



VILLAGE OF PECATONICA, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2020



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, 2020 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, 2020 and the respective changes in financial position and, where applicable, cash flows, 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 25, 2020

BASIC FINANCIAL STATEMENTS

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 926,663	\$ 1,167,722	\$ 2,094,385
Restricted cash and cash equivalents	-	189,287	189,287
Interfund balances	(93,083)	93,083	-
Capital assets not being depreciated	288,119	713,843	1,001,962
Capital assets being depreciated (net of accumulated depreciation)	789,396	8,799,266	9,588,662
Total assets	1,911,095	10,963,201	12,874,296
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	10,619	10,619
Total deferred outflows of resources	-	10,619	10,619
Total assets and deferred outflows of resources	1,911,095	10,973,820	12,884,915
LIABILITIES			
Meter deposits	-	59,978	59,978
Noncurrent liabilities			
Due within one year	23,670	333,530	357,200
Due in more than one year	252,398	2,794,053	3,046,451
Total liabilities	276,068	3,187,561	3,463,629
NET POSITION			
Net investment in capital assets	801,447	6,396,145	7,197,592
Restricted			
Police protection	577	-	577
IMRF	30,818	-	30,818
Social Security	21,820	-	21,820
Streets	197,942	-	197,942
Debt service	-	189,287	189,287
Unrestricted	582,423	1,200,827	1,783,250
TOTAL NET POSITION	\$ 1,635,027	\$ 7,786,259	\$ 9,421,286

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2020

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 378,399	\$ 187,386	\$ -	\$ -
Streets	298,418	10,611	50,000	-
Public safety	326,395	19,452	-	-
Public works	187,556	-	79,348	-
Economic development	203,663	-	-	-
Interest and fiscal charges	4,914	-	-	-
Total governmental activities	1,399,345	217,449	129,348	-
Business-Type Activities				
Water	370,899	464,813	-	-
Sewer	617,294	724,464	-	-
Total business-type activities	988,193	1,189,277	-	-
TOTAL PRIMARY GOVERNMENT	\$ 2,387,538	\$ 1,406,726	\$ 129,348	\$ -

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (191,013)	\$ -	\$ (191,013)
	(237,807)	-	(237,807)
	(306,943)	-	(306,943)
	(108,208)	-	(108,208)
	(203,663)	-	(203,663)
	(4,914)	-	(4,914)
	<u>(1,052,548)</u>	-	<u>(1,052,548)</u>
	-	93,914	93,914
	-	107,170	107,170
	-	201,084	201,084
	<u>(1,052,548)</u>	<u>201,084</u>	<u>(851,464)</u>
General Revenues			
Taxes			
Property	203,037	-	203,037
Replacement	9,231	-	9,231
Sales	140,860	-	140,860
Utility taxes	114,636	-	114,636
Other taxes	152,106	-	152,106
Income taxes	237,904	-	237,904
Investment income	9,272	21,948	31,220
Miscellaneous	17,323	28,368	45,691
Total	<u>884,369</u>	<u>50,316</u>	<u>934,685</u>
CHANGE IN NET POSITION	(168,179)	251,400	83,221
NET POSITION, MAY 1	<u>1,803,206</u>	<u>7,534,859</u>	<u>9,338,065</u>
NET POSITION, APRIL 30	<u>\$ 1,635,027</u>	<u>\$ 7,786,259</u>	<u>\$ 9,421,286</u>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

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

April 30, 2020

	General	Land Development	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 415,781	\$ 24	\$ 510,858	\$ 926,663
Advance to other funds	48,842	-	-	48,842
TOTAL ASSETS	\$ 464,623	\$ 24	\$ 510,858	\$ 975,505
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Advance from other funds	\$ -	\$ 48,842	\$ 93,083	\$ 141,925
Total liabilities	-	48,842	93,083	141,925
FUND BALANCES				
Restricted				
Police protection	-	-	577	577
IMRF	-	-	30,818	30,818
Social Security	-	-	21,820	21,820
Streets	-	-	197,942	197,942
Assigned				
Capital outlay	-	-	198,660	198,660
Unrestricted				
Unassigned (deficit)	464,623	(48,818)	(32,042)	383,763
Total fund balances	464,623	(48,818)	417,775	833,580
TOTAL LIABILITIES AND FUND BALANCES	\$ 464,623	\$ 24	\$ 510,858	\$ 975,505

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	\$ 833,580
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	1,077,515
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Loan payable	<u>(276,068)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,635,027</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, 2020

	General	Land Development	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES COLLECTED				
Taxes	\$ 533,006	\$ -	\$ 166,212	\$ 699,218
Licenses and permits	19,211	-	-	19,211
Fines and fees	27,795	-	-	27,795
Intergovernmental	237,904	-	50,000	287,904
Charges for services	170,271	-	-	170,271
Investment income	6,510	-	2,767	9,277
Miscellaneous	7,448	-	10,042	17,490
Total revenues collected	1,002,145	-	229,021	1,231,166
EXPENDITURES PAID				
Current				
General government	320,949	-	5,112	326,061
Streets	176,249	-	93,481	269,730
Public safety	284,720	-	14,850	299,570
Public works	-	-	18,327	18,327
Economic development	-	6,670	25,014	31,684
Capital outlay	46,196	313,302	528,161	887,659
Debt service				
Principal	-	3,932	-	3,932
Interest	-	4,914	-	4,914
Total expenditures paid	828,114	328,818	684,945	1,841,877
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	174,031	(328,818)	(455,924)	(610,711)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	440,390	440,390
Transfers (out)	(440,390)	-	-	(440,390)
Proceeds from loan	-	280,000	-	280,000
Proceeds from sale of assets	500	-	-	500
Total other financing sources (uses)	(439,890)	280,000	440,390	280,500
NET CHANGE IN FUND BALANCES	(265,859)	(48,818)	(15,534)	(330,211)
FUND BALANCES, MAY 1	730,482	-	433,309	1,163,791
FUND BALANCES (DEFICIT), APRIL 30	\$ 464,623	\$ (48,818)	\$ 417,775	\$ 833,580

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, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (330,211)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	496,116
Depreciation expense on capital assets is reported as an expense in the statement of activities	(58,016)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(280,000)
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>3,932</u>
CHANGE IN NET POSITION OF THE GOVERNMENTAL ACTIVITIES	<u><u>\$ (168,179)</u></u>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND

April 30, 2020

	Water	Sewer	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 379,404	\$ 788,318	\$ 1,167,722
Restricted cash	189,287	-	189,287
Total current assets	568,691	788,318	1,357,009
NONCURRENT ASSETS			
Advance to other funds	-	93,083	93,083
Capital assets not being depreciated	510,398	203,445	713,843
Capital assets being depreciated	2,716,935	9,733,642	12,450,577
Less accumulated depreciation	(1,192,418)	(2,458,893)	(3,651,311)
Total noncurrent assets	2,034,915	7,571,277	9,606,192
Total assets	2,603,606	8,359,595	10,963,201
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	10,619	-	10,619
Total deferred outflows of resources	10,619	-	10,619
Total assets and deferred outflows of resources	2,614,225	8,359,595	10,973,820
CURRENT LIABILITIES			
Meter deposits	59,978	-	59,978
Current portion of long-term debt	80,000	253,530	333,530
Total current liabilities	139,978	253,530	393,508
NONCURRENT LIABILITIES			
Long-term debt, net of current portion	385,545	2,408,508	2,794,053
Total liabilities	525,523	2,662,038	3,187,561
NET POSITION			
Net investment in capital assets	1,579,989	4,816,156	6,396,145
Restricted for debt service	189,287	-	189,287
Unrestricted	319,426	881,401	1,200,827
TOTAL NET POSITION	\$ 2,088,702	\$ 5,697,557	\$ 7,786,259

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, 2020

	Water	Sewer	Total
OPERATING REVENUES COLLECTED			
Water and sewer service	\$ 464,813	\$ 724,464	\$ 1,189,277
Total operating revenues collected	464,813	724,464	1,189,277
OPERATING EXPENSES PAID			
Water department	252,463	-	252,463
Sewer department	-	369,588	369,588
Depreciation	86,156	247,706	333,862
Total operating expenses paid	338,619	617,294	955,913
OPERATING INCOME	126,194	107,170	233,364
NON-OPERATING REVENUES (EXPENSES)			
Investment income	13,719	8,229	21,948
Miscellaneous revenue	16,222	12,146	28,368
Interest expense	(17,033)	-	(17,033)
Loss from disposal of capital assets	(15,247)	-	(15,247)
Total non-operating revenues (expenses)	(2,339)	20,375	18,036
INCOME BEFORE TRANSFERS	123,855	127,545	251,400
TRANSFERS			
Transfer in	-	300,000	300,000
Transfers (out)	(300,000)	-	(300,000)
Total transfers	(300,000)	300,000	-
CHANGE IN NET POSITION	(176,145)	427,545	251,400
NET POSITION, MAY 1	2,264,847	5,270,012	7,534,859
NET POSITION, APRIL 30	\$ 2,088,702	\$ 5,697,557	\$ 7,786,259

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, 2020

	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 461,766	\$ 724,464	\$ 1,186,230
Receipts from miscellaneous income	16,222	12,146	28,368
Payments to personnel	(111,660)	(141,936)	(253,596)
Payments to suppliers	(140,803)	(227,652)	(368,455)
Net cash from operating activities	225,525	367,022	592,547
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advance to other fund	-	(93,083)	(93,083)
Transfers	(300,000)	300,000	-
Net cash from noncapital financing activities	(300,000)	206,917	(93,083)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(528,291)	(475,205)	(1,003,496)
Proceeds from sale of capital assets	1,236	-	1,236
Principal payments on long-term debt	(75,000)	(253,550)	(328,550)
Interest paid on long-term debt	(18,525)	-	(18,525)
Net cash from capital and related financing activities	(620,580)	(728,755)	(1,349,335)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	13,719	8,229	21,948
Net cash from investing activities	13,719	8,229	21,948
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(681,336)	(146,587)	(827,923)
CASH AND CASH EQUIVALENTS, MAY 1	1,250,027	934,905	2,184,932
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 568,691	\$ 788,318	\$ 1,357,009
CASH AND CASH EQUIVALENTS, APRIL 30			
Cash and cash equivalents	\$ 379,404	\$ 788,318	\$ 1,167,722
Restricted cash	189,287	-	189,287
TOTAL CASH AND CASH EQUIVALENTS, APRIL 30	\$ 568,691	\$ 788,318	\$ 1,357,009
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating income	\$ 126,194	\$ 107,170	\$ 233,364
Miscellaneous income	16,222	12,146	28,368
Adjustments to reconcile net operating income to net cash from operating activities			
Meter deposits	(3,047)	-	(3,047)
Depreciation expense	86,156	247,706	333,862
NET CASH FROM OPERATING ACTIVITIES	\$ 225,525	\$ 367,022	\$ 592,547

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

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 Land Development Fund is used to account for the revenues and expenditures restricted for land purchases and developments.

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 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.

The Police Capital Fund has been reclassified to a capital projects fund as the fund no longer meets the definition of a special revenue fund.

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 fair value at April 30, 2020.

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, 2020.

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 net position 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 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 and net position consist of the following:

Series 2006 bond and interest sinking fund	<u>\$ 189,287</u>
TOTAL RESTRICTED	<u>\$ 189,287</u>

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

4. CAPITAL ASSETS

The capital asset activity for the year ended April 30, 2020 was as follows:

	Balances May 1	Increases	Transfers	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	\$ -	\$ 288,119	\$ -	\$ -	\$ 288,119
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	-	288,119	-	-	288,119
Capital assets being depreciated					
Infrastructure	492,523	-	-	-	492,523
Building and improvements	385,679	-	-	-	385,679
Equipment and vehicles	492,602	207,997	-	32,724	667,875
Total capital assets being depreciated	1,370,804	207,997	-	32,724	1,546,077
Less accumulated depreciation for					
Infrastructure	224,663	23,762	-	-	248,425
Building and improvements	121,031	8,589	-	-	129,620
Equipment and vehicles	385,695	25,665	-	32,724	378,636
Total accumulated depreciation	731,389	58,016	-	32,724	756,681
Capital assets being depreciated, net	639,415	149,981	-	-	789,396
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET					
	\$ 639,415	\$ 438,100	\$ -	\$ -	\$ 1,077,515
BUSINESS-TYPE ACTIVITIES					
Capital assets not being depreciated					
Land	\$ 17,993	\$ -	\$ -	\$ -	\$ 17,993
Construction in progress	468,265	227,585	-	-	695,850
Total capital assets not being depreciated	486,258	227,585	-	-	713,843
Capital assets being depreciated					
Infrastructure	1,760,223	315,598	-	-	2,075,821
Buildings and improvements	9,406,718	-	90,187	-	9,496,905
Equipment and vehicles	679,890	460,313	(90,187)	172,165	877,851
Total capital assets being depreciated	11,846,831	775,911	-	172,165	12,450,577
Less accumulated depreciation for					
Infrastructure	843,537	45,077	-	-	888,614
Buildings and improvements	2,316,353	244,187	3,758	-	2,564,298
Equipment and vehicles	313,242	44,598	(3,758)	155,683	198,399
Total accumulated depreciation	3,473,132	333,862	-	155,683	3,651,311
Capital assets being depreciated, net	8,373,699	442,049	-	16,482	8,799,266
BUSINESS-TYPE ACTIVITIES					
CAPITAL ASSETS, NET					
	\$ 8,859,957	\$ 669,634	\$ -	\$ 16,482	\$ 9,513,109

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	42,245
Public safety	<u>9,129</u>

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

\$ 58,016

5. LONG-TERM DEBT

Long-term debt activity for the year ended April 30, 2020 for governmental activities was as follows:

	Balances May 1	Additions	Reductions	Balances April 30	Due in One Year
Loan payable (direct placement)	\$ -	\$ 280,000	\$ 3,932	\$ 276,068	\$ 23,670
TOTAL LONG-TERM DEBT	<u>\$ -</u>	<u>\$ 280,000</u>	<u>\$ 3,932</u>	<u>\$ 276,068</u>	<u>\$ 23,670</u>

During 2020, the Village entered into a loan agreement (direct placement) for land development. The loan proceeds were \$280,000 and the loan has interest rate of 3.75%. The term of the loan is for ten years with payments occurring on a monthly basis.

Long-term debt activity for the year ended April 30, 2020 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	\$ 2,915,588	\$ -	\$ 253,550	\$ 2,662,038	\$ 253,530
General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	515,000	-	75,000	440,000	80,000
Unamortized bond premium	28,099	-	2,554	25,545	-
TOTAL LONG-TERM DEBT	<u>\$ 3,458,687</u>	<u>\$ -</u>	<u>\$ 331,104</u>	<u>\$ 3,127,583</u>	<u>\$ 333,530</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, 2020 are as follows:

Year Ending April 30,	IEPA Notes Payable		General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016		
	Principal	Total	Principal	Interest	Total
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	253,530	253,530	95,000	3,325	98,325
2026-2030	1,267,649	1,267,649	-	-	-
2031-2034	126,739	126,739	-	-	-
TOTAL	\$ 2,662,038	\$ 2,662,038	\$ 440,000	\$ 47,425	\$ 487,425

Year Ending April 30,	Loan Payable (direct placement)	
	Principal	Total
2021	\$ 23,670	\$ 10,037
2022	24,662	9,044
2023	25,603	8,103
2024	26,580	7,126
2025	27,594	6,112
2026-2030	147,959	13,958
TOTAL	\$ 276,068	\$ 54,380

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

5. LONG-TERM DEBT (Continued)

The amount of pledge remaining as of April 30, 2020 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	\$ 487,425	2/1/2025	\$ 1,105,684	\$ 93,025

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$27,531,193. As of April 30, 2020, the Village had \$2,374,565 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. INTERFUND ACTIVITY

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, 2020:

	Transfers Out	Transfers In
General Fund	\$ 440,390	\$ -
Water Fund	300,000	-
Sewer Fund	-	300,000
Nonmajor Governmental Funds	-	440,390
TOTAL	\$ 740,390	\$ 740,390

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

7. INTERFUND ACTIVITY (Continued)

The purposes of the significant interfund transfers are as follows:

- \$300,000 from the Water Fund to the Sewer Fund to equalize cash balances after the formation of the Sewer Fund. This transfer will not be repaid.
- \$329,004 from the General Fund to the Public Works Capital Fund to establish the Public Works Capital Fund and for capital projects. This transfer will not be repaid.
- \$100,036 from the General Fund was transferred to the Street, Road and Bridge Fund for additional road work projects. This transfer will not be repaid.

Advance due from/to other funds at April 30, 2020 consist of the following:

	Advance From	Advance To
General Fund	\$ 48,842	\$ -
Sewer Fund	93,083	-
Land Development Fund	-	48,842
Nonmajor Governmental Fund	-	93,083
TOTAL	\$ 141,925	\$ 141,925

The purposes of the interfund balances are as follows:

- \$48,842 advance from the General Fund to the Land Development Fund until the property is developed. The advance will be repaid over 10 years.
- \$93,083 advance from the Sewer Fund to the Economic Development Fund to fund streetlights. The advance will be repaid over 10 years.

The following funds had deficit fund balances at April 30, 2020:

Land Development Fund	\$ 48,818
Economic Development Fund	32,042

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, 2020.

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, 2019 (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	11
Active employees	<u>9</u>
 TOTAL	 <u><u>27</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 2020 was 6.41% 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, 2019 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, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Asset valuation method	Fair 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%. 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, 2019	\$ 1,055,926	\$ 937,061	\$ 118,865
Changes for the period			
Service cost	42,765	-	42,765
Interest	76,035	-	76,035
Difference between expected and actual experience	22,165	-	22,165
Changes in assumptions	-	-	-
Employer contributions	-	26,166	(26,166)
Employee contributions	-	19,958	(19,958)
Net investment income	-	183,990	(183,990)
Benefit payments and refunds	(57,100)	(57,100)	-
Other (net transfer)	-	(2,230)	2,230
Net changes	83,865	170,784	(86,919)
BALANCES AT DECEMBER 31, 2019	\$ 1,139,791	\$ 1,107,845	\$ 31,946

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, 2020, the Village incurred pension expenditures paid of \$30,479.

At April 30, 2020, 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	\$ 28,321	\$ -
Assumption changes	6,141	-
Net difference between projected and actual earnings on pension plan investments	-	48,622
Contributions subsequent to the measurement date	12,310	-
TOTAL	\$ 46,772	\$ 48,622

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:

\$12,310 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, 2021. 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>	
2021	\$ 12,247
2022	(7,839)
2023	4,740
2024	(23,308)
2025	-
Thereafter	-
TOTAL	\$ 14,160

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, 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 (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability (asset) 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 (asset)	\$ 191,456	\$ 31,946	\$ (97,591)

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, 2020

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Taxes					
Property		\$ 160,963	\$ 160,963	\$ 154,811	\$ (6,152)
Sales tax		150,000	150,000	140,860	(9,140)
State replacement tax		7,500	7,500	9,231	1,731
Telecommunication tax		40,500	40,500	37,369	(3,131)
State use tax		70,000	70,000	75,740	5,740
Utility		126,500	126,500	114,636	(11,864)
Cannabis use tax		-	-	359	359
Total taxes		555,463	555,463	533,006	(22,457)
License and permits		19,250	19,250	19,211	(39)
Fines and fees					
Franchise fees		19,200	19,200	19,125	(75)
Police fines and fees		12,750	12,750	8,670	(4,080)
Total fines and fees		31,950	31,950	27,795	(4,155)
Intergovernmental					
State income tax		230,000	230,000	237,904	7,904
Other grants		500	500	-	(500)
Total intergovernmental		230,500	230,500	237,904	7,404
Charges for services					
Garbage collection fees		154,500	154,500	149,050	(5,450)
Rental income		25,000	25,000	21,221	(3,779)
Total charges for services		179,500	179,500	170,271	(9,229)
Investment income		1,000	1,000	6,510	5,510
Other revenue					
Miscellaneous		5,750	5,750	7,448	1,698
Total other revenue		5,750	5,750	7,448	1,698
Total revenues collected		1,023,413	1,023,413	1,002,145	(21,268)
EXPENDITURES PAID					
Current					
General government					
Personnel		58,312	58,312	50,658	(7,654)
Unemployment		224	224	26	(198)
General insurance		6,749	6,749	2,923	(3,826)
Health insurance		9,651	9,651	9,687	36
Auto allowance		800	800	-	(800)
Building repairs and maintenance		5,100	5,100	1,132	(3,968)
Equipment repairs and maintenance		3,000	3,000	40	(2,960)
Professional services		35,000	35,000	46,441	11,441
Other professional services		16,300	16,300	21,701	5,401
Postage		1,000	1,000	766	(234)
Phone and pagers		3,500	3,500	1,869	(1,631)

(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, 2020

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES PAID (Continued)				
Current (Continued)				
General government (Continued)				
Publishing/printed material	\$ 1,700	\$ 1,700	\$ 2,456	\$ 756
Community relations	14,500	14,500	2,648	(11,852)
Training	8,000	8,000	8,747	747
Dues	1,200	1,200	1,592	392
Utilities	1,400	1,400	1,298	(102)
Capital outlay	58,000	58,000	27,720	(30,280)
Technology and new equipment	12,000	12,000	9,045	(2,955)
Office supplies	5,300	5,300	4,077	(1,223)
Miscellaneous	12,000	12,000	11,000	(1,000)
Garbage pickup service	142,000	142,000	144,197	2,197
Bank fees	500	500	646	146
Total general government	396,236	396,236	348,669	(47,567)
Streets				
Personnel	97,912	97,912	70,717	(27,195)
Health insurance	15,439	15,439	12,540	(2,899)
Liability insurance	14,359	14,359	14,321	(38)
Building repairs and maintenance	1,000	1,000	422	(578)
Equipment repairs and maintenance	4,000	4,000	1,849	(2,151)
Vehicle maintenance	6,000	6,000	19,242	13,242
Street maintenance	3,000	3,000	3,278	278
Engineering	15,000	15,000	5,400	(9,600)
Legal	500	500	100	(400)
Medical services	500	500	48	(452)
Technology services	1,500	1,500	5,230	3,730
Contracted safety services	-	-	5,040	5,040
Capital outlay	15,000	15,000	14,567	(433)
Phone and pagers	3,500	3,500	3,515	15
Training	500	500	387	(113)
Publications	250	250	63	(187)
Dues	250	250	-	(250)
Mosquito control	15,000	15,000	13,500	(1,500)
Street lighting	1,500	1,500	-	(1,500)
Tree service	15,000	15,000	7,127	(7,873)
Equipment supplies	2,500	2,500	2,136	(364)
Vehicle supplies	5,000	5,000	4,108	(892)
Building supplies	2,000	2,000	916	(1,084)
Snow supplies	1,000	1,000	-	(1,000)
Grounds supplies	-	-	219	219
Office supplies	2,250	2,250	917	(1,333)
Safety clothing/supplies	750	750	325	(425)
Janitorial	750	750	12	(738)
Fuel	3,000	3,000	4,730	1,730
Rental/lease	2,000	2,000	107	(1,893)
Total streets	229,460	229,460	190,816	(38,644)
Public safety				
Personnel	201,861	201,861	205,485	3,624
Liability/workers' compensation insurance	6,054	6,054	10,089	4,035
Health insurance	10,687	10,687	15,126	4,439

(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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES PAID (Continued)				
Current (Continued)				
Public safety (Continued)				
General insurance	\$ 15,000	\$ 15,000	\$ 8,568	\$ (6,432)
Uniform allowance	2,700	2,700	1,701	(999)
Equipment repairs and maintenance	1,500	1,500	1,789	289
Vehicle and repairs	3,500	3,500	6,266	2,766
Building repairs and maintenance	5,450	5,450	1,405	(4,045)
Legal	8,200	8,200	4,620	(3,580)
Other professional services	26,050	26,050	8,781	(17,269)
Postage	772	772	249	(523)
Phone and pagers	6,600	6,600	7,125	525
Dues	400	400	874	474
Training	4,291	4,291	1,708	(2,583)
Equipment supplies	6,500	6,500	1,409	(5,091)
Office supplies	4,300	4,300	1,224	(3,076)
Fuel	9,500	9,500	7,877	(1,623)
Capital outlay	2,900	2,900	3,909	1,009
Utilities	1,400	1,400	424	(976)
	<hr/>			
Total public safety	317,665	317,665	288,629	(29,036)
	<hr/>			
Total expenditures paid	\$ 1,855,093	943,361	943,361	828,114 (115,247)
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	80,052	80,052	174,031	93,979
	<hr/>			
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(122,336)	(122,336)	(440,390)	(318,054)
Proceeds from sale of assets	-	-	500	500
	<hr/>			
Total other financing sources (uses)	\$ -	(122,336)	(122,336)	(439,890) (317,554)
	<hr/>			
NET CHANGE IN FUND BALANCE	\$ (42,284)	\$ (42,284)	(265,859)	\$ (223,575)
	<hr/>			
FUND BALANCE, MAY 1			730,482	
	<hr/>			
FUND BALANCE, APRIL 30			\$ 464,623	
	<hr/>			

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2020

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.

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF PECATONICA, ILLINOIS

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

For the Year Ended April 30, 2020

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES PAID					
Current					
Economic development					
Utilities		-	-	459	459
Legal		4,000	4,000	6,211	2,211
Engineering service		5,000	5,000	-	(5,000)
Capital outlay		15,000	15,000	313,302	298,302
Debt service					
Principal		20,739	20,739	3,932	(16,807)
Interest		5,261	5,261	4,914	(347)
Total expenditures paid	<u>\$ 330,000</u>	<u>50,000</u>	<u>50,000</u>	<u>328,818</u>	<u>278,818</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>(50,000)</u>	<u>(50,000)</u>	<u>(328,818)</u>	<u>(278,818)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan		<u>250,000</u>	<u>250,000</u>	<u>280,000</u>	<u>30,000</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>250,000</u>	<u>250,000</u>	<u>280,000</u>	<u>30,000</u>
NET CHANGE IN FUND BALANCE		<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>(48,818)</u>	<u>\$ (248,818)</u>
FUND BALANCE, MAY 1				<u>-</u>	
FUND BALANCE (DEFICIT), APRIL 30				<u>\$ (48,818)</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF PECATONICA, ILLINOIS

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

April 30, 2020

	Special Revenue				Capital Projects				Total Nonmajor Governmental Funds
	MFT	Street, Road and Bridge	IMRF Retirement	Social Security	Police Confiscatory	Police Capital	Economic Development	Public Works	
ASSETS									
Cash and investments	\$ 154,797	\$ 43,145	\$ 30,818	\$ 21,820	\$ 577	\$ 37,607	\$ 61,041	\$ 161,053	\$ 510,858
TOTAL ASSETS	\$ 154,797	\$ 43,145	\$ 30,818	\$ 21,820	\$ 577	\$ 37,607	\$ 61,041	\$ 161,053	\$ 510,858
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Advance from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,083	\$ -	\$ 93,083
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,083	\$ -	\$ 93,083
FUND BALANCES									
Restricted									
Police protection	\$ -	\$ -	\$ -	\$ -	\$ 577	\$ -	\$ -	\$ -	\$ 577
IMRF	-	-	30,818	-	-	-	-	-	30,818
Social Security	-	-	-	21,820	-	-	-	-	21,820
Streets	154,797	43,145	-	-	-	-	-	-	197,942
Assigned									
Capital outlay	-	-	-	-	-	37,607	-	161,053	198,660
Unrestricted									
Unassigned (deficit)	-	-	-	-	-	-	(32,042)	-	(32,042)
Total fund balances	154,797	43,145	30,818	21,820	577	37,607	(32,042)	161,053	417,775
TOTAL LIABILITIES AND FUND BALANCES	\$ 154,797	\$ 43,145	\$ 30,818	\$ 21,820	\$ 577	\$ 37,607	\$ 61,041	\$ 161,053	\$ 510,858

(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, 2020

	Special Revenue				Capital Projects				Total Nonmajor Governmental Funds
	MFT	Street, Road and Bridge	IMRF Retirement	Social Security	Police Confiscatory	Police Capital	Economic Development	Public Works	
REVENUES COLLECTED									
Property taxes	\$ -	\$ 16,082	\$ 13,398	\$ 18,746	\$ -	\$ -	\$ -	\$ -	\$ 48,226
Grants	-	-	-	-	-	-	50,000	-	50,000
Other taxes	79,348	-	-	-	-	-	38,638	-	117,986
Investment income	121	253	236	201	11	377	182	1,386	2,767
Miscellaneous	-	-	-	-	-	-	10,042	-	10,042
Total revenues collected	79,469	16,335	13,634	18,947	11	377	98,862	1,386	229,021
EXPENDITURES PAID									
Current									
General government	-	-	2,184	2,928	-	-	-	-	5,112
Streets	70,789	17,580	2,184	2,928	-	-	-	-	93,481
Public safety	-	-	6,343	8,507	-	-	-	-	14,850
Public works	-	-	7,828	10,499	-	-	-	-	18,327
Economic development	-	-	-	-	-	-	24,906	108	25,014
Capital outlay	-	155,672	-	-	6,500	49,964	146,796	169,229	528,161
Total expenditures paid	70,789	173,252	18,539	24,862	6,500	49,964	171,702	169,337	684,945
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	8,680	(156,917)	(4,905)	(5,915)	(6,489)	(49,587)	(72,840)	(167,951)	(455,924)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	100,036	-	-	-	11,350	-	329,004	440,390
Total other financing sources (uses)	-	100,036	-	-	-	11,350	-	329,004	440,390
NET CHANGE IN FUND BALANCE	8,680	(56,881)	(4,905)	(5,915)	(6,489)	(38,237)	(72,840)	161,053	(15,534)
FUND BALANCE, MAY 1	146,117	100,026	35,723	27,735	7,066	75,844	40,798	-	433,309
FUND BALANCE, APRIL 30	\$ 154,797	\$ 43,145	\$ 30,818	\$ 21,820	\$ 577	\$ 37,607	\$ (32,042)	\$ 161,053	\$ 417,775

(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
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2020

	<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		\$ 57,360	\$ 57,360	\$ 79,348	\$ 21,988
Investment income		460	460	121	(339)
		<hr/>	<hr/>	<hr/>	<hr/>
Total revenues collected		57,820	57,820	79,469	21,649
EXPENDITURES PAID					
Current					
Streets					
Tree service		-	-	5,800	5,800
Street lighting		30,000	30,000	27,963	(2,037)
Snow and ice removal		25,000	25,000	26,888	1,888
Street maintenance		45,000	45,000	10,138	(34,862)
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures paid	\$ 150,000	100,000	100,000	70,789	(29,211)
NET CHANGE IN FUND BALANCE		<u>\$ (42,180)</u>	<u>\$ (42,180)</u>	8,680	<u>\$ 50,860</u>
FUND BALANCE, MAY 1				<hr/>	146,117
FUND BALANCE, APRIL 30				<u><hr/></u>	<u>\$ 154,797</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
STREET, ROAD AND BRIDGE FUND

For the Year Ended April 30, 2020

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Property taxes		\$ 16,119	\$ 16,119	\$ 16,082	\$ (37)
Investment income		-	-	253	253
Total revenues collected		<u>16,119</u>	<u>16,119</u>	<u>16,335</u>	<u>216</u>
EXPENDITURES PAID					
Current					
Streets					
Engineering		15,000	15,000	17,580	2,580
Maintenance		31,000	31,000	-	(31,000)
Capital outlay		1,600,000	1,600,000	155,672	(1,444,328)
Debt service					
Principal		27,586	27,586	-	(27,586)
Interest		23,328	23,328	-	(23,328)
Total expenditures paid	<u>\$ 1,701,914</u>	<u>1,696,914</u>	<u>1,696,914</u>	<u>173,252</u>	<u>(1,523,662)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>(1,680,795)</u>	<u>(1,680,795)</u>	<u>(156,917)</u>	<u>1,523,878</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan		1,500,000	1,500,000	-	(1,500,000)
Transfers in		92,036	92,036	100,036	8,000
Total other financing sources (uses)		<u>1,592,036</u>	<u>1,592,036</u>	<u>100,036</u>	<u>(1,492,000)</u>
NET CHANGE IN FUND BALANCE		<u>\$ (88,759)</u>	<u>\$ (88,759)</u>	<u>(56,881)</u>	<u>\$ 31,878</u>
FUND BALANCE, MAY 1				<u>100,026</u>	
FUND BALANCE, APRIL 30				<u>\$ 43,145</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 CAPITAL FUND

For the Year Ended April 30, 2020

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Property taxes		\$ 11,383	\$ 11,383	\$ -	\$ (11,383)
Investment income		-	-	377	377
Total revenues collected		11,383	11,383	377	(11,006)
EXPENDITURES PAID					
Capital outlay		16,500	16,500	49,964	33,464
Total expenditures paid	\$ 76,500	16,500	16,500	49,964	33,464
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		(5,117)	(5,117)	(49,587)	(44,470)
OTHER FINANCING SOURCES (USES)					
Transfers in		-	-	11,350	11,350
Total other financing sources (uses)		-	-	11,350	11,350
NET CHANGE IN FUND BALANCE		\$ (5,117)	\$ (5,117)	(38,237)	\$ (33,120)
FUND BALANCE, MAY 1				75,844	
FUND BALANCE, APRIL 30				\$ 37,607	

(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, 2020

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Property taxes		\$ 13,437	\$ 13,437	\$ 13,398	\$ (39)
Investment income		-	-	236	236
Total revenues collected		<u>13,437</u>	<u>13,437</u>	<u>13,634</u>	<u>197</u>
EXPENDITURES PAID					
Current					
General government					
IMRF		2,144	2,144	2,184	40
Streets					
IMRF		2,147	2,147	2,184	37
Public safety					
IMRF		6,236	6,236	6,343	107
Public works					
IMRF		7,696	7,696	7,828	132
Total expenditures paid	<u>\$ 20,043</u>	<u>18,223</u>	<u>18,223</u>	<u>18,539</u>	<u>316</u>
NET CHANGE IN FUND BALANCE		<u>\$ (4,786)</u>	<u>\$ (4,786)</u>	<u>(4,905)</u>	<u>\$ (119)</u>
FUND BALANCE, MAY 1				<u>35,723</u>	
FUND BALANCE, APRIL 30				<u><u>\$ 30,818</u></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, 2020

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Property taxes	\$ 18,801	\$ 18,801	\$ 18,746	\$ (55)	
Investment income	-	-	201	201	
Total revenues collected	<u>18,801</u>	<u>18,801</u>	<u>18,947</u>	<u>146</u>	
EXPENDITURES PAID					
Current					
General government					
Social Security	2,518	2,518	2,373	(145)	
Medicare	589	589	555	(34)	
Total general government	<u>3,107</u>	<u>3,107</u>	<u>2,928</u>	<u>(179)</u>	
Streets					
Social Security	2,519	2,519	2,373	(146)	
Medicare	589	589	555	(34)	
Total streets	<u>3,108</u>	<u>3,108</u>	<u>2,928</u>	<u>(180)</u>	
Public safety					
Social Security	7,318	7,318	6,895	(423)	
Medicare	1,712	1,712	1,612	(100)	
Total public safety	<u>9,030</u>	<u>9,030</u>	<u>8,507</u>	<u>(523)</u>	
Public works					
Social Security	9,031	9,031	8,509	(522)	
Medicare	2,112	2,112	1,990	(122)	
Total public works	<u>11,143</u>	<u>11,143</u>	<u>10,499</u>	<u>(644)</u>	
Total expenditures paid	<u>\$ 29,027</u>	<u>26,388</u>	<u>26,388</u>	<u>24,862</u>	<u>(1,526)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,587)</u>	<u>\$ (7,587)</u>	<u>(5,915)</u>	<u>\$ 1,672</u>	
FUND BALANCE, MAY 1			<u>27,735</u>		
FUND BALANCE, APRIL 30			<u>\$ 21,820</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, 2020

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Investment income		\$ -	\$ -	\$ 11	\$ 11
Fines and fees		1,500	1,500	-	(1,500)
Total revenues collected		<u>1,500</u>	<u>1,500</u>	11	(1,489)
EXPENDITURES PAID					
Capital outlay		<u>6,500</u>	6,500	6,500	-
Total expenditures paid	<u>\$ 6,500</u>	6,500	6,500	6,500	-
NET CHANGE IN FUND BALANCE		<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	(6,489)	<u>\$ (1,489)</u>
FUND BALANCE, MAY 1				<u>7,066</u>	
FUND BALANCE, APRIL 30				<u>\$ 577</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, 2020

	<u>Final</u> <u>Appropriation</u>	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Over (Under)</u> <u>Budget</u>
REVENUES COLLECTED					
Other taxes		\$ 36,500	\$ 36,500	\$ 38,638	\$ 2,138
Grants		-	-	50,000	50,000
Investment income		500	500	182	(318)
Miscellaneous		21,500	21,500	10,042	(11,458)
		<hr/>	<hr/>		
Total revenues collected		58,500	58,500	98,862	40,362
		<hr/>	<hr/>		
EXPENDITURES PAID					
Current					
Economic development					
Salaries		3,000	3,000	280	(2,720)
Supplies		750	750	780	30
Public/community relations		24,500	24,500	13,784	(10,716)
Legal		500	500	-	(500)
Miscellaneous		12,396	12,396	10,062	(2,334)
Capital outlay		136,000	136,000	146,796	10,796
Debt service					
Principal		11,406	11,406	-	(11,406)
		<hr/>	<hr/>		
Total expenditures paid	\$ 203,552	188,552	188,552	171,702	(16,850)
		<hr/>	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		(130,052)	(130,052)	(72,840)	57,212
		<hr/>	<hr/>		
OTHER FINANCING SOURCES (USES)					
Proceeds from loan		125,000	125,000	-	(125,000)
		<hr/>	<hr/>		
Total other financing sources (uses)	\$ -	125,000	125,000	-	(125,000)
		<hr/>	<hr/>		
NET CHANGE IN FUND BALANCE		\$ (5,052)	\$ (5,052)	(72,840)	\$ (67,788)
		<hr/>	<hr/>		
FUND BALANCE, MAY 1				40,798	
				<hr/>	
FUND BALANCE (DEFICIT), APRIL 30				\$ (32,042)	
				<hr/>	

(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
PUBLIC WORKS FUND

For the Year Ended April 30, 2020

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Investment income		\$ -	\$ -	\$ 1,386	\$ 1,386
Total revenues collected		-	-	1,386	1,386
EXPENDITURES PAID					
Current					
Economic development					
Miscellaneous		200	200	108	(92)
Capital outlay		184,800	184,800	169,229	(15,571)
Total expenditures paid	<u>\$ 185,000</u>	185,000	185,000	169,337	(15,663)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		(185,000)	(185,000)	(167,951)	17,049
OTHER FINANCING SOURCES (USES)					
Transfers in		-	-	329,004	329,004
Total other financing sources (uses)	<u>\$ -</u>	-	-	329,004	329,004
NET CHANGE IN FUND BALANCE		<u>\$ (185,000)</u>	<u>\$ (185,000)</u>	161,053	<u>\$ 346,053</u>
FUND BALANCE, MAY 1				-	
FUND BALANCE, APRIL 30				<u>\$ 161,053</u>	

(See independent auditor's report.)

ENTERPRISE FUND

VILLAGE OF PECATONICA, ILLINOIS

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

For the Year Ended April 30, 2020

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
OPERATING EXPENSES PAID					
Water department					
Liability insurance		\$ 5,062	\$ 5,062	\$ 4,164	\$ (898)
Water personnel		116,000	116,000	111,660	(4,340)
Engineering fees		7,500	7,500	7,379	(121)
Professional services		30,420	30,420	49,449	19,029
Janitor service/supplies		1,000	1,000	-	(1,000)
Testing		5,750	5,750	2,677	(3,073)
Postage		3,000	3,000	2,377	(623)
Phone and pagers		3,100	3,100	4,978	1,878
Publishing		1,000	1,000	891	(109)
Dues/public relations		3,500	3,500	1,793	(1,707)
Utilities		30,000	30,000	20,874	(9,126)
Other expenses		2,000	2,000	67	(1,933)
Building repairs and maintenance		35,000	35,000	2,177	(32,823)
Equipment repairs and maintenance		21,000	21,000	6,521	(14,479)
Vehicle repairs and maintenance		8,500	8,500	-	(8,500)
Water meter/ERT purchase		2,500	2,500	1,765	(735)
Office expense		6,750	6,750	1,864	(4,886)
Chemical supplies		4,250	4,250	2,168	(2,082)
Safety supplies/clothing		500	500	193	(307)
Fuel		4,500	4,500	3,502	(998)
JULIE		500	500	152	(348)
Site repair		8,000	8,000	1,270	(6,730)
Non capitalized capital outlay		32,500	32,500	8,392	(24,108)
Health insurance		21,658	21,658	18,151	(3,507)
Depreciation		89,500	89,500	86,155	(3,345)
Total water department	\$ 6,970,598	443,490	443,490	338,619	(104,871)
TOTAL OPERATING EXPENSES PAID BUDGET BASIS	\$ 6,970,598	\$ 443,490	\$ 443,490	338,619	\$ (104,871)

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

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

For the Year Ended April 30, 2020

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
OPERATING EXPENSES PAID					
Sewer department					
Sewer personnel		\$ 134,692	\$ 134,692	\$ 141,936	\$ 7,244
Maintenance service - building		51,500	51,500	5,617	(45,883)
Professional services		26,670	26,670	42,729	16,059
Janitor service/supplies		3,000	3,000	447	(2,553)
Testing		6,250	6,250	4,446	(1,804)
Postage		3,000	3,000	1,804	(1,196)
Publishing		1,000	1,000	494	(506)
Phone and pagers		2,600	2,600	5,159	2,559
Utilities		52,500	52,500	52,639	139
Other		5,250	5,250	679	(4,571)
Equipment repairs and maintenance		50,000	50,000	38,693	(11,307)
Vehicle repairs and maintenance		4,000	4,000	-	(4,000)
Sludge removal		12,000	12,000	6,773	(5,227)
Engineering service		8,000	8,000	6,952	(1,048)
Televising sewer lines		10,000	10,000	475	(9,525)
Office expense		6,500	6,500	1,883	(4,617)
Chemical supplies		10,500	10,500	7,261	(3,239)
Fuel		8,500	8,500	6,139	(2,361)
JULIE		300	300	152	(148)
Health insurance		15,168	15,168	17,874	2,706
General insurance		5,939	5,939	6,067	128
Liability insurance		1,540	1,540	1,185	(355)
Dues/subscriptions		19,500	19,500	10,248	(9,252)
Non capitalized capital outlay		101,500	101,500	9,936	(91,564)
Depreciation		250,000	250,000	247,706	(2,294)
Total sewer department	\$ 3,273,512	789,909	789,909	617,294	(172,615)
TOTAL OPERATING EXPENSES PAID BUDGET BASIS	\$ 3,273,512	\$ 789,909	\$ 789,909	\$ 617,294	\$ (172,615)

(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 Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 35,825	\$ 35,672	\$ 36,930	\$ 33,372	\$ 42,765
Interest	57,855	59,233	62,424	67,348	76,035
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(29,330)	(10,122)	43,358	66,487	22,165
Changes of assumptions	-	-	(29,548)	31,159	-
Benefit payments, including refunds of member contributions	(50,057)	(41,739)	(43,996)	(47,463)	(57,100)
Net change in total pension liability	14,293	43,044	69,168	150,903	83,865
Total pension liability - beginning	778,518	792,811	835,855	905,023	1,055,926
TOTAL PENSION LIABILITY - ENDING	\$ 792,811	\$ 835,855	\$ 905,023	\$ 1,055,926	\$ 1,139,791
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 25,966	\$ 21,802	\$ 23,780	\$ 28,948	\$ 26,166
Contributions - member	14,885	14,344	26,985	17,747	19,958
Net investment income	4,056	53,747	152,549	(59,901)	183,990
Benefit payments, including refunds of member contributions	(50,057)	(41,739)	(43,996)	(47,463)	(57,100)
Other	(36,043)	1,814	(15,100)	28,902	(2,230)
Net change in plan fiduciary net position	(41,193)	49,968	144,218	(31,767)	170,784
Plan fiduciary net position - beginning	815,835	774,642	824,610	968,828	937,061
PLAN FIDUCIARY NET POSITION - ENDING	\$ 774,642	\$ 824,610	\$ 968,828	\$ 937,061	\$ 1,107,845
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 18,169	\$ 11,245	\$ (63,805)	\$ 118,865	\$ 31,946
Plan fiduciary net position as a percentage of the total pension liability	97.71%	98.65%	107.05%	88.74%	97.20%
Covered payroll	\$ 330,777	\$ 318,750	\$ 324,864	\$ 394,380	\$ 443,496
Employer's net pension liability (asset) as a percentage of covered payroll	5.49%	3.53%	(19.64%)	30.14%	7.20%

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 Five Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 23,355	\$ 22,630	\$ 23,996	\$ 29,216	\$ 30,479
Contributions in relation to the actuarially determined contribution	23,355	22,630	23,996	29,216	30,479
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 309,771	\$ 323,791	\$ 328,270	\$ 495,186	\$ 475,201
Contributions as a percentage of covered payroll	7.54%	6.99%	7.31%	5.90%	6.41%

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 24 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 3.35% to 14.25% compounded annually and wage growth of 3.25% 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 Seven Levy Years

	Tax Year 2019		Tax Year 2018		Tax Year 2017		Tax Year 2016		Tax Year 2015		Tax Year 2014		Tax Year 2013	
ASSESSED VALUATIONS	\$	27,531,193	\$	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	Rate	Amount
Village	0.4357	\$ 119,953	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	0.1057	29,100	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	0.0452	12,444	0.0121	3,245	0.0620	16,284	-	-	-	-	0.0043	1,127	0.0244	6,654
IMRF	0.0598	16,464	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	0.0698	19,217	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	0.0210	5,782	0.0211	5,659	0.0082	2,154	-	-	-	-	-	-	-	-
Workers' compensation	0.0293	8,067	0.0101	2,709	0.0040	1,051	-	-	-	-	-	-	-	-
Unemployment insurance	0.0025	688	-	-	-	-	-	-	-	-	-	-	-	-
	0.7690	\$ 211,715	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.)