



**VILLAGE OF PECATONICA, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2021



SIKICH.COM

**VILLAGE OF PECATONICA, ILLINOIS**  
**TABLE OF CONTENTS**

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	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT .....	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis .....	3
Statement of Activities - Modified Cash Basis .....	4-5
Fund Financial Statements	
Governmental Funds	
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis.....	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position - Modified Cash Basis.....	7
Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Modified Cash Basis.....	8
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.....	9
Proprietary Fund	
Statement of Net Position - Modified Cash Basis .....	10
Statement of Revenues Collected, Expenses Paid and Changes in Net Position - Modified Cash Basis.....	11
Statement of Cash Flows - Modified Cash Basis .....	12
Notes to Financial Statements .....	13-32

**VILLAGE OF PECATONICA, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

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	<u>Page(s)</u>
<b>COMBINING AND INDIVIDUAL FUND</b>	
<b>FINANCIAL STATEMENTS AND SCHEDULES</b>	
 <b>MAJOR GOVERNMENTAL FUNDS</b>	
Schedule of Revenues Collected, Expenditures Paid and Changes in Fund Balance - Modified Cash Basis - Budget and Actual	
General Fund .....	33-35
Motor Fuel Tax Fund.....	36
Street, Road and Bridge Fund .....	37
 <b>NONMAJOR GOVERNMENTAL FUNDS</b>	
Combining Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds .....	
	38
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds .....	
	39
Schedule of Revenues Collected, Expenditures Paid and Changes in Fund Balance - Modified Cash Basis - Budget and Actual	
Illinois Municipal Retirement Fund .....	40
Social Security Fund.....	41
Police Confiscatory Fund .....	42
Police Capital Fund .....	43
Economic Development Fund .....	44
Public Works Fund .....	45
Land Development Fund .....	46
Business District Fund.....	47
 <b>ENTERPRISE FUND</b>	
Schedules of Operating Expenditures Paid - Modified Cash Basis- Budget and Actual	
Water Fund .....	48
Sewer Fund.....	49
Notes to Supplementary Information .....	50
 <b>SUPPLEMENTAL DATA (Unaudited)</b>	
 Illinois Municipal Retirement Fund	
Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios.....	
	51-52
Schedule of Employer Contributions .....	
	53
 Schedule of Tax Data.....	
	54-55

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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, 2021 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2021 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 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 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 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.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a reported dated September 3, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
September 3, 2021

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF PECATONICA, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2021

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,542,122	\$ 766,245	\$ 3,308,367
Restricted cash and cash equivalents	-	192,641	192,641
Grant receivable	-	1,945,724	1,945,724
Capital assets not being depreciated	288,119	2,744,379	3,032,498
Capital assets being depreciated (net of accumulated depreciation)	726,441	9,361,011	10,087,452
Total assets	<u>3,556,682</u>	<u>15,010,000</u>	<u>18,566,682</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	-	9,557	9,557
Total deferred outflows of resources	<u>-</u>	<u>9,557</u>	<u>9,557</u>
Total assets and deferred outflows of resources	<u>3,556,682</u>	<u>15,019,557</u>	<u>18,576,239</u>
<b>LIABILITIES</b>			
Accounts payable	-	1,695,724	1,695,724
Retainage payable	-	223,144	223,144
Meter deposits	-	55,103	55,103
Noncurrent liabilities			
Due within one year	24,662	338,530	363,192
Due in more than one year	2,127,736	4,398,693	6,526,429
Total liabilities	<u>2,152,398</u>	<u>6,711,194</u>	<u>8,863,592</u>
<b>NET POSITION</b>			
Net investment in capital assets	521,122	7,377,724	7,898,846
Restricted			
Police protection	2,147	-	2,147
IMRF	25,522	-	25,522
Social Security	16,263	-	16,263
Streets	207,942	-	207,942
Debt service	-	192,641	192,641
Unrestricted	631,288	737,998	1,369,286
<b>TOTAL NET POSITION</b>	<u>\$ 1,404,284</u>	<u>\$ 8,308,363</u>	<u>\$ 9,712,647</u>

See accompanying notes to financial statements.

**VILLAGE OF PECATONICA, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 387,543	\$ 195,073	\$ -	\$ -
Streets	725,155	10,650	-	-
Public safety	329,774	19,225	90,465	-
Public works	17,876	-	77,869	72,330
Economic development	116,504	-	-	-
Interest and fiscal charges	67,036	-	-	-
Total governmental activities	1,643,888	224,948	168,334	72,330
Business-Type Activities				
Water	408,556	500,925	-	-
Sewer	582,903	671,606	-	-
Total business-type activities	991,459	1,172,531	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 2,635,347</b>	<b>\$ 1,397,479</b>	<b>\$ 168,334</b>	<b>\$ 72,330</b>



	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (192,470)	\$ -	\$ (192,470)
	(714,505)	-	(714,505)
	(220,084)	-	(220,084)
	132,323	-	132,323
	(116,504)	-	(116,504)
	(67,036)	-	(67,036)
	<u>(1,178,276)</u>	-	<u>(1,178,276)</u>
	-	92,369	92,369
	-	88,703	88,703
	-	181,072	181,072
	<u>(1,178,276)</u>	<u>181,072</u>	<u>(997,204)</u>
General Revenues			
Taxes			
Property	226,264	-	226,264
Replacement	8,703	-	8,703
Sales	157,730	-	157,730
Utility taxes	119,424	-	119,424
Other taxes	155,939	-	155,939
Income taxes	251,629	-	251,629
Investment income	7,442	8,782	16,224
Miscellaneous	12,526	1,192	13,718
Insurance recoveries	41,302	297,632	338,934
Transfers in (out)	(33,426)	33,426	-
Total	<u>947,533</u>	<u>341,032</u>	<u>1,288,565</u>
CHANGE IN NET POSITION	(230,743)	522,104	291,361
NET POSITION, MAY 1	<u>1,635,027</u>	<u>7,786,259</u>	<u>9,421,286</u>
<b>NET POSITION, APRIL 30</b>	<u>\$ 1,404,284</u>	<u>\$ 8,308,363</u>	<u>\$ 9,712,647</u>

See accompanying notes to financial statements.

VILLAGE OF PECAONICA, ILLINOIS

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

April 30, 2021

	General	MFT	Street, Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 426,550	\$ 207,942	\$ 1,658,960	\$ 248,670	\$ 2,542,122
Advance to other funds	143,792	-	-	-	143,792
Due from other funds	22,777	-	-	-	22,777
<b>TOTAL ASSETS</b>	<b>\$ 593,119</b>	<b>\$ 207,942</b>	<b>\$ 1,658,960</b>	<b>\$ 248,670</b>	<b>\$ 2,708,691</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Advance from other funds	\$ -	\$ -	\$ -	\$ 143,792	\$ 143,792
Due to other funds	-	-	-	22,777	22,777
Total liabilities	-	-	-	166,569	166,569
<b>FUND BALANCES</b>					
Nonspendable	143,792	-	-	-	143,792
Restricted	-	-	-	-	-
Police protection	-	-	-	2,147	2,147
IMRF	-	-	-	25,522	25,522
Social Security	-	-	-	16,263	16,263
Streets	-	207,942	1,658,960	-	1,866,902
Assigned	-	-	-	-	-
Capital outlay	-	-	-	204,738	204,738
Unrestricted	-	-	-	-	-
Unassigned (deficit)	449,327	-	-	(166,569)	282,758
Total fund balances	593,119	207,942	1,658,960	82,101	2,542,122
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 593,119</b>	<b>\$ 207,942</b>	<b>\$ 1,658,960</b>	<b>\$ 248,670</b>	<b>\$ 2,708,691</b>

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, 2021

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 2,542,122
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	1,014,560
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(1,900,000)
Loan payable	<u>(252,398)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 1,404,284</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, 2021

	General	MFT	Street, Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES COLLECTED</b>					
Taxes	\$ 581,769	\$ -	\$ 27,365	\$ 58,925	\$ 668,059
Licenses and permits	24,995	-	-	-	24,995
Fines and fees	27,871	-	-	-	27,871
Intergovernmental	342,095	150,199	-	-	492,294
Charges for services	172,082	-	-	-	172,082
Investment income	492	194	6,420	336	7,442
Miscellaneous	4,916	-	-	7,610	12,526
Total revenues collected	1,154,220	150,393	33,785	66,871	1,405,269
<b>EXPENDITURES PAID</b>					
Current					
General government	341,661	-	-	7,793	349,454
Streets	175,709	97,248	198,080	7,793	478,830
Public safety	297,294	-	-	16,016	313,310
Public works	-	-	-	17,876	17,876
Economic development	-	-	-	111,963	111,963
Capital outlay	45,113	-	192,276	5,575	242,964
Debt service					
Principal	-	-	-	23,670	23,670
Interest	-	-	57,000	10,036	67,036
Total expenditures paid	859,777	97,248	447,356	200,722	1,605,103
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	294,443	53,145	(413,571)	(133,851)	(199,834)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	189,386	104,937	294,323
Transfers (out)	(207,749)	-	(60,000)	(60,000)	(327,749)
Insurance recoveries	41,302	-	-	-	41,302
Bonds issued	-	-	1,900,000	-	1,900,000
Proceeds from sale of assets	500	-	-	-	500
Total other financing sources (uses)	(165,947)	-	2,029,386	44,937	1,908,376
NET CHANGE IN FUND BALANCES	128,496	53,145	1,615,815	(88,914)	1,708,542
FUND BALANCES, MAY 1	464,623	154,797	43,145	171,015	833,580
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 593,119</b>	<b>\$ 207,942</b>	<b>\$ 1,658,960</b>	<b>\$ 82,101</b>	<b>\$ 2,542,122</b>

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, 2021

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<b>NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 1,708,542</b>
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	35,539
Proceeds from the disposal of capital assets recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(22,373)
Depreciation expense on capital assets is reported as an expense in the statement of activities	(76,121)
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	(1,900,000)
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>23,670</u>
<b>CHANGE IN NET POSITION OF THE GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ (230,743)</u></u></b>

See accompanying notes to financial statements.

**VILLAGE OF PECATONICA, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUND

April 30, 2021

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 317,850	\$ 448,395	\$ 766,245
Restricted cash	192,641	-	192,641
Grant receivable	1,945,724	-	1,945,724
<b>Total current assets</b>	<b>2,456,215</b>	<b>448,395</b>	<b>2,904,610</b>
<b>NONCURRENT ASSETS</b>			
Capital assets not being depreciated	2,506,294	238,085	2,744,379
Capital assets being depreciated	2,913,151	10,463,463	13,376,614
Less accumulated depreciation	(1,286,350)	(2,729,253)	(4,015,603)
<b>Total noncurrent assets</b>	<b>4,133,095</b>	<b>7,972,295</b>	<b>12,105,390</b>
<b>Total assets</b>	<b>6,589,310</b>	<b>8,420,690</b>	<b>15,010,000</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	9,557	-	9,557
<b>Total deferred outflows of resources</b>	<b>9,557</b>	<b>-</b>	<b>9,557</b>
<b>Total assets and deferred outflows of resources</b>	<b>6,598,867</b>	<b>8,420,690</b>	<b>15,019,557</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	1,695,724	-	1,695,724
Retainage payable	223,144	-	223,144
Meter deposits	55,103	-	55,103
Current portion of long-term debt	85,000	253,530	338,530
<b>Total current liabilities</b>	<b>2,058,971</b>	<b>253,530</b>	<b>2,312,501</b>
<b>NONCURRENT LIABILITIES</b>			
Long-term debt, net of current portion	2,243,715	2,154,978	4,398,693
<b>Total liabilities</b>	<b>4,302,686</b>	<b>2,408,508</b>	<b>6,711,194</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,813,937	5,563,787	7,377,724
Restricted for debt service	192,641	-	192,641
Unrestricted	289,603	448,395	737,998
<b>TOTAL NET POSITION</b>	<b>\$ 2,296,181</b>	<b>\$ 6,012,182</b>	<b>\$ 8,308,363</b>

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, 2021

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>OPERATING REVENUES COLLECTED</b>			
Water and sewer service	\$ 500,925	\$ 671,606	\$ 1,172,531
Total operating revenues collected	500,925	671,606	1,172,531
<b>OPERATING EXPENSES PAID</b>			
Water department	266,634	-	266,634
Sewer department	-	312,545	312,545
Depreciation	104,288	270,358	374,646
Total operating expenses paid	370,922	582,903	953,825
OPERATING INCOME	130,003	88,703	218,706
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	5,823	2,959	8,782
Miscellaneous revenue	192	1,000	1,192
Interest expense	(14,408)	-	(14,408)
Insurance recoveries	92,544	205,088	297,632
Loss from disposal of capital assets	(23,226)	-	(23,226)
Total non-operating revenues (expenses)	60,925	209,047	269,972
INCOME BEFORE TRANSFERS	190,928	297,750	488,678
<b>TRANSFERS</b>			
Transfer in	16,551	16,875	33,426
Total transfers	16,551	16,875	33,426
CHANGE IN NET POSITION	207,479	314,625	522,104
NET POSITION, MAY 1	2,088,702	5,697,557	7,786,259
<b>NET POSITION, APRIL 30</b>	<b>\$ 2,296,181</b>	<b>\$ 6,012,182</b>	<b>\$ 8,308,363</b>

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, 2021

	Water	Sewer	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 496,050	\$ 671,606	\$ 1,167,656
Receipts from miscellaneous income	192	1,000	1,192
Receipts from insurance recoveries	92,544	205,088	297,632
Payments to personnel	(111,398)	(103,148)	(214,546)
Payments to suppliers	(155,236)	(209,397)	(364,633)
Net cash from operating activities	322,152	565,149	887,301
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advance to other fund	-	93,083	93,083
Transfers in	16,551	16,875	33,426
Net cash from noncapital financing activities	16,551	109,958	126,509
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(306,826)	(764,459)	(1,071,285)
Principal payments on long-term debt	(80,000)	(253,530)	(333,530)
Interest paid on long-term debt	(15,900)	-	(15,900)
Net cash from capital and related financing activities	(402,726)	(1,017,989)	(1,420,715)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	5,823	2,959	8,782
Net cash from investing activities	5,823	2,959	8,782
NET DECREASE IN CASH AND CASH EQUIVALENTS	(58,200)	(339,923)	(398,123)
CASH AND CASH EQUIVALENTS, MAY 1	568,691	788,318	1,357,009
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 510,491</b>	<b>\$ 448,395</b>	<b>\$ 958,886</b>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>			
Cash and cash equivalents	\$ 317,850	\$ 448,395	\$ 766,245
Restricted cash	192,641	-	192,641
<b>TOTAL CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 510,491</b>	<b>\$ 448,395</b>	<b>\$ 958,886</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 130,003	\$ 88,703	\$ 218,706
Miscellaneous income	192	1,000	1,192
Insurance recoveries	92,544	205,088	297,632
Adjustments to reconcile net operating income to net cash from operating activities			
Meter deposits	(4,875)	-	(4,875)
Depreciation expense	104,288	270,358	374,646
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 322,152</b>	<b>\$ 565,149</b>	<b>\$ 887,301</b>
<b>NONCASH TRANSACTIONS</b>			
Grant receivable	\$ 1,945,724	-	\$ 1,945,724
IEPA loan payable	(1,945,724)	-	(1,945,724)
Capital asset additions in accounts payable and retainage	1,918,868	-	1,918,868
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 1,918,868</b>	<b>\$ -</b>	<b>\$ 1,918,868</b>

See accompanying notes to financial statements.



# VILLAGE OF PECATONICA, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2021

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### 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)

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**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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Motor Fuel Tax Fund is used to account for the operations of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of gasoline taxes.

The Street, Road and Bridge Fund is used to account Village's general infrastructure improvements including street (re)construction, road (re)construction and bridge (re)construction.

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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.

For purposes of the statement of cash flows, proprietary funds consider cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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:

Assets	Years
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.

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

k. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Village has delayed the implementation of GASB Statement No. 87, *Leases*, to April 30, 2023.

**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, 2021.

**2. CASH AND INVESTMENTS (Continued)**

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, 2021.

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.

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.

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

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**2. CASH AND INVESTMENTS (Continued)**

b. Investments (Continued)

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 2016 bond and interest sinking fund	<u>\$ 192,641</u>
<b>TOTAL RESTRICTED</b>	<u><u>\$ 192,641</u></u>



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

**4. CAPITAL ASSETS**

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

	Balances May 1	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
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	18,367	32,250	371,796
Equipment and vehicles	667,875	17,172	-	685,047
Total capital assets being depreciated	1,546,077	35,539	32,250	1,549,366
Less accumulated depreciation for				
Infrastructure	248,425	11,390	-	259,815
Building and improvements	129,620	8,589	9,877	128,332
Equipment and vehicles	378,636	56,142	-	434,778
Total accumulated depreciation	756,681	76,121	9,877	822,925
Capital assets being depreciated, net	789,396	(40,582)	22,373	726,441
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<b>\$ 1,077,515</b>	<b>\$ (40,582)</b>	<b>\$ 22,373</b>	<b>\$ 1,014,560</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 17,993	\$ -	\$ -	\$ 17,993
Construction in progress	695,850	2,127,418	96,882	2,726,386
Total capital assets not being depreciated	713,843	2,127,418	96,882	2,744,379
Capital assets being depreciated				
Infrastructure	2,075,821	849,758	-	2,925,579
Buildings and improvements	9,496,905	66,046	33,580	9,529,371
Equipment and vehicles	877,851	43,813	-	921,664
Total capital assets being depreciated	12,450,577	959,617	33,580	13,376,614
Less accumulated depreciation for				
Infrastructure	888,614	61,147	-	949,761
Buildings and improvements	2,564,298	246,631	10,354	2,800,575
Equipment and vehicles	198,399	66,868	-	265,267
Total accumulated depreciation	3,651,311	374,646	10,354	4,015,603
Capital assets being depreciated, net	8,799,266	584,971	23,226	9,361,011
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<b>\$ 9,513,109</b>	<b>\$ 2,712,389</b>	<b>\$ 120,108</b>	<b>\$ 12,105,390</b>

**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	54,049
Public safety	<u>15,430</u>

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

\$ 76,121

**5. LONG-TERM DEBT**

Long-term debt activity for the year ended April 30, 2021 for governmental activities was as follows:

	Balances May 1	Additions	Reductions	Balances April 30	Due in One Year
Loan payable (direct placement) General Obligation Bonds (Alternate Revenue Source), Series 2021A	\$ 276,068	\$ -	\$ 23,670	\$ 252,398	\$ 24,662
	<u>-</u>	<u>1,900,000</u>	<u>-</u>	<u>1,900,000</u>	<u>-</u>
<b>TOTAL LONG-TERM DEBT</b>	<u>\$ 276,068</u>	<u>\$ 1,900,000</u>	<u>\$ 23,670</u>	<u>\$ 2,152,398</u>	<u>\$ 24,662</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.

On March 1, 2021, the Village issued \$1,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2021A. Interest is payable semiannually on June 1 and December 1 at rates of 0.80% to 3.40%. Principal is payable annually on December 1, beginning December 1, 2022 through December 1, 2051. The bonds are being repaid by the Street, Road and Bridge Fund. The bonds were issued to provide resources to pay the costs of infrastructure improvements within the Village.

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

**5. LONG-TERM DEBT (Continued)**

Long-term debt activity for the year ended April 30, 2021 for business-type activities and the Enterprise Fund was as follows:

	Balances May 1	Additions	Reductions	Balances April 30	Due in One Year
IEPA - L170933	\$ 2,662,038	\$ -	\$ 253,530	\$ 2,408,508	\$ 253,530
IEPA - L175087*	-	1,945,724	-	1,945,724	-
General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	440,000	-	80,000	360,000	85,000
Unamortized bond premium	25,545	-	2,554	22,991	-
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 3,127,583</b>	<b>\$ 1,945,724</b>	<b>\$ 336,084</b>	<b>\$ 4,737,223</b>	<b>\$ 338,530</b>

\*The IEPA - L175087 loan was not fully disbursed at April 30, 2021 and, therefore, a debt service to maturity schedule is not available at the time of report issuance.

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.

On December 10, 2020, the Village entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Pollution Control Loan Program for drinking water project. The note bears interest at 1.01%. The term of the loan is for 30 years with semiannual repayments on January 1 and July 1.

**VILLAGE OF PECAATONICA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of April 30, 2021 are as follows:

Year Ending April 30,	IEPA - L170933		General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016		
	Principal	Total	Principal	Interest	Total
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	253,530	253,530	-	-	-
2027-2031	1,140,858	1,140,858	-	-	-
<b>TOTAL</b>	<b>\$ 2,408,508</b>	<b>\$ 2,408,508</b>	<b>\$ 360,000</b>	<b>\$ 32,025</b>	<b>\$ 392,025</b>

Year Ending April 30,	Loan Payable (Direct Placement)		General Obligation Bonds (Alternate Revenue Source), Series 2021A		
	Principal	Interest	Principal	Interest	Total
2022	\$ 24,662	\$ 9,044	\$ -	\$ 35,298	\$ 35,298
2023	25,603	8,103	47,500	47,064	94,564
2024	26,580	7,126	47,900	46,637	94,537
2025	27,594	6,112	48,400	46,158	94,558
2026	28,647	5,059	48,900	45,625	94,525
2027-2031	119,312	8,899	254,700	218,157	472,857
2032-2036	-	-	277,800	195,022	472,822
2037-2041	-	-	311,200	161,516	472,716
2042-2046	-	-	356,700	116,029	472,729
2047-2051	-	-	415,500	57,366	472,866
2052-2056	-	-	91,400	3,106	94,506
<b>TOTAL</b>	<b>\$ 252,398</b>	<b>\$ 44,343</b>	<b>\$ 1,900,000</b>	<b>\$ 971,978</b>	<b>\$ 2,871,978</b>

The amount of pledge remaining as of April 30, 2021 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	\$ 392,025	2/1/2025	\$ 1,172,531	\$ 95,400
General Obligation Bonds (Alternate Revenue Source), Series 2021A	Sales Taxes	2,871,978	12/1/2051	155,939	-

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

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**5. LONG-TERM DEBT (Continued)**

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$29,352,108. As of April 30, 2021, the Village had \$2,531,619 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, 2021:

	Transfers Out	Transfers In
General Fund	\$ 207,749	\$ -
Water Fund	-	16,551
Sewer Fund	-	16,875
Street, Road, and Bridge Fund	60,000	189,386
Nonmajor Governmental Funds	60,000	104,937
<b>TOTAL</b>	<b>\$ 327,749</b>	<b>\$ 327,749</b>

The purposes of the significant interfund transfers are as follows:

- \$129,386 from the General Fund was transferred to the Street, Road and Bridge Fund for additional road work projects. This transfer will not be repaid.
- \$60,000 from the Nonmajor Governmental Funds (Public Works Capital Project Fund) was transferred to the Street, Road and Bridge for additional road work projects. This transfer will not be repaid.
- \$60,000 from the Street, Road and Bridge Fund was transferred to the Nonmajor Governmental Funds (Economic Development Fund) to fund a street light project. This transfer will not be repaid.

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

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**7. INTERFUND ACTIVITY (Continued)**

Advance due from/to other funds at April 30, 2021 consist of the following:

	Advance From	Advance To
General Fund	\$ 143,792	\$ -
Nonmajor Governmental Fund	-	143,792
<b>TOTAL</b>	<b>\$ 143,792</b>	<b>\$ 143,792</b>

The purposes of the interfund balances are as follows:

- \$143,792 advance from the General Fund to the Land Development Fund until the property is developed. The advance will be repaid over ten years.

Due from/to other funds at April 30, 2021 consist of the following:

	Due From	Due To
General Fund	\$ 22,777	\$ -
Nonmajor Governmental Fund	-	22,777
<b>TOTAL</b>	<b>\$ 22,777</b>	<b>\$ 22,777</b>

The purposes of the interfund balances are as follows:

- \$22,777 due from the General Fund to the Business District Fund until the property is developed. The due from will be repaid in one year.

The following funds had deficit fund balances at April 30, 2021:

Land Development Fund	\$ 143,792
Business District Fund	22,777

**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 statues, 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, 2021.

**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](http://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)

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**9. RETIREMENT PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Plan Membership*

At December 31, 2020 (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	10
Active employees	<u>9</u>
 TOTAL	 <u><u>26</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 2021 was 7.36% of covered payroll.



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

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**9. RETIREMENT PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2020 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, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

*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.

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

**9. RETIREMENT PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*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, 2020	\$ 1,139,791	\$ 1,107,845	\$ 31,946
Changes for the period			
Service cost	48,080	-	48,080
Interest	82,434	-	82,434
Difference between expected and actual experience	28,173	-	28,173
Changes in assumptions	(12,681)	-	(12,681)
Employer contributions	-	35,495	(35,495)
Employee contributions	-	21,702	(21,702)
Net investment income	-	162,621	(162,621)
Benefit payments and refunds	(53,614)	(53,614)	-
Other (net transfer)	-	6,444	(6,444)
Net changes	92,392	172,648	(80,256)
BALANCES AT DECEMBER 31, 2020	\$ 1,232,183	\$ 1,280,493	\$ (48,310)

There were changes in assumptions related to inflation rates, salary increases, retirement age and mortality rates in 2020.

The funded status of the plan as of the most recent measurement date is 103.92%.

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

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**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, 2021, the Village incurred pension expenditures paid of \$36,554.

At April 30, 2021, 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	\$ 28,584	\$ -
Assumption changes	-	9,143
Net difference between projected and actual earnings on pension plan investments	-	100,229
Contributions subsequent to the measurement date	13,368	-
<b>TOTAL</b>	<b>\$ 41,952</b>	<b>\$ 109,372</b>

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:

\$13,368 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

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

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**9. RETIREMENT PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

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

Year Ending April 30,	
2022	\$ (19,905)
2023	(7,326)
2024	(37,170)
2025	(16,387)
2026	-
Thereafter	-
<b>TOTAL</b>	<b><u>\$ (80,788)</u></b>

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)	\$ 115,615	\$ (48,310)	\$ (175,345)

**10. SUBSEQUENT EVENT**

The Village issued \$1,600,000 General Obligation Bonds (Alternative Revenue Source), Series 2021B, dated June 1, 2021. The bonds were issued to finance infrastructure improvements within the Village and will be payable from taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailer's Occupation Tax Act. Principal is payable December 1 through 2051 with interest payable each June 1 and December 1 and rates ranging from 0.80% to 3.40%.

**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  
GENERAL FUND

For the Year Ended April 30, 2021

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>REVENUES COLLECTED</b>					
Taxes					
Property		\$ 151,891	\$ 163,891	\$ 163,285	\$ (606)
Sales tax		138,110	138,110	157,730	19,620
State replacement tax		8,138	8,138	8,703	565
Telecommunication tax		37,529	37,529	32,696	(4,833)
State use tax		75,776	75,776	98,137	22,361
Utility		109,696	109,696	119,424	9,728
Cannabis use tax		1,800	1,800	1,794	(6)
Total taxes		522,940	534,940	581,769	46,829
License and permits		21,730	21,730	24,995	3,265
Fines and fees					
Franchise fees		19,077	19,077	19,287	210
Police fines and fees		8,934	8,934	8,584	(350)
Total fines and fees		28,011	28,011	27,871	(140)
Intergovernmental					
State income tax		229,875	229,875	251,629	21,754
Other grants		-	90,466	90,466	-
Total intergovernmental		229,875	320,341	342,095	21,754
Charges for services					
Garbage collection fees		176,922	176,922	150,782	(26,140)
Rental income		19,382	19,382	21,300	1,918
Total charges for services		196,304	196,304	172,082	(24,222)
Investment income		5,600	5,600	492	(5,108)
Other revenue					
Miscellaneous		8,213	8,213	4,916	(3,297)
Total other revenue		8,213	8,213	4,916	(3,297)
Total revenues collected		1,012,673	1,115,139	1,154,220	39,081
<b>EXPENDITURES PAID</b>					
Current					
General government					
Personnel		51,510	53,311	54,642	1,331
Unemployment		20	20	36	16
General insurance		4,946	4,946	4,995	49
Health insurance		9,070	9,070	11,552	2,482
Building repairs and maintenance		2,100	6,600	6,372	(228)
Equipment repairs and maintenance		1,000	1,000	926	(74)
Professional services		46,000	46,000	27,970	(18,030)
Other professional services		18,700	23,508	30,334	6,826
Postage		750	750	195	(555)

(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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>EXPENDITURES PAID (Continued)</b>				
Current (Continued)				
General government (Continued)				
Phone and pagers	\$ 2,000	\$ 2,000	\$ 3,144	\$ 1,144
Publishing/printed material	2,600	2,600	6,442	3,842
Community relations	17,000	17,000	16,243	(757)
Training	13,000	12,000	2,371	(9,629)
Dues	1,750	1,750	2,329	579
Utilities	1,850	1,850	1,054	(796)
Capital outlay	1,500	31,604	33,915	2,311
Technology and new equipment	12,000	12,000	9,022	(2,978)
Office supplies	4,500	5,302	5,399	97
Miscellaneous	12,000	12,000	10,444	(1,556)
Garbage pickup service	151,020	151,020	147,967	(3,053)
Bank fees	750	750	224	(526)
	<hr/>			
Total general government	354,066	395,081	375,576	(19,505)
	<hr/>			
Streets				
Personnel	117,777	127,019	93,497	(33,522)
Health insurance	17,041	17,041	14,959	(2,082)
Liability insurance	9,363	9,363	11,297	1,934
Building repairs and maintenance	1,000	1,000	198	(802)
Equipment repairs and maintenance	4,000	4,000	1,599	(2,401)
Vehicle maintenance	10,000	10,000	6,655	(3,345)
Street maintenance	-	1,000	482	(518)
Engineering	5,000	5,000	5,400	400
Legal	500	500	-	(500)
Medical services	300	300	80	(220)
Technology services	1,000	1,000	120	(880)
Contracted safety services	2,500	2,500	280	(2,220)
Other professional services	-	5,630	4,250	(1,380)
Capital outlay	-	6,135	5,597	(538)
Phone and pagers	3,500	3,500	4,575	1,075
Training	500	500	119	(381)
Utilities	2,500	2,500	728	(1,772)
Publications	250	250	-	(250)
Dues	250	250	-	(250)
Mosquito control	15,000	15,000	15,450	450
Equipment supplies	2,500	2,500	2,785	285
Vehicle supplies	2,500	2,500	2,776	276
Building supplies	1,500	1,500	681	(819)
Snow supplies	1,000	1,000	-	(1,000)
Grounds supplies	500	500	242	(258)
Office supplies	2,000	2,000	1,534	(466)
Safety clothing/supplies	500	500	248	(252)
Janitorial	-	-	-	-
Fuel	5,500	5,500	7,574	2,074
Rental/lease	1,000	1,000	180	(820)
	<hr/>			
Total streets	207,481	229,488	181,306	(48,182)
	<hr/>			

(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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>EXPENDITURES PAID (Continued)</b>				
Current (Continued)				
Public safety				
Personnel	\$ 203,413	\$ 212,481	\$ 192,196	\$ (20,285)
Liability/workers' compensation insurance	8,756	8,756	11,368	2,612
Health insurance	22,551	22,551	24,835	2,284
General insurance	13,116	13,116	13,512	396
Uniform allowance	2,700	2,700	2,616	(84)
Equipment repairs and maintenance	2,000	2,000	436	(1,564)
Vehicle and repairs	3,500	3,500	1,366	(2,134)
Building repairs and maintenance	3,200	3,200	1,084	(2,116)
Legal	5,500	5,500	2,015	(3,485)
Other professional services	33,250	33,250	29,917	(3,333)
Postage	400	400	377	(23)
Phone and pagers	6,500	6,500	6,624	124
Dues	600	600	360	(240)
Training	3,150	3,150	1,683	(1,467)
Equipment supplies	200	200	762	562
Office supplies	2,800	2,800	1,714	(1,086)
Fuel	10,000	10,000	6,019	(3,981)
Capital outlay	2,400	7,204	5,601	(1,603)
Utilities	300	300	410	110
Total public safety	324,336	338,208	302,895	(35,313)
Total expenditures paid	<u>\$ 1,791,516</u>	<u>885,883</u>	<u>962,777</u>	<u>(103,000)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	126,790	152,362	294,443	142,081
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(147,000)	(207,748)	(207,749)	(1)
Insurance recoveries	206	22,727	41,302	18,575
Proceeds from sale of assets	2,000	2,000	500	(1,500)
Total other financing sources (uses)	<u>\$ -</u>	<u>(144,794)</u>	<u>(165,947)</u>	<u>17,074</u>
NET CHANGE IN FUND BALANCE	<u>\$ (18,004)</u>	<u>\$ (30,659)</u>	128,496	<u>\$ 159,155</u>
FUND BALANCE, MAY 1			464,623	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 593,119</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  
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2021

	<b>Final Appropriation</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES COLLECTED</b>					
Motor fuel tax allotments		\$ 146,038	\$ 73,708	\$ 77,869	\$ 4,161
Rebuild Illinois		-	72,330	72,330	-
Investment income		199	199	194	(5)
		<hr/>	<hr/>	<hr/>	<hr/>
Total revenues collected		146,237	146,237	150,393	4,156
		<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES PAID</b>					
Current					
Streets					
Tree service		10,000	10,000	3,595	(6,405)
Street lighting		30,000	45,000	27,362	(17,638)
Snow and ice removal		30,000	30,000	28,136	(1,864)
Street maintenance		20,000	77,330	38,155	(39,175)
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures paid	\$ 115,000	90,000	162,330	97,248	(65,082)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE		\$ 56,237	\$ (16,093)	53,145	\$ 69,238
		<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, MAY 1				154,797	
				<hr/>	
<b>FUND BALANCE, APRIL 30</b>				\$ 207,942	
				<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  
STREET, ROAD AND BRIDGE FUND

For the Year Ended April 30, 2021

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES COLLECTED</b>					
Property taxes		\$ 27,414	\$ 27,414	\$ 27,365	\$ (49)
Investment income		101	101	6,420	6,319
Total revenues collected		<u>27,515</u>	<u>27,515</u>	<u>33,785</u>	<u>6,270</u>
<b>EXPENDITURES PAID</b>					
Current					
Streets					
Salaries		-	10,000	8,353	(1,647)
Engineering		17,500	190,000	171,188	(18,812)
Maintenance		-	-	18,539	18,539
Capital outlay		1,980,000	1,740,500	192,276	(1,548,224)
Debt service					
Interest		-	57,000	57,000	-
Total expenditures paid	<u>\$ 2,147,500</u>	<u>1,997,500</u>	<u>1,997,500</u>	<u>447,356</u>	<u>(1,550,144)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>(1,969,985)</u>	<u>(1,969,985)</u>	<u>(413,571)</u>	<u>1,556,414</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued		1,750,000	1,750,000	1,900,000	150,000
Transfers in		177,000	189,386	189,386	-
Transfers (out)		-	(60,000)	(60,000)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>1,927,000</u>	<u>1,879,386</u>	<u>2,029,386</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE		<u>\$ (42,985)</u>	<u>\$ (90,599)</u>	<u>1,615,815</u>	<u>\$ 1,706,414</u>
FUND BALANCE, MAY 1				<u>43,145</u>	
FUND BALANCE, APRIL 30				<u>\$ 1,658,960</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, 2021

	Special Revenue			Capital Projects				Business District	Total Nonmajor Governmental Funds
	IMRF Retirement	Social Security	Police Confiscatory	Police Capital	Economic Development	Public Works	Land Development		
<b>ASSETS</b>									
Cash and investments	\$ 25,522	\$ 16,263	\$ 2,147	\$ 49,675	\$ 23,965	\$ 131,098	\$ -	\$ -	\$ 248,670
<b>TOTAL ASSETS</b>	<b>\$ 25,522</b>	<b>\$ 16,263</b>	<b>\$ 2,147</b>	<b>\$ 49,675</b>	<b>\$ 23,965</b>	<b>\$ 131,098</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,670</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Advance to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,792	\$ -	\$ 143,792
Due to other funds	-	-	-	-	-	-	-	22,777	22,777
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,792</b>	<b>\$ 22,777</b>	<b>\$ 166,569</b>
<b>FUND BALANCES</b>									
Restricted									
Police protection	\$ -	\$ -	\$ 2,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,147
IMRF	25,522	-	-	-	-	-	-	-	25,522
Social Security	-	16,263	-	-	-	-	-	-	16,263
Unrestricted									
Assigned									
Capital outlay	-	-	-	49,675	23,965	131,098	-	-	204,738
Unassigned (deficit)	-	-	-	-	-	-	(143,792)	(22,777)	(166,569)
Total fund balances (deficit)	25,522	16,263	2,147	49,675	23,965	131,098	(143,792)	(22,777)	82,101
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 25,522</b>	<b>\$ 16,263</b>	<b>\$ 2,147</b>	<b>\$ 49,675</b>	<b>\$ 23,965</b>	<b>\$ 131,098</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,670</b>

(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, 2021

	Special Revenue			Capital Projects				Business District	Total Nonmajor Governmental Funds
	IMRF Retirement	Social Security	Police Confiscatory	Police Capital	Economic Development	Public Works	Land Development		
<b>REVENUES COLLECTED</b>									
Property taxes	\$ 16,433	\$ 19,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,614
Other taxes	-	-	-	-	23,311	-	-	-	23,311
Investment income	44	30	4	68	67	123	-	-	336
Miscellaneous	-	-	2,600	-	2,810	-	2,200	-	7,610
Total revenues collected	16,477	19,211	2,604	68	26,188	123	2,200	-	66,871
<b>EXPENDITURES PAID</b>									
Current									
General government	3,651	4,142	-	-	-	-	-	-	7,793
Streets	3,651	4,142	-	-	-	-	-	-	7,793
Public safety	7,503	8,513	-	-	-	-	-	-	16,016
Public works	8,374	9,502	-	-	-	-	-	-	17,876
Economic development	-	-	-	-	30,181	78	58,927	22,777	111,963
Capital outlay	-	-	1,034	-	-	-	4,541	-	5,575
Debt service									
Principal	-	-	-	-	-	-	23,670	-	23,670
Interest	-	-	-	-	-	-	10,036	-	10,036
Total expenditures paid	23,179	26,299	1,034	-	30,181	78	97,174	22,777	200,722
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(6,702)	(7,088)	1,570	68	(3,993)	45	(94,974)	(22,777)	(133,851)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	1,406	1,531	-	12,000	60,000	30,000	-	-	104,937
Transfers (out)	-	-	-	-	-	(60,000)	-	-	(60,000)
Total other financing sources (uses)	1,406	1,531	-	12,000	60,000	(30,000)	-	-	44,937
NET CHANGE IN FUND BALANCES	(5,296)	(5,557)	1,570	12,068	56,007	(29,955)	(94,974)	(22,777)	(88,914)
FUND BALANCES (DEFICIT), MAY 1	30,818	21,820	577	37,607	(32,042)	161,053	(48,818)	-	171,015
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	\$ 25,522	\$ 16,263	\$ 2,147	\$ 49,675	\$ 23,965	\$ 131,098	\$ (143,792)	\$ (22,777)	\$ 82,101

(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, 2021

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES COLLECTED</b>					
Property taxes		\$ 16,449	\$ 16,449	\$ 16,433	\$ (16)
Investment income		-	-	44	44
Total revenues collected		<u>16,449</u>	<u>16,449</u>	<u>16,477</u>	<u>28</u>
<b>EXPENDITURES PAID</b>					
Current					
General government					
IMRF		3,716	3,938	3,651	(287)
Streets					
IMRF		3,716	3,938	3,651	(287)
Public safety					
IMRF		7,639	8,093	7,503	(590)
Public works					
IMRF		8,525	9,033	8,374	(659)
Total expenditures paid	<u>\$ 26,596</u>	<u>23,596</u>	<u>25,002</u>	<u>23,179</u>	<u>(1,823)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>(7,147)</u>	<u>(8,553)</u>	<u>(6,702)</u>	<u>1,851</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
		-	1,406	1,406	-
Total other financing sources (uses)	<u>\$ -</u>	<u>-</u>	<u>1,406</u>	<u>1,406</u>	<u>-</u>
NET CHANGE IN FUND BALANCE		<u>\$ (7,147)</u>	<u>\$ (7,147)</u>	<u>(5,296)</u>	<u>\$ 1,851</u>
FUND BALANCE, MAY 1				<u>30,818</u>	
FUND BALANCE, APRIL 30				<u>\$ 25,522</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, 2021

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>								
<b>REVENUES COLLECTED</b>													
Property taxes	\$	19,190	\$	19,190	\$	19,181	\$	(9)					
Investment income		74		72		30		(42)					
Total revenues collected		<u>19,264</u>		<u>19,262</u>		<u>19,211</u>		<u>(51)</u>					
<b>EXPENDITURES PAID</b>													
Current													
General government													
Social Security		3,603		3,798		3,357		(441)					
Medicare		843		888		785		(103)					
Total general government		<u>4,446</u>		<u>4,686</u>		<u>4,142</u>		<u>(544)</u>					
Streets													
Social Security		3,603		3,798		3,357		(441)					
Medicare		843		888		785		(103)					
Total streets		<u>4,446</u>		<u>4,686</u>		<u>4,142</u>		<u>(544)</u>					
Public safety													
Social Security		7,405		7,807		6,899		(908)					
Medicare		1,732		1,826		1,614		(212)					
Total public safety		<u>9,137</u>		<u>9,633</u>		<u>8,513</u>		<u>(1,120)</u>					
Public works													
Social Security		8,265		8,713		7,701		(1,012)					
Medicare		1,933		2,038		1,801		(237)					
Total public works		<u>10,198</u>		<u>10,751</u>		<u>9,502</u>		<u>(1,249)</u>					
Total expenditures paid	\$	<u>31,726</u>		<u>28,227</u>		<u>29,756</u>		<u>26,299</u>	(3,457)				
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID								<u>(8,963)</u>	<u>(10,494)</u>		<u>(7,088)</u>		<u>3,406</u>
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers in													
Total other financing sources (uses)	\$	-		-		1,531		1,531		-			
NET CHANGE IN FUND BALANCE	\$	<u>(8,963)</u>	\$	<u>(8,963)</u>		<u>(5,557)</u>	\$	<u>3,406</u>					
FUND BALANCE, MAY 1						<u>21,820</u>							
FUND BALANCE, APRIL 30						<u>\$</u>	<u>16,263</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, 2021

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>REVENUES COLLECTED</b>					
Investment income		\$ 5	\$ 5	\$ 4	\$ (1)
Miscellaneous		-	2,600	2,600	-
Total revenues collected		5	2,605	2,604	(1)
<b>EXPENDITURES PAID</b>					
Capital outlay		-	2,600	1,034	(1,566)
Total expenditures paid	\$ -	-	2,600	1,034	(1,566)
NET CHANGE IN FUND BALANCE		\$ 5	\$ 5	1,570	\$ 1,565
FUND BALANCE, MAY 1				577	
<b>FUND BALANCE, APRIL 30</b>				\$ 2,147	

(See independent auditor's report.)

VILLAGE OF PECA TonICA, 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, 2021

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES COLLECTED</b>					
Property taxes		\$ 11,635	\$ -	\$ -	\$ -
Investment income		195	195	68	(127)
Total revenues collected		<u>11,830</u>	<u>195</u>	<u>68</u>	<u>(127)</u>
<b>EXPENDITURES PAID</b>					
Capital outlay		<u>6,100</u>	<u>6,100</u>	-	(6,100)
Total expenditures paid	<u>\$ 16,100</u>	<u>6,100</u>	<u>6,100</u>	-	(6,100)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>5,730</u>	<u>(5,905)</u>	<u>68</u>	<u>5,973</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in		<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE		<u>\$ 5,730</u>	<u>\$ 6,095</u>	<u>12,068</u>	<u>\$ 5,973</u>
FUND BALANCE, MAY 1				<u>37,607</u>	
FUND BALANCE, APRIL 30				<u>\$ 49,675</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, 2021

	<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>
<b>REVENUES COLLECTED</b>					
Other taxes		\$ 25,607	\$ 25,607	\$ 23,311	\$ (2,296)
Investment income		73	73	67	(6)
Miscellaneous		-	-	2,810	2,810
		<hr/>	<hr/>	<hr/>	<hr/>
Total revenues collected		25,680	25,680	26,188	508
<b>EXPENDITURES PAID</b>					
Current					
Economic development					
Public/community relations		30,000	30,000	22,594	(7,406)
Miscellaneous		7,938	7,938	7,587	(351)
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures paid	\$ 49,938	37,938	37,938	30,181	(7,757)
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>					
		<hr/>	<hr/>	<hr/>	<hr/>
		(12,258)	(12,258)	(3,993)	8,265
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in		<hr/>	60,000	60,000	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	\$ -	-	60,000	60,000	-
<b>NET CHANGE IN FUND BALANCE</b>					
		<hr/>	47,742	56,007	\$ 8,265
<b>FUND BALANCE (DEFICIT), MAY 1</b>					
				<hr/>	(32,042)
<b>FUND BALANCE, APRIL 30</b>					
				<hr/>	\$ 23,965

(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, 2021

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES COLLECTED</b>					
Investment income		\$ -	\$ -	\$ 123	\$ 123
Total revenues collected		<u>-</u>	<u>-</u>	<u>123</u>	<u>123</u>
<b>EXPENDITURES PAID</b>					
Current					
Economic development					
Miscellaneous		-	100	78	(22)
Capital outlay		<u>10,000</u>	<u>9,900</u>	<u>-</u>	<u>(9,900)</u>
Total expenditures paid	<u>\$ 95,000</u>	<u>10,000</u>	<u>10,000</u>	<u>78</u>	<u>(9,922)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>(10,000)</u>	<u>(10,000)</u>	<u>45</u>	<u>10,045</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in		1,973	1,973	30,000	28,027
Transfers (out)		<u>30,000</u>	<u>30,000</u>	<u>(60,000)</u>	<u>(90,000)</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>31,973</u>	<u>31,973</u>	<u>(30,000)</u>	<u>(61,973)</u>
NET CHANGE IN FUND BALANCE		<u>\$ 21,973</u>	<u>\$ 21,973</u>	<u>(29,955)</u>	<u>\$ (51,928)</u>
FUND BALANCE, MAY 1				<u>161,053</u>	
<b>FUND BALANCE, APRIL 30</b>				<u>\$ 131,098</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  
LAND DEVELOPMENT FUND

For the Year Ended April 30, 2021

	<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>
<b>REVENUES COLLECTED</b>					
Miscellaneous		\$ 325,000	\$ 325,000	\$ 2,200	\$ (322,800)
Total revenues collected		<u>325,000</u>	<u>325,000</u>	<u>2,200</u>	<u>(322,800)</u>
<b>EXPENDITURES PAID</b>					
Current					
Economic development					
General insurance		52	52	-	(52)
Professional fees		-	550	550	-
Utilities		500	500	200	(300)
Liability insurance		1,080	1,080	-	(1,080)
Legal		20,000	20,000	4,310	(15,690)
Professional services		-	18,000	46,491	28,491
Engineering service		20,000	20,000	7,376	(12,624)
Capital outlay		159,334	140,784	4,541	(136,243)
Debt service					
Principal		23,611	23,611	23,670	59
Interest		10,096	10,096	10,036	(60)
Total expenditures paid	<u>\$ 508,707</u>	<u>234,673</u>	<u>234,673</u>	<u>97,174</u>	<u>(137,499)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>90,327</u>	<u>90,327</u>	<u>(94,974)</u>	<u>(185,301)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)		<u>(90,727)</u>	<u>(90,727)</u>	<u>-</u>	<u>90,727</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>(90,727)</u>	<u>(90,727)</u>	<u>-</u>	<u>90,727</u>
NET CHANGE IN FUND BALANCE		<u>\$ (400)</u>	<u>\$ (400)</u>	<u>(94,974)</u>	<u>\$ (94,574)</u>
FUND BALANCE (DEFICIT), MAY 1				<u>(48,818)</u>	
FUND BALANCE (DEFICIT), APRIL 30				<u>\$ (143,792)</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  
BUSINESS DISTRICT FUND

For the Year Ended April 30, 2021

	<b>Final Appropriation</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES COLLECTED</b>					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues collected	-	-	-	-	-
<b>EXPENDITURES PAID</b>					
Current					
Economic development					
Professional fees		-	800	799	(1)
Professional services		-	21,061	21,061	-
Publishing		-	817	817	-
Engineering service		-	100	100	-
Total expenditures paid	\$ -	-	22,778	22,777	(1)
NET CHANGE IN FUND BALANCE	\$ -	\$ (22,778)		(22,777)	\$ 1
FUND BALANCE, MAY 1				-	
<b>FUND BALANCE (DEFICIT), APRIL 30</b>				<b>\$ (22,777)</b>	

(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, 2021

	<b>Final Appropriation</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>OPERATING EXPENSES PAID</b>					
Water department					
Liability insurance		\$ 6,054	\$ 6,054	\$ 6,350	\$ 296
Water personnel		114,666	117,779	111,398	(6,381)
Engineering fees		7,500	7,500	5,400	(2,100)
Professional services		38,000	43,000	35,663	(7,337)
Janitor service/supplies		1,000	1,000	-	(1,000)
Testing		3,500	3,500	3,493	(7)
Postage		4,400	4,400	2,299	(2,101)
Phone and pagers		5,000	6,219	7,090	871
Publishing		2,300	2,300	1,027	(1,273)
Dues/public relations		3,500	3,500	2,009	(1,491)
Utilities		30,000	30,000	21,611	(8,389)
Other expenses		4,500	4,500	99	(4,401)
Building repairs and maintenance		21,750	21,750	17,606	(4,144)
Equipment repairs and maintenance		17,000	17,000	7,858	(9,142)
Vehicle repairs and maintenance		10,000	10,000	4,334	(5,666)
Water meter/ERT purchase		2,000	2,000	1,265	(735)
Office expense		7,250	7,250	2,100	(5,150)
Chemical supplies		5,500	5,500	1,997	(3,503)
Safety supplies/clothing		1,000	1,000	106	(894)
Fuel		5,000	5,000	1,553	(3,447)
JULIE		500	500	325	(175)
Site repair		5,000	5,000	4,875	(125)
Non capitalized capital outlay		32,500	26,000	9,766	(16,234)
Health insurance		17,825	17,825	18,410	585
Depreciation		105,000	105,000	104,288	(712)
Total water department	\$ 6,753,220	450,745	453,577	370,922	(82,655)
<b>TOTAL OPERATING EXPENSES</b>					
<b>PAID BUDGET BASIS</b>	\$ 6,753,220	\$ 450,745	\$ 453,577	370,922	\$ (82,655)

(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, 2021

	<b>Final Appropriation</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>OPERATING EXPENSES PAID</b>					
Sewer department					
Sewer personnel		\$ 93,459	\$ 112,072	\$ 103,148	\$ (8,924)
Maintenance service - building		44,500	38,000	7,647	(30,353)
Professional services		34,500	37,543	36,057	(1,486)
Janitor service/supplies		2,500	2,500	887	(1,613)
Testing		2,000	2,000	185	(1,815)
Postage		4,500	4,500	1,760	(2,740)
Publishing		1,750	1,750	706	(1,044)
Phone and pagers		4,500	4,500	7,182	2,682
Utilities		73,500	73,500	48,908	(24,592)
Bank fees		500	500	-	(500)
Other		7,250	7,250	176	(7,074)
Equipment repairs and maintenance		50,000	33,500	27,873	(5,627)
Vehicle repairs and maintenance		4,000	4,000	735	(3,265)
Sludge removal		10,000	10,000	6,478	(3,522)
Engineering service		8,000	8,000	9,733	1,733
Televising sewer lines		8,000	8,000	708	(7,292)
Office expense		19,800	19,800	12,950	(6,850)
Chemical supplies		3,500	3,500	8,380	4,880
Fuel		3,000	3,000	561	(2,439)
JULIE		250	250	192	(58)
Health insurance		15,167	16,667	15,982	(685)
General insurance		10,076	10,076	10,448	372
Liability insurance		2,154	2,154	2,312	158
Dues/subscriptions		1,000	1,000	1,053	53
Non capitalized capital outlay		72,500	72,500	8,484	(64,016)
Depreciation		264,000	267,000	270,358	3,358
Total sewer department	\$ 4,676,098	740,406	743,562	582,903	(160,659)
<b>TOTAL OPERATING EXPENSES</b>					
<b>PAID BUDGET BASIS</b>	\$ 4,676,098	\$ 740,406	\$ 743,562	\$ 582,903	\$ (160,659)

(See independent auditor's report.)

**VILLAGE OF PECATONICA, ILLINOIS**

**NOTES TO SUPPLEMENTARY INFORMATION**

April 30, 2021

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**1. 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.

**2. EXCESS OF ACTUAL EXPENDITURE/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

The following fund had expenditures in excess of appropriation:

Fund	Appropriation	Budget	Actual
Police Confiscatory Fund	\$ -	\$ 2,600	\$ 1,034
Business District Fund	-	22,778	22,777

**SUPPLEMENTAL DATA (Unaudited)**

**VILLAGE OF PECAONICA, ILLINOIS**

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

Last Six Calendar Years

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

Changes in assumptions related to inflation rates, salary increases, retirement age and mortality rates were made in 2020.

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.

	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$	33,372	\$	42,765
	67,348		76,035
	-		-
	66,487		22,165
	31,159		-
	(47,463)	(57,100)	(12,681)
	150,903	83,865	92,392
	905,023	1,055,926	1,139,791
\$	1,055,926	\$	1,139,791
	28,948	\$	26,166
	17,747		19,958
	(59,901)		183,990
	(47,463)	(57,100)	162,621
	28,902	(2,230)	(53,614)
	(31,767)	170,784	6,444
	968,828	937,061	172,648
\$	937,061	\$	1,107,845
	118,865	\$	31,946
	88.74%	97.20%	103.92%
\$	394,380	\$	443,496
	30.14%	7.20%	(10.02%)
			482,273

(See independent auditor's report.)

**VILLAGE OF PECATONICA, ILLINOIS**

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

Last Six Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>		<b>2017</b>		<b>2018</b>		<b>2019</b>		<b>2020</b>		<b>2021</b>	
Actuarially determined contribution	\$	23,355	\$	22,630	\$	23,996	\$	29,216	\$	30,479	\$	36,554
Contributions in relation to the actuarially determined contribution		23,355		22,630		23,996		29,216		30,479		36,554
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Covered payroll	\$	309,771	\$	323,791	\$	328,270	\$	495,186	\$	475,201	\$	496,653
Contributions as a percentage of covered payroll		7.54%		6.99%		7.31%		5.90%		6.41%		7.36%

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 23 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% 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 Eight Levy Years

	<b>Tax Year 2020</b>		<b>Tax Year 2019</b>		<b>Tax Year 2018</b>	
<b>ASSESSED VALUATIONS</b>	\$	29,352,108	\$	27,531,193	\$	26,820,393
<b>PROPERTY TAX RATES AND EXTENSIONS</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
Village	0.4375	\$ 128,415	0.4357	\$ 119,953	0.4375	\$ 117,339
Police protection	0.0937	27,503	0.1057	29,100	0.1061	28,456
Street and bridge	0.0483	14,177	0.0452	12,444	0.0121	3,245
IMRF	0.0499	14,647	0.0598	16,464	0.0501	13,437
Social Security	0.0907	26,622	0.0698	19,217	0.0701	18,801
Sewage disposal	-	-	-	-	0.0041	1,100
Audit	0.0160	4,696	0.0210	5,782	0.0211	5,659
Workers' compensation	0.0379	11,124	0.0293	8,067	0.0101	2,709
Unemployment insurance	0.0010	294	0.0025	688	-	-
	0.7750	\$ 227,478	0.7690	\$ 211,715	0.7112	\$ 190,746

Data Sources

Office of the County Clerk  
Office of the County Treasurer

<b>Tax Year 2017</b>		<b>Tax Year 2016</b>		<b>Tax Year 2015</b>		<b>Tax Year 2014</b>		<b>Tax Year 2013</b>	
\$ 26,265,203		\$ 26,014,878		\$ 25,868,724		\$ 26,213,090		\$ 27,270,651	
<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
0.4375	\$ 114,910	0.0884	\$ 22,997	0.0826	\$ 21,368	0.0543	\$ 14,234	0.1143	\$ 31,170
0.0406	10,664	0.0404	10,510	0.0406	10,503	0.0439	11,508	0.0569	15,517
0.0620	16,284	-	-	-	-	0.0043	1,127	0.0244	6,654
0.0709	18,622	0.0885	23,023	0.1160	30,008	0.1221	32,006	0.0771	21,026
0.1150	30,205	0.1269	33,013	0.1238	32,025	0.1229	32,216	0.0734	20,017
-	-	0.0327	8,507	0.0290	7,502	0.0516	13,526	0.0587	16,008
0.0082	2,154	-	-	-	-	-	-	-	-
0.0040	1,051	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
0.7382	\$ 193,890	0.3769	\$ 98,050	0.3920	\$ 101,406	0.3991	\$ 104,617	0.4048	\$ 110,392

(See independent auditor's report.)