,000	8,361	3,361
Street maintenance	7,000	7,000	11,921	4,921
Engineering	6,000	6,000	9,378	3,378
Legal	500	500	40	(460)
Medical services	-	-	80	80
Technology services	1,500	1,500	1,580	80
Capital outlay	44,000	44,000	6,242	(37,758)
Phone and pagers	3,000	3,000	3,379	379
Training	500	500	-	(500)
Publications	200	200	84	(116)
Dues	1,050	1,050	20	(1,030)
Mosquito control	4,500	4,500	9,400	4,900
Street lighting	-	-	624	624
Tree service	10,000	10,000	7,950	(2,050)
Equipment supplies	1,500	1,500	3,012	1,512
Vehicle supplies	500	500	1,106	606
Building supplies	200	200	781	581
Snow supplies	-	-	566	566
Grounds supplies	1,000	1,000	934	(66)
Office supplies	1,500	1,500	3,236	1,736
Safety clothing/supplies	500	500	599	99
Janitorial	800	800	31	(769)
Fuel	-	-	7,543	7,543
Rental/lease	1,000	1,000	197	(803)
Total streets	211,751	189,410	181,546	(7,864)
Public safety				
Personnel	195,623	195,623	176,260	(19,363)
Liability/workers' compensation insurance	-	-	5,740	5,740
Health insurance	12,244	12,244	9,660	(2,584)

(This schedule is continued on the following page.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES PAID (Continued)				
Current (Continued)				
Public safety (Continued)				
General insurance	\$ 22,000	\$ 22,000	\$ 15,204	\$ (6,796)
Uniform allowance	2,700	2,700	2,302	(398)
Equipment repairs and maintenance	4,200	4,200	952	(3,248)
Vehicle and repairs	3,000	3,000	4,159	1,159
Building repairs and maintenance	600	600	360	(240)
Legal	12,000	12,000	25,214	13,214
Other professional services	45,446	45,446	3,113	(42,333)
Postage	150	150	421	271
Phone and pagers	7,400	7,400	6,107	(1,293)
Dues	400	400	340	(60)
Training	4,160	4,160	3,320	(840)
Equipment supplies	4,500	4,500	5,866	1,366
Office supplies	3,050	3,050	1,804	(1,246)
Fuel	9,500	9,500	8,768	(732)
Capital outlay	6,900	6,900	19,012	12,112
Utilities	1,000	1,000	805	(195)
Total public safety	<u>\$ 360,918</u>	<u>334,873</u>	<u>334,873</u>	<u>289,407</u>
			289,407	(45,466)
Debt service				
Interest	300	300	-	(300)
Total debt service	<u>300</u>	<u>300</u>	<u>-</u>	<u>(300)</u>
Total expenditures paid	<u>\$ 1,008,857</u>	<u>914,733</u>	<u>914,733</u>	<u>829,248</u>
			829,248	(85,485)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID				
	<u>54,967</u>	<u>54,967</u>	<u>93,552</u>	<u>38,585</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	75,000	75,000
Transfers (out)	\$ (91,210)	(91,210)	(91,210)	(142,468)
Proceeds from sale of assets	100	100	-	(100)
Total other financing sources (uses)	<u>\$ (91,210)</u>	<u>(91,110)</u>	<u>(91,110)</u>	<u>(67,468)</u>
			(67,468)	23,642
NET CHANGE IN FUND BALANCE	<u>\$ (36,143)</u>	<u>\$ (36,143)</u>	26,084	<u>\$ 62,227</u>
FUND BALANCE, MAY 1			<u>704,398</u>	
FUND BALANCE, APRIL 30			<u>\$ 730,482</u>	

(See independent auditor's report.)

VILLAGE OF PECAATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2019

	<u>Final</u> <u>Appropriation</u>	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Over</u> <u>(Under)</u> <u>Budget</u>
REVENUES COLLECTED					
Motor fuel tax allotments		\$ 58,000	\$ 58,000	\$ 55,886	\$ (2,114)
Investment income		1,800	1,800	443	(1,357)
		<hr/>	<hr/>		
Total revenues collected		59,800	59,800	56,329	(3,471)
EXPENDITURES PAID					
Current					
Streets					
Professional fees		-	-	341	341
Street lighting		-	-	24,479	24,479
Snow and ice removal		50,000	50,000	26,534	(23,466)
Street maintenance		150,000	150,000	92,970	(57,030)
		<hr/>	<hr/>		
Total expenditures paid	\$ 200,000	200,000	200,000	144,324	(55,676)
NET CHANGE IN FUND BALANCE		<u>\$ (140,200)</u>	<u>\$ (140,200)</u>	(87,995)	<u>\$ 52,205</u>
FUND BALANCE, MAY 1				<hr/>	234,112
FUND BALANCE, APRIL 30				<u>\$</u>	<u>146,117</u>

(See independent auditor's report.)

VILLAGE OF PECAONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
STREET, ROAD AND BRIDGE FUND

For the Year Ended April 30, 2019

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Property taxes		\$ 16,258	\$ 16,258	\$ 26,202	\$ 9,944
Investment income		12	12	-	(12)
Total revenues collected		<u>16,270</u>	<u>16,270</u>	<u>26,202</u>	<u>9,932</u>
EXPENDITURES PAID					
Current					
Streets					
Engineering		-	-	14,150	14,150
Maintenance		8,000	8,000	11,617	3,617
Capital outlay		<u>1,599,480</u>	<u>1,599,480</u>	<u>145,279</u>	<u>(1,454,201)</u>
Total expenditures paid	<u>\$ 1,607,480</u>	<u>1,607,480</u>	<u>1,607,480</u>	<u>171,046</u>	<u>(1,436,434)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>(1,591,210)</u>	<u>(1,591,210)</u>	<u>(144,844)</u>	<u>1,446,366</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from bond issuance		1,500,000	1,500,000	-	(1,500,000)
Transfers in		<u>91,210</u>	<u>91,210</u>	<u>114,210</u>	<u>23,000</u>
Total other financing sources (uses)		<u>1,591,210</u>	<u>1,591,210</u>	<u>114,210</u>	<u>(1,477,000)</u>
NET CHANGE IN FUND BALANCE		<u>\$ -</u>	<u>\$ -</u>	<u>(30,634)</u>	<u>\$ (30,634)</u>
FUND BALANCE, MAY 1				<u>130,660</u>	
FUND BALANCE, APRIL 30				<u>\$ 100,026</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2019

BUDGET

The Village follows these procedures in establishing the budget:

- a. The Board of Trustees appoints a committee to prepare the operating budget and a schedule of estimated revenues.
- b. The proposed budget is reviewed by the Board of Trustees and approved.
- c. The Board of Trustees is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriation of any fund must be approved by the Board of Trustees as a supplemental appropriation ordinance.
- d. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for all funds.
- e. Budgetary authority lapses at year end.
- f. State law requires that “expenditures be made in conformity with appropriations/budget.” As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made. The level of legal control is at the fund level.

Budgeted and actual figures are presented on the modified cash basis of accounting which is a method of accounting other than GAAP.

VILLAGE OF PECAATONICA, ILLINOIS

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR-END FINANCIAL REPORT

For the Year Ended April 30, 2019

CSFA Number	Program Name	State	Federal	Other	Total
494-00-1488	Motur Fuel Tax Program	\$ 144,324	\$ -	\$ -	\$ 144,324
	All other costs not allocated	-	-	2,025,029	2,025,029
	TOTALS	<u>\$ 144,324</u>	<u>\$ -</u>	<u>\$ 2,025,029</u>	<u>\$ 2,169,353</u>

(See independent auditor's report.)

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF PECATONICA, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2019

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
	Police Protection	IMRF Retirement	Social Security	Police Confiscatory	Economic Development	
ASSETS						
Cash and investments	\$ 75,844	\$ 35,723	\$ 27,735	\$ 7,066	\$ 40,798	\$ 187,166
TOTAL ASSETS	\$ 75,844	\$ 35,723	\$ 27,735	\$ 7,066	\$ 40,798	\$ 187,166
LIABILITIES AND FUND BALANCES						
LIABILITIES						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES						
Restricted						
Police protection	75,844	-	-	7,066	-	82,910
IMRF	-	35,723	-	-	-	35,723
Social Security	-	-	27,735	-	-	27,735
Assigned						
Economic development	-	-	-	-	40,798	40,798
Total fund balances	75,844	35,723	27,735	7,066	40,798	187,166
TOTAL LIABILITIES AND FUND BALANCES	\$ 75,844	\$ 35,723	\$ 27,735	\$ 7,066	\$ 40,798	\$ 187,166

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2019

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
	Police Protection	IMRF Retirement	Social Security	Police Confiscatory	Economic Development	
REVENUES COLLECTED						
Property taxes	\$ 10,631	\$ 18,562	\$ 30,109	\$ -	\$ -	\$ 59,302
Other taxes	-	-	-	-	32,694	32,694
Fines and fees	-	-	-	20	-	20
Miscellaneous	1,756	-	-	-	1,846	3,602
Total revenues collected	12,387	18,562	30,109	20	34,540	95,618
EXPENDITURES PAID						
Current						
General government	-	2,508	3,071	-	-	5,579
Streets	-	2,509	3,072	-	-	5,581
Public safety	-	5,959	7,298	-	-	13,257
Public works	-	7,378	9,036	-	-	16,414
Economic development	-	-	-	-	16,019	16,019
Capital outlay	-	-	-	-	1,094	1,094
Debt service						
Principal	-	-	-	-	4,853	4,853
Interest	-	-	-	-	34	34
Total expenditures paid	-	18,354	22,477	-	22,000	62,831
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	12,387	208	7,632	20	12,540	32,787
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	51,258	51,258
Transfers (out)	-	-	-	-	(23,000)	(23,000)
Total other financing sources (uses)	-	-	-	-	28,258	28,258
NET CHANGE IN FUND BALANCE	12,387	208	7,632	20	40,798	61,045
FUND BALANCE, MAY 1	63,457	35,515	20,103	7,046	-	126,121
FUND BALANCE, APRIL 30	\$ 75,844	\$ 35,723	\$ 27,735	\$ 7,066	\$ 40,798	\$ 187,166

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
POLICE PROTECTION FUND

For the Year Ended April 30, 2019

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Property taxes		\$ 10,664	\$ 10,664	\$ 10,631	\$ (33)
Other taxes		250	250	-	(250)
Investment income		5	5	-	(5)
Miscellaneous		-	-	1,756	1,756
Total revenues collected		<u>10,919</u>	<u>10,919</u>	<u>12,387</u>	<u>1,468</u>
EXPENDITURES PAID					
None		-	-	-	-
Total expenditures paid	\$ -	-	-	-	-
NET CHANGE IN FUND BALANCE		<u>\$ 10,919</u>	<u>\$ 10,919</u>	12,387	<u>\$ 1,468</u>
FUND BALANCE, MAY 1				<u>63,457</u>	
FUND BALANCE, APRIL 30				<u>\$ 75,844</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2019

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Property taxes		\$ 18,622	\$ 18,622	\$ 18,562	\$ (60)
Investment income		3	3	-	(3)
Total revenues collected		<u>18,625</u>	<u>18,625</u>	<u>18,562</u>	<u>(63)</u>
EXPENDITURES PAID					
Current					
General government					
IMRF		3,281	3,281	2,508	(773)
Streets					
IMRF		3,283	3,283	2,509	(774)
Public safety					
IMRF		7,799	7,799	5,959	(1,840)
Public works					
IMRF		9,656	9,656	7,378	(2,278)
Total expenditures paid	\$ 24,019	24,019	24,019	18,354	(5,665)
NET CHANGE IN FUND BALANCE		<u>\$ (5,394)</u>	<u>\$ (5,394)</u>	208	<u>\$ 5,602</u>
FUND BALANCE, MAY 1				<u>35,515</u>	
FUND BALANCE, APRIL 30				<u>\$ 35,723</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SOCIAL SECURITY FUND

For the Year Ended April 30, 2019

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Property taxes		\$ 30,205	\$ 30,205	\$ 30,109	\$ (96)
Investment income		2	2	-	(2)
Total revenues collected		<u>30,207</u>	<u>30,207</u>	<u>30,109</u>	<u>(98)</u>
EXPENDITURES PAID					
Current					
General government					
Social Security		3,105	3,105	2,489	(616)
Medicare		<u>727</u>	<u>727</u>	<u>582</u>	<u>(145)</u>
Total general government		<u>3,832</u>	<u>3,832</u>	<u>3,071</u>	<u>(761)</u>
Streets					
Social Security		3,107	3,107	2,490	(617)
Medicare		<u>727</u>	<u>727</u>	<u>582</u>	<u>(145)</u>
Total streets		<u>3,834</u>	<u>3,834</u>	<u>3,072</u>	<u>(762)</u>
Public safety					
Social Security		7,380	7,380	5,915	(1,465)
Medicare		<u>1,726</u>	<u>1,726</u>	<u>1,383</u>	<u>(343)</u>
Total public safety		<u>9,106</u>	<u>9,106</u>	<u>7,298</u>	<u>(1,808)</u>
Public works					
Social Security		9,137	9,137	7,323	(1,814)
Medicare		<u>2,137</u>	<u>2,137</u>	<u>1,713</u>	<u>(424)</u>
Total public works		<u>11,274</u>	<u>11,274</u>	<u>9,036</u>	<u>(2,238)</u>
Total expenditures paid	\$ 28,046	<u>28,046</u>	<u>28,046</u>	<u>22,477</u>	<u>(5,569)</u>
NET CHANGE IN FUND BALANCE		<u>\$ 2,161</u>	<u>\$ 2,161</u>	7,632	<u>\$ 5,471</u>
FUND BALANCE, MAY 1				<u>20,103</u>	
FUND BALANCE, APRIL 30				<u>\$ 27,735</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
POLICE CONFISCATORY FUND

For the Year Ended April 30, 2019

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Investment income		\$ 2	\$ 2	\$ -	\$ (2)
Fines and fees		200	200	20	(180)
Total revenues collected		<u>202</u>	<u>202</u>	20	(182)
EXPENDITURES PAID					
None		-	-	-	-
Total expenditures paid	\$ -	-	-	-	-
NET CHANGE IN FUND BALANCE		<u>\$ 202</u>	<u>\$ 202</u>	20	<u>\$ (182)</u>
FUND BALANCE, MAY 1				<u>7,046</u>	
FUND BALANCE, APRIL 30				<u>\$ 7,066</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND

For the Year Ended April 30, 2019

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Other taxes		\$ 33,500	\$ 33,500	\$ 32,694	\$ (806)
Miscellaneous		2,000	2,000	1,846	(154)
Total revenues collected		<u>35,500</u>	<u>35,500</u>	<u>34,540</u>	<u>(960)</u>
EXPENDITURES PAID					
Current					
Economic development					
Salaries		2,500	2,500	171	(2,329)
Public/community relations		30,500	30,500	15,678	(14,822)
Engineering service		2,000	2,000	-	(2,000)
Legal		-	-	70	70
Miscellaneous		5,000	5,000	100	(4,900)
Capital outlay		35,000	35,000	1,094	(33,906)
Debt service					
Principal		4,900	4,900	4,853	(47)
Interest		50	50	34	(16)
Total expenditures paid	<u>\$ 79,950</u>	<u>79,950</u>	<u>79,950</u>	<u>22,000</u>	<u>(57,950)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>(44,450)</u>	<u>(44,450)</u>	<u>12,540</u>	<u>56,990</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		-	-	51,258	51,258
Transfers (out)	\$ -	-	-	(23,000)	(23,000)
Total other financing sources (uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>28,258</u>	<u>28,258</u>
NET CHANGE IN FUND BALANCE		<u>\$ (44,450)</u>	<u>\$ (44,450)</u>	<u>40,798</u>	<u>\$ 85,248</u>
FUND BALANCE, MAY 1				<u>-</u>	
FUND BALANCE, APRIL 30				<u>\$ 40,798</u>	

(See independent auditor's report.)

ENTERPRISE FUND

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF OPERATING EXPENDITURES PAID - MODIFIED CASH BASIS-
BUDGET AND ACTUAL
WATER FUND

For the Year Ended April 30, 2019

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
OPERATING EXPENDITURES PAID					
Water department					
Liability insurance		\$ 12,000	\$ 12,000	\$ 8,236	\$ (3,764)
Water personnel		95,986	95,986	92,659	(3,327)
Engineering fees		7,500	7,500	5,400	(2,100)
Professional services		7,500	7,500	30,908	23,408
Janitor service/supplies		750	750	-	(750)
Testing		5,500	5,500	1,968	(3,532)
Postage		2,000	2,000	1,648	(352)
Phone and pagers		3,000	3,000	4,660	1,660
Publishing		1,000	1,000	809	(191)
Dues/public relations		3,500	3,500	1,192	(2,308)
Utilities		29,000	29,000	21,923	(7,077)
Other expenses		2,000	2,000	89	(1,911)
Building repairs and maintenance		10,500	10,500	2,380	(8,120)
Equipment repairs and maintenance		16,000	16,000	4,212	(11,788)
Vehicle repairs and maintenance		6,500	6,500	7,613	1,113
Water meter/ERT purchase		2,500	2,500	26	(2,474)
Office expense		4,500	4,500	1,417	(3,083)
Chemical supplies		4,200	4,200	1,854	(2,346)
Safety supplies/clothing		-	-	555	555
Fuel		4,000	4,000	2,419	(1,581)
JULIE		500	500	156	(344)
Site repair		8,000	8,000	2,696	(5,304)
Capital outlay		6,454,000	6,454,000	358,850	(6,095,150)
Health insurance		15,000	15,000	16,532	1,532
Miscellaneous		-	-	570	570
Depreciation		75,174	75,174	75,732	558
Total water department	\$ 6,793,135	6,770,610	6,770,610	644,504	(6,126,106)
TOTAL OPERATING EXPENDITURES PAID BUDGET BASIS					
	<u>\$ 6,793,135</u>	<u>\$ 6,770,610</u>	<u>\$ 6,770,610</u>	<u>\$ 644,504</u>	<u>\$ (6,126,106)</u>
ADJUSTMENTS TO MODIFIED CASH BASIS					
Capital assets capitalized				(342,217)	
Total adjustments to modified cash basis				(342,217)	
TOTAL OPERATING EXPENDITURES PAID					
				<u>\$ 302,287</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF OPERATING EXPENDITURES PAID - MODIFIED CASH BASIS-
BUDGET AND ACTUAL
SEWER FUND

For the Year Ended April 30, 2019

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
OPERATING EXPENDITURES PAID					
Sewer department					
Sewer personnel		\$ 95,535	\$ 95,535	\$ 125,565	\$ 30,030
Maintenance service - building		9,800	9,800	15,427	5,627
Professional services		7,000	7,000	37,387	30,387
Janitor service/supplies		1,500	1,500	330	(1,170)
Testing		6,000	6,000	4,507	(1,493)
Postage		2,000	2,000	1,663	(337)
Publishing		1,000	1,000	118	(882)
Phone and pagers		3,000	3,000	4,684	1,684
Utilities		50,000	50,000	44,590	(5,410)
Other		2,000	2,000	2,670	670
Equipment repairs and maintenance		38,000	38,000	32,176	(5,824)
Vehicle repairs and maintenance		2,750	2,750	328	(2,422)
Sludge removal		12,000	12,000	3,506	(8,494)
Engineering service		7,500	7,500	5,736	(1,764)
Televising sewer lines		10,000	10,000	-	(10,000)
Office expense		4,500	4,500	1,131	(3,369)
Chemical supplies		10,500	10,500	7,716	(2,784)
Fuel		6,500	6,500	7,747	1,247
JULIE		300	300	156	(144)
Health insurance		15,000	15,000	15,837	837
General insurance		12,000	12,000	8,236	(3,764)
Dues/subscriptions		15,000	15,000	10,020	(4,980)
Capital outlay		1,762,000	1,762,000	230,215	(1,531,785)
Depreciation		232,530	232,530	239,445	6,915
Total sewer department	\$ 2,306,415	2,306,415	2,306,415	799,190	(1,507,225)
TOTAL OPERATING EXPENDITURES PAID BUDGET BASIS	\$ 2,306,415	\$ 2,306,415	\$ 2,306,415	\$ 799,190	\$ (1,507,225)
ADJUSTMENTS TO MODIFIED CASH BASIS					
Capital assets capitalized				(216,207)	
Total adjustments to modified cash basis				(216,207)	
TOTAL OPERATING EXPENDITURES PAID				\$ 582,983	

(See independent auditor's report.)

SUPPLEMENTAL DATA (Unaudited)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 35,825	\$ 35,672	\$ 36,930	\$ 33,372
Interest	57,855	59,233	62,424	67,348
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(29,330)	(10,122)	43,358	66,487
Changes of assumptions	-	-	(29,548)	31,159
Benefit payments, including refunds of member contributions	(50,057)	(41,739)	(43,996)	(47,463)
Net change in total pension liability	14,293	43,044	69,168	150,903
Total pension liability - beginning	778,518	792,811	835,855	905,023
TOTAL PENSION LIABILITY - ENDING	\$ 792,811	\$ 835,855	\$ 905,023	\$ 1,055,926
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 25,966	\$ 21,802	\$ 23,780	\$ 28,948
Contributions - member	14,885	14,344	26,985	17,747
Net investment income	4,056	53,747	152,549	(59,901)
Benefit payments, including refunds of member contributions	(50,057)	(41,739)	(43,996)	(47,463)
Other	(36,043)	1,814	(15,100)	28,902
Net change in plan fiduciary net position	(41,193)	49,968	144,218	(31,767)
Plan fiduciary net position - beginning	815,835	774,642	824,610	968,828
PLAN FIDUCIARY NET POSITION - ENDING	\$ 774,642	\$ 824,610	\$ 968,828	\$ 937,061
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 18,169	\$ 11,245	\$ (63,805)	\$ 118,865
Plan fiduciary net position as a percentage of the total pension liability	97.71%	98.65%	107.05%	88.74%
Covered payroll	\$ 330,777	\$ 318,750	\$ 324,864	\$ 400,971
Employer's net pension liability (asset) as a percentage of covered payroll	5.49%	3.53%	(19.64%)	29.64%

Changes in assumptions related to the discount rate were made in 2018.

Changes in assumptions related to inflation rates, salary rates, and mortality rates were made in 2017.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019
Actuarially determined contribution	\$ 23,355	\$ 22,630	\$ 23,996	\$ 29,216
Contributions in relation to the actuarially determined contribution	23,355	22,630	23,996	29,216
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 309,771	\$ 323,791	\$ 328,270	\$ 495,186
Contributions as a percentage of covered payroll	7.54%	6.99%	7.31%	5.90%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually projected salary increases assumption of 3.75% to 14.50% compounded annually and wage growth of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF TAX DATA

Last Six Levy Years

	Tax Year 2018		Tax Year 2017		Tax Year 2016		Tax Year 2015		Tax Year 2014		Tax Year 2013	
ASSESSED VALUATIONS	\$	26,820,393	\$	26,265,203	\$	26,014,878	\$	25,868,724	\$	26,213,090	\$	27,270,651
PROPERTY TAX RATES AND EXTENSIONS	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Village	0.4375	\$ 117,339	0.4375	\$ 114,910	0.0884	\$ 22,997	0.0826	\$ 21,368	0.0543	\$ 14,234	0.1143	\$ 31,170
Police protection	0.1061	28,456	0.0406	10,664	0.0404	10,510	0.0406	10,503	0.0439	11,508	0.0569	15,517
Street and bridge	0.0121	3,245	0.0620	16,284	-	-	-	-	0.0043	1,127	0.0244	6,654
IMRF	0.0501	13,437	0.0709	18,622	0.0885	23,023	0.1160	30,008	0.1221	32,006	0.0771	21,026
Social Security	0.0701	18,801	0.1150	30,205	0.1269	33,013	0.1238	32,025	0.1229	32,216	0.0734	20,017
Sewage disposal	0.0041	1,100	-	-	0.0327	8,507	0.0290	7,502	0.0516	13,526	0.0587	16,008
Audit	0.0211	5,659	0.0082	2,154	-	-	-	-	-	-	-	-
Workers' compensation	0.0101	2,709	0.0040	1,051	-	-	-	-	-	-	-	-
	0.7112	\$ 190,746	0.7382	\$ 193,890	0.3769	\$ 98,050	0.3920	\$ 101,406	0.3991	\$ 104,617	0.4048	\$ 110,392

Data Sources

Office of the County Clerk
Office of the County Treasurer

(See independent auditor's report.)