

CITY OF MATTOON, ILLINOIS
FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED APRIL 30, 2020

CITY OF MATTOON, ILLINOIS
 FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
 For the Year Ended April 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Mattoon, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mattoon, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Mattoon, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mattoon, as of April 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-16, pension plans' Schedules of Changes in the Employer's Net Pension Liability and Related Ratios on pages 90-92 and 95-98, pension plans' Schedule of Employer Contributions on pages 93-94 and 99-100, post-employment healthcare benefit program's Schedule of Changes in Total OPEB Liability and Related Ratios on pages 101-103, and budgetary comparison information on page 104, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The major fund schedule, combining and individual nonmajor fund financial statements and schedules, and the combining and individual component unit statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 major fund schedules, combining and individual nonmajor fund financial statements and schedules, and the combining and individual component unit statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The computation of legal debt margin has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express or provide any assurance on it.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2020, on our consideration of the City of Mattoon'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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of Mattoon's internal control over financial reporting and compliance.

Doehring, Winters & Co. LLP

Mattoon, Illinois
October 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF MATTOON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis of the financial performance of the City of Mattoon is intended to provide an overview of the City's financial activities for the fiscal year ended April 30, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information as furnished in the financial statements, which begin on page 18.

FINANCIAL HIGHLIGHTS

- The City of Mattoon, including pension component units and the Mattoon Public Library component unit, has total assets and deferred outflows of resources of \$127,487,679 and total liabilities and deferred inflows of resources of \$179,706,005, resulting in a net position of (\$52,218,326) as of April 30, 2020. Total assets and deferred outflows of resources increased from April 30, 2019 by \$13,615,232, total liabilities and deferred inflows of resources increased from April 30, 2019 by \$24,024,103, and the net position decreased from April 30, 2019 by \$10,408,871. Of the net position as of April 30, 2020, \$64,127,882 represents the City's investment in capital assets, net of related debt, \$2,548,721 is held for restricted purposes, and (\$118,894,929) is unrestricted and available to meet the City's ongoing obligations to its citizens and creditors.

- The City's unrestricted cash position in the governmental activities decreased by approximately \$.6 million, from \$9.9 million to \$9.3 million. The City's unrestricted cash position in the business-type activities also decreased by approximately \$.6 million, from \$7.9 million to \$7.3 million.

- The following table shows the changes in major revenue sources from fiscal year 2019 to 2020.

**City of Mattoon, Illinois
Changes in Major Revenue Sources
April 30, 2020**

<u>Source</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Intergovernmental Shared Revenues	\$ 10,829,522	\$ 10,308,738	\$ 520,784
Property Tax Revenues	5,484,268	5,288,804	195,464
Telecommunications taxes	504,250	561,396	(57,146)
Utility Tax Revenues	1,350,914	1,429,598	(78,684)
Water Fund Charges for Services	3,689,863	3,775,135	(85,272)
Sewer Fund Charges for Services	4,301,293	4,420,227	(118,934)
Charges for Services	1,331,692	1,286,824	44,868
Table Totals	<u>\$ 27,491,802</u>	<u>\$ 27,070,722</u>	<u>\$ 421,080</u>

Revenues are relatively flat with increases in shared revenues from the State, property taxes, and charges for services. Property tax increases in general are restricted due to the Property Tax

Extension Limitation Law (PTELL). Telecommunications taxes, utility taxes, charges for water, and charges for sewer all show decreases.

- The City has long term capital improvement plans for all funds. In addition, a Mobile Equipment Fund functions as the funding mechanism for the replacement of the City's aging vehicle fleet. The City has continued to upgrade the technology used in operations and for the improvement of utility services. Major projects are underway in the Water, Sewer, and I57 East TIF District Funds.

- Illinois statute restricts municipality general obligation debt to less than 8.625% of equalized property value. As most of the City's debt will be retired from revenue sources other than property taxes, the City is well below the statutory limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

This section serves as an introduction to the City of Mattoon's basic financial statements. The basic financial statements for the City of Mattoon are comprised of three components:

- government-wide statements,
- fund financial statements, and
- notes to the financial statements.

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

Government-wide Financial Statements

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The *Statement of Net Position* presents information on all of the City of Mattoon's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements can be found on pages 18 through 20 of this report.

Both of the government-wide financial statements distinguish those functions of the municipality that are principally supported by taxes and intergovernmental revenues, known as governmental activities, from other functions that are intended to recover all, or a significant portion, of their costs through user fees and services charges, called business-type activities. The governmental activities of the City of Mattoon include general government, public safety, public works, health and welfare, culture and recreation, economic development, capital outlay, and other miscellaneous activities. The business-type activities of the City include the water and sewer utility services.

In addition to these various direct operations of the City, or primary government, the financial statements also include financial information related to legally distinct entities for which the City has financial responsibility and accountability, known as component units. The City of Mattoon's component units include the Mattoon Firefighters Pension Fund, Mattoon Police Pension Fund, Mattoon Foreign Fire Insurance Tax Account, and the Mattoon Public Library. These entities are described in Note 1 following the financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Mattoon, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All of the funds of the City of Mattoon can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near term inflows and outflows of current spendable resources, as well as balances of spendable resources that can be converted to cash, and balances available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental funds include the general, special revenue, and capital projects funds. On the *Balance Sheet – Governmental Funds*, the General Fund is shown as a separate column and data from all nonmajor governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Reconciliations follow the *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds*. The reconciliations show the adjustments that are needed to convert the governmental funds financial statements to the government-wide *Statement of Net Position* and *Statement of Activities*.

Proprietary Funds

Proprietary funds maintained by the City of Mattoon are of two different types: enterprise funds and internal service funds. Enterprise funds are used to report those functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities that provide supplies and services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The City's fund financial statements present separate enterprise fund information for the water and sewer utilities. The proprietary fund financial statements begin on page 25 of this report.

Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity

itself, rather than to external customers. The City of Mattoon uses internal service funds to account for its employee and retiree health and life insurance and to account for the City's general liability, casualty, and workers compensation insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City does not have any fiduciary funds, but it does include the Mattoon Police Pension Fund and the Mattoon Firefighters' Pension Fund, both of which are fiduciary type discretely presented component units. Financial statements showing these component units combined in a single column begin on page 30. Individual financial information for the Mattoon Police Pension Fund and Mattoon Firefighters' Pension Fund can be found in the *Combining and Individual Fund Statements and Schedules* on pages 133 through 134 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 33 of this report.

Additional Supplementary Information

Following the basic government-wide and fund financial statements and accompanying notes, combining statements are included for the nonmajor governmental funds and fiduciary component units.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The *Statement of Net Position* for the City of Mattoon is summarized in the following table. As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by just under \$53 million as of April 30, 2020. The net position for governmental activities has decreased and the net position for business-type activities has increased slightly. The decrease in net position is reflective of the continuing burdens imposed on the City by its public safety pensions and its health plan for employees and retirees.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current & Other Assets	\$18,756,577	\$19,504,083	\$8,862,915	\$9,675,725	\$27,619,492	\$29,179,808
Deferred Outflows of Resources	25,912,440	10,356,866	1,909,147	1,915,608	27,821,587	12,272,474
Capital Assets (net)	30,710,000	30,877,601	39,250,073	39,281,315	69,960,073	70,158,916
Total Assets and Deferred Outflows of Resources	<u>\$75,379,017</u>	<u>\$60,738,550</u>	<u>\$50,022,135</u>	<u>\$50,872,648</u>	<u>\$125,401,152</u>	<u>\$111,611,198</u>
Current Liabilities	\$1,441,408	\$1,996,873	\$858,422	\$1,022,216	\$2,299,830	\$3,019,089
Deferred Inflows of Resources	8,659,652	9,272,490	1,519,937	924,511	10,179,589	10,197,001
Non-current Liabilities	146,409,273	120,084,147	19,487,216	20,921,525	165,896,489	141,005,672
Total Liabilities and Deferred Inflows of Resources	<u>\$156,510,333</u>	<u>\$131,353,510</u>	<u>\$21,865,575</u>	<u>\$22,868,252</u>	<u>\$178,375,908</u>	<u>\$154,221,762</u>
Net Investment in Capital Assets	\$30,551,872	\$30,633,836	\$31,958,946	\$44,690,202	\$62,510,818	\$75,324,038
Restricted	2,525,130	2,563,941	-	-	2,525,130	2,563,941
Unrestricted	(114,208,318)	(103,812,737)	(3,802,386)	(16,685,806)	(118,010,704)	(120,498,543)
Total Net Position	<u>(\$81,131,316)</u>	<u>(\$70,614,960)</u>	<u>\$28,156,560</u>	<u>\$28,004,396</u>	<u>(\$52,974,756)</u>	<u>(\$42,610,564)</u>
Total Net Position as a % of Total Liabilities and Deferred Inflows of Resources	(51.8%)	(53.8%)	128.8%	122.5%	(29.7%)	(27.6%)
Unrestricted Net Position as a % of Total Liabilities and Deferred Inflows of Resources	(73.0%)	(79.0%)	(17.4%)	(73.0%)	(66.2%)	(78.1%)

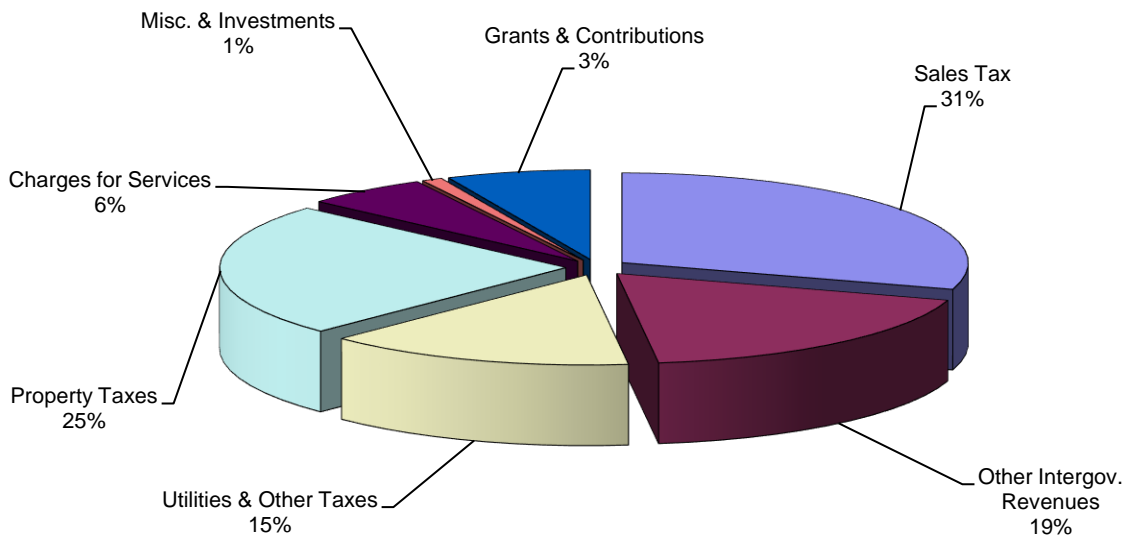
As of April 30, 2020, the governmental activities have a negative unrestricted net position of \$114,208,318. The business-type activities have a negative unrestricted net position of \$3,802,386. Both are largely due to unfunded net pension and health care liabilities for City workers.

An examination of the *Statement of Activities* provides a concise picture of how the various activities of the City are funded. The following table summarizes the City's governmental and business-type activities.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$1,331,692	\$1,286,824	\$7,991,156	\$8,195,362	\$9,322,848	\$9,482,186
Operating Grants & Contr.	375,262	294,682	0	0	375,262	294,682
Capital Grants & Contr.	240,237	1,179,391	0	0	240,237	1,179,391
General Revenues						
Property Taxes	5,484,268	5,288,804	0	0	5,484,268	5,288,804
Sales Taxes	6,688,183	6,412,537	0	0	6,688,183	6,412,537
Utility Taxes	1,350,914	1,429,598	0	0	1,350,914	1,429,598
Telecommunication Taxes	504,250	561,396	0	0	504,250	561,396
Other Taxes	1,267,296	1,205,060	0	0	1,267,296	1,205,060
Other Intergovern. Rev.	4,141,339	3,896,201	0	0	4,141,339	3,896,201
Investment Income	114,397	129,066	30,832	65,253	145,229	194,319
Miscellaneous Income	95,918	104,957	0	0	95,918	104,957
Gain (Loss) on Sale of Assets	6,261	21,457	35,047	0	41,308	21,457
Total Revenue	21,600,017	21,809,973	8,057,035	8,260,615	29,657,052	30,070,588
Expenses						
Program Expenses						
General Government	2,865,490	2,630,777	0	0	2,865,490	2,630,777
Public Safety	23,178,525	17,491,956	0	0	23,178,525	17,491,956
Public Works	3,195,845	2,553,600	0	0	3,195,845	2,553,600
Health and Welfare	217,157	181,846	0	0	217,157	181,846
Culture and Recreation	1,989,423	1,884,323	0	0	1,989,423	1,884,323
Economic Development	475,461	761,083	0	0	475,461	761,083
Interest on Long-Term Debt	194,472	204,735	0	0	194,472	204,735
Water	0	0	3,877,657	3,161,986	3,877,657	3,161,986
Sewer	0	0	4,027,214	3,515,315	4,027,214	3,515,315
Total Expenses	32,116,373	25,708,320	7,904,871	6,677,301	40,021,244	32,385,621
Increase (decrease) in net position						
before transfers	(10,516,356)	(3,898,347)	152,164	1,583,314	(10,364,192)	(2,315,033)
Transfers	0	0	0	0	0	0
Changes in Net Position	(10,516,356)	(3,898,347)	152,164	1,583,314	(10,364,192)	(2,315,033)
Net Position - May 1	(70,614,960)	(66,716,613)	28,004,396	26,421,082	(42,610,564)	(40,295,531)
Net Position - April 30	(\$81,131,316)	(\$70,614,960)	\$28,156,560	\$28,004,396	(\$52,974,756)	(\$42,610,564)

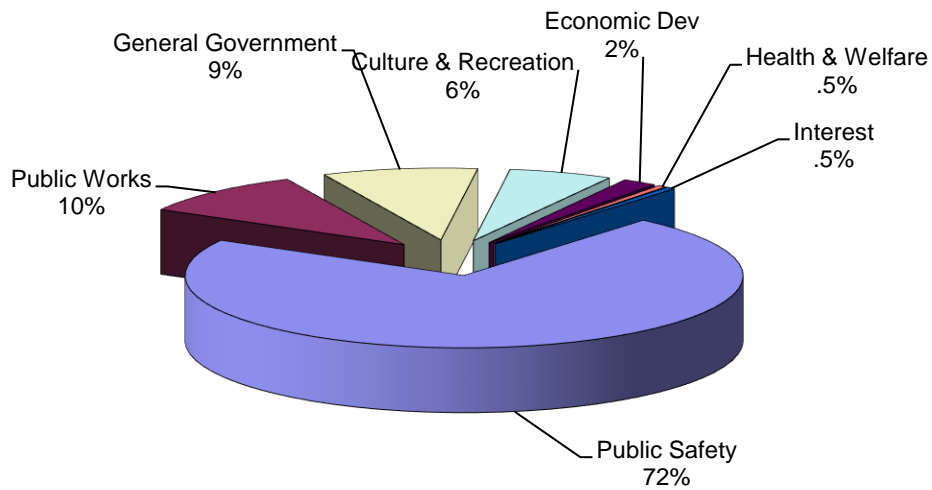
The following chart illustrates how governmental activities are funded. Sales taxes provided thirty-one percent (31%) of the governmental activities revenue. Other intergovernmental revenues (state shared taxes) provided nineteen percent (19%) of the governmental activities revenue. Property taxes provided twenty-five percent (25%) of the governmental activities revenue. Utility taxes and other taxes provided fifteen percent (15%) of the governmental activities revenue. Taxes, in one form or another, comprised ninety percent (90%) of the governmental activities revenue. The remaining ten percent (10%) came from charges for services, six percent (6%), miscellaneous and investment revenue, one percent (1%), and grants and contributions, three percent (3%).

Governmental Activities Revenue



The following chart illustrates the expenses of the governmental activities. Public safety (fire and police protection) comprised seventy-two percent (72%) of the total expenses of the governmental activities. Public works comprised ten percent (10%) of the total expenses of the governmental activities. General government comprised nine percent (9%) of the total expenses of the governmental activities. The remaining nine percent (9%) came from expenses for culture and recreation, six percent (6%), economic development, two percent (2%), interest, one-half percent (.5%), and health & welfare, one-half percent (.5%).

Government Activities Expenses



Business-type activities, water and sewer utilities, depend on charges for services as their primary revenue sources. Primarily all revenues are generated from user charges.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUND

Governmental Funds

The focus of the City's governmental funds financial statements is to provide information regarding near-term inflows, outflows, and spendable resources. Such information can be useful in assessing the City's financing requirements.

As of April 30, 2020, the City of Mattoon's *Balance Sheet - Governmental Funds* reported combined ending fund balances of \$10,342,574, a decrease of \$350,493 from April 30, 2019. Of the ending fund balances total, \$168,510 is considered nonspendable, \$2,419,695 is restricted, \$681,391 is committed, \$1,121,517 is assigned, and \$5,951,461 is unassigned.

The General Fund is the primary operating fund used to account for the governmental operations of the City of Mattoon. Its basic operations are public safety and public works. The largest revenue sources for the General Fund are taxes and intergovernmental revenues which account for ninety-one percent (91%) of revenues. Approximately sixty-seven percent (67%) of the General Fund expenditures of \$18.6 million are allocated to the public safety sector. Another fourteen percent (14%) of the General Fund expenditures are derived from the functions of general government. Approximately eight percent (8%) of the General Fund's expenditures are derived from the public works operations.

The General Fund has a fund balance of \$7,405,890, a decrease of \$256,049 over the balance as of April 30, 2019. The General Fund's unassigned fund balance is available to be applied in a future year's budget, to one-time capital projects, or to reduce outstanding debt.

With regard to the Nonmajor Governmental Funds, the Motor Fuel Tax Fund had a total fund balance of \$720,265, the Midtown TIF District Fund had a fund balance of \$688,333, and the Broadway East TIF District Fund had a fund balance of \$355,723. The Motor Fuel Tax Fund balance primarily reflects the amounts designated to pay for maintenance of existing streets, resurfacing and construction of new streets. The Midtown TIF District Fund is used to account for revenues and expenditures for implementation of the Mattoon Midtown Redevelopment Plan and Project. The Broadway East TIF District's fund balance is generally available to pay for eligible redevelopment costs and expenses related to projects within the district. The Capital Projects Fund has a fund balance of \$516,989. The Capital Project Funds may be used to fund the City's various infrastructure projects. The Broadway East Business District Fund is used to implement the plan and project for this Business District and has a fund balance of \$176,475. The remaining funds included in the Nonmajor Governmental Funds column in the Balance Sheet are the Hotel and Motel Tax Fund, Home Rehabilitation Grant Fund, I-57 East TIF District Fund, South Route 45 Business District Fund, I-57 East Business District Fund, and the South Route 45 TIF District Fund. These remaining funds have a total fund balance as of April 30, 2019 of \$478,899. The total accumulated fund balances of all of the Nonmajor Governmental Funds decreased by \$94,444 during the year ended April 30, 2020.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. The detail of the City's proprietary funds can be found from page 25 to page 29. The net position of the enterprise type proprietary funds at April 30, 2020 was \$28,156,560, an increase of \$152,164 from the previous year.

For the year ended April 30, 2020, operating revenues in the Water Fund totaled \$3,689,863 (a decrease of \$85,272 from fiscal year 2019), operating expenses totaled \$3,876,156 (an increase of \$723,380 from fiscal year 2019) producing operating loss of \$186,293 (a decrease of \$808,652 from fiscal year 2019). Non-operating revenues and expenses netted to an increase in net position of \$49,105, leaving a decrease to net position in the Water Fund of \$137,188. No water rate increases occurred during fiscal year 2020 and the last increase was implemented on May 1, 2015. Potential rate increases are currently being studied.

For the year ended April 30, 2020, revenues in the Sewer Fund totaled \$4,301,293 (a decrease of \$118,934 from fiscal year 2019), operating expenses totaled \$3,875,794 (an increase of \$528,549 from fiscal year 2019) producing operating income of \$425,499 (a decrease of \$647,483 from fiscal year 2019). Non-operating revenues and expenses netted to a decrease in net position of \$136,147, leaving an increase to net position in the Sewer Fund of \$289,352. Similar to the Water Fund, the Sewer Fund had a series of rate increases with fiscal year 2016 being the final year. Potential rate increases are currently being studied.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Required Supplementary Information section contains the *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual* for the General Fund on page 104. The final fiscal year 2020 General Fund budget authorized expenditures and other financing uses of \$19,373,990 funded by anticipated revenues and other financing sources of \$18,685,383 leaving the amount of expenditures and other financing uses over revenues and other financing sources of \$688,607. The actual amount of expenditures and other financing uses over revenues and other financing sources was \$256,049, a positive budget to actual variance of \$432,558.

The largest variance in General Fund revenues was from intergovernmental revenues. Intergovernmental revenues exceeded the budgeted amount by \$518,445. Taxes and charges for services were under budget and fines and forfeitures were over budget. General Fund expenditures had an overall variance of \$65,826 mainly due to a positive variance in General Government.

The *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual* for each of the Nonmajor Governmental Funds can be found in the Combining and Individual Fund Statements and Schedules, beginning on page 117.

CAPITAL ASSETS AND DEBT

Capital Assets

In accordance with the implementation requirements of GASB No. 34, the City has recorded historical costs and depreciation expense associated with all of its capital assets in the financial statements for the period ending on April 30, 2020. As summarized in the table below, the City's investment in capital assets for governmental and business-type activities as of April 30, 2020 totaled \$176.3 million. Fifty-six percent (56%) of this total cost was related to the business-type activities, with the City's sewer collection and treatment system and water distribution system comprising the most significant component. The governmental activities comprised approximately forty-four percent (44%) of the total, with the most significant portion being the infrastructure (roads, bridges, and sidewalks) of the City.

Total accumulated depreciation was \$106.3 million, or sixty percent (60%) of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is \$70 million.

City of Mattoon, Illinois Capital Assets, Net of Accumulated Depreciation April 30, 2020

Classification	Governmental Activities	Business-type Activities	Total
Land	\$ 3,607,026	\$ 587,155	\$ 4,194,181
Buildings and Improvements	13,609,989	13,250,379	26,860,368
Equipment, furniture and vehicles	6,777,361	5,018,421	11,795,782
Improvements other than buildings	6,126,527	304,252	6,430,779
Infrastructure	63,978,609	-	63,978,609
Treat. collect. and distrib. systems	-	52,466,204	52,466,204
Construction in Progress	516,772	10,035,336	10,552,108
Subtotal	<u>94,616,284</u>	<u>81,661,747</u>	<u>176,278,031</u>
Less Accumulated Depreciation	<u>(63,906,284)</u>	<u>(42,411,674)</u>	<u>(106,317,958)</u>
Total	<u>\$ 30,710,000</u>	<u>\$ 39,250,073</u>	<u>\$ 69,960,073</u>

Long-Term Liabilities

On April 30, 2020, the City of Mattoon had \$166,279,827 of long-term liabilities outstanding, an increase of \$25,274,155 from April 30, 2019, as summarized in the following table:

City of Mattoon, Illinois
General Obligation Bonds, Notes Outstanding and Other Long-Term Liabilities
April 30, 2020

Classification	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	\$ 6,170,000	\$ 2,009,301	\$ 8,179,301
Notes Payable	540,567	5,405,696	5,946,263
Capital Leases	106,180	-	106,180
Compensated Absences	1,097,663	302,922	1,400,585
Net Pension Liability	95,056,746	93,550	95,150,296
Post-Employment Healthcare	43,438,117	11,675,747	55,113,864
Total	<u>\$ 146,409,273</u>	<u>\$ 19,487,216</u>	<u>\$165,896,489</u>

The liability for General Obligation Bonds decreased \$1,599,583 due to principal payments on the bonds. During the year ended April 30, 2020, the City paid off the Water Fund's share of the 2014 General Obligation Refunding Bonds. The Notes Payable liability decreased \$523,673. The liability for capital leases decreased by \$58,796.

The Net Pension Liability increased \$18,788,782 from the prior year. The liability for Compensated Absences increased \$86,430 and the Net OPEB Liability increased \$8,197,657 during this fiscal year. Detailed information regarding specific debt can be found in notes 12, 13, 14, and 15 beginning on page 57.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. The City of Mattoon provides the Financial Statements on our web page (www.mattoonillinois.org). If anyone has any questions about this report or needs additional financial information about the City of Mattoon, please contact the Finance Department at 208 North 19th Street, Mattoon, Illinois, 61938. Finance Department staff can also be reached at (217) 235-5483.

BASIC FINANCIAL STATEMENTS

CITY OF MATTOON, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mattoon Public Library
Assets:				
Cash and cash equivalents	\$ 9,299,634	\$ 7,320,026	\$ 16,619,660	\$ 144,585
Investments, at fair value	-	-	-	134,006
Receivables	8,552,863	1,050,408	9,603,271	-
Internal balances	61,988	(61,988)	-	-
Due from primary government	-	-	-	950
Due from component units	25,597	-	25,597	-
Prepaid items	185,193	6,250	191,443	-
Advances to component units	15,854	-	15,854	-
Restricted assets:				
Cash and cash equivalents	476,880	548,219	1,025,099	-
Certificates of deposit	9,412	-	9,412	-
Noncurrent assets:				
Cemetery development	60,652	-	60,652	-
Long-term receivables	68,504	-	68,504	-
Capital assets, net of depreciation				
Land	3,607,026	587,155	4,194,181	-
Buildings and building improvements	9,303,540	6,698,090	16,001,630	1,672,066
Improvements other than buildings	4,608,550	119,135	4,727,685	-
Treatments, collection and distribution systems	-	20,809,589	20,809,589	-
Infrastructure	11,962,165	-	11,962,165	-
Equipment, furniture and vehicles	711,947	1,000,768	1,712,715	227
Construction in progress	516,772	10,035,336	10,552,108	-
Total assets	49,466,577	48,112,988	97,579,565	1,951,834
Deferred outflows of resources:				
Pension items - IMRF	345,426	476,431	821,857	21,939
Pension items - Police Pension Fund	9,735,830	-	9,735,830	-
Pension items - Firefighters' Pension Fund	9,661,336	-	9,661,336	-
Post-employment healthcare benefits	6,169,848	1,432,716	7,602,564	112,754
Total deferred outflows of resources	25,912,440	1,909,147	27,821,587	134,693
Combined assets and deferred outflows of resources	\$ 75,379,017	\$ 50,022,135	\$ 125,401,152	\$ 2,086,527

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mattoon Public Library
Liabilities:				
Accounts payable	\$ 830,230	\$ 481,818	\$ 1,312,048	\$ 5,800
Payroll liabilities payable	384,452	141,579	526,031	14,720
Accrued interest expense	82,670	46,483	129,153	964
Due to primary government	-	-	-	25,597
Due to component units	72,891	633	73,524	-
Unearned revenue	63,425	-	63,425	-
Other payables from restricted assets	7,740	187,909	195,649	-
Advances from primary government	-	-	-	15,854
Noncurrent liabilities:				
Due within one year	987,286	1,008,120	1,995,406	9,194
Due in more than one year	145,421,987	18,479,096	163,901,083	1,167,089
Total liabilities	147,850,681	20,345,638	168,196,319	1,239,218
Deferred inflows of resources:				
Pension items - IMRF	731,464	1,008,874	1,740,338	46,457
Pension items - Police Pension Fund	1,518,822	-	1,518,822	-
Pension items - Firefighters' Pension Fund	235,368	-	235,368	-
Post-employment healthcare benefits	389,329	511,063	900,392	44,422
Current refunding - unamortized premiums	48,214	-	48,214	-
Property taxes	5,736,455	-	5,736,455	-
Total deferred inflows of resources	8,659,652	1,519,937	10,179,589	90,879
Combined liabilities and deferred inflows of resources	156,510,333	21,865,575	178,375,908	1,330,097
Net position:				
Net investment in capital assets	30,551,872	31,958,946	62,510,818	1,617,064
Restricted for:				
Public safety	108,180	-	108,180	-
Highways and streets	720,265	-	720,265	-
Culture and recreation	124,429	-	124,429	23,591
Economic development	1,263,718	-	1,263,718	-
Cemetery maintenance	308,538	-	308,538	-
Unrestricted	(114,208,318)	(3,802,386)	(118,010,704)	(884,225)
Total net position	\$ (81,131,316)	\$ 28,156,560	\$ (52,974,756)	\$ 756,430

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2020

Functions/Programs:	Program Revenues				Net Revenue (Expense) and Changes in Net Position			Component Unit Mattoon Public Library
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 2,865,490	\$ 311,924	\$ -	\$ -	\$ (2,553,566)	\$ -	\$ (2,553,566)	
Public safety	23,178,525	502,784	141,796	240,237	(22,293,708)	-	(22,293,708)	
Public works	3,195,845	60,815	48,433	-	(3,086,597)	-	(3,086,597)	
Health and welfare	217,157	89,863	-	-	(127,294)	-	(127,294)	
Culture and recreation	1,989,423	366,306	185,033	-	(1,438,084)	-	(1,438,084)	
Economic development	475,461	-	-	-	(475,461)	-	(475,461)	
Interest on long-term debt	194,472	-	-	-	(194,472)	-	(194,472)	
Total governmental activities	<u>32,116,373</u>	<u>1,331,692</u>	<u>375,262</u>	<u>240,237</u>	<u>(30,169,182)</u>	<u>-</u>	<u>(30,169,182)</u>	
Business-type activities:								
Water	3,877,657	3,689,863	-	-	-	(187,794)	(187,794)	
Sewer	4,027,214	4,301,293	-	-	-	274,079	274,079	
Total business-type activities	<u>7,904,871</u>	<u>7,991,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,285</u>	<u>86,285</u>	
Total primary government	<u>\$ 40,021,244</u>	<u>\$ 9,322,848</u>	<u>\$ 375,262</u>	<u>\$ 240,237</u>	<u>(30,169,182)</u>	<u>86,285</u>	<u>(30,082,897)</u>	
Component Unit:								
Mattoon Public Library	<u>\$ 689,797</u>	<u>\$ 14,902</u>	<u>\$ 115,729</u>	<u>\$ -</u>				<u>\$ (559,166)</u>
General Revenues:								
Property taxes					4,411,561	-	4,411,561	-
TIF property tax increment					1,072,707	-	1,072,707	-
Telecommunications taxes					504,250	-	504,250	-
Utility taxes					1,350,914	-	1,350,914	-
Business district taxes					419,095	-	419,095	-
Other taxes					848,201	-	848,201	-
Payments from primary government					-	-	-	513,384
Sales taxes					6,688,183	-	6,688,183	-
Income and use taxes					2,478,926	-	2,478,926	-
Other intergovernmental revenues					1,662,413	-	1,662,413	-
Investment income					114,397	30,832	145,229	1,103
Miscellaneous income					95,918	-	95,918	-
Gain on disposal of capital assets, net					6,261	35,047	41,308	-
Total general revenues and transfers					<u>19,652,826</u>	<u>65,879</u>	<u>19,718,705</u>	<u>514,487</u>
Change in net position					<u>(10,516,356)</u>	<u>152,164</u>	<u>(10,364,192)</u>	<u>(44,679)</u>
Net position - beginning					<u>(70,614,960)</u>	<u>28,004,396</u>	<u>(42,610,564)</u>	<u>801,109</u>
Net position - ending					<u>\$ (81,131,316)</u>	<u>\$ 28,156,560</u>	<u>\$ (52,974,756)</u>	<u>\$ 756,430</u>

CITY OF MATTOON, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 6,020,515	\$ 3,029,066	\$ 9,049,581
Receivables, net of allowance for uncollectibles	7,183,094	1,362,162	8,545,256
Due from other funds	-	109,378	109,378
Due from component units	19,653	-	19,653
Prepaid items	23,500	-	23,500
Long-term receivables	68,504	-	68,504
Advances to component unit	15,854	-	15,854
Cemetery development	60,652	-	60,652
Restricted assets:			
Cash and cash equivalents	471,083	-	471,083
Certificates of deposit	9,412	-	9,412
Total assets	<u>\$ 13,872,267</u>	<u>\$ 4,500,606</u>	<u>\$ 18,372,873</u>
Liabilities:			
Accounts payable	\$ 186,185	\$ 393,329	\$ 579,514
Payroll liabilities payable	379,768	4,684	384,452
Due to other funds	317,522	1,124	318,646
Due to component units	72,891	-	72,891
Unearned revenue	63,425	-	63,425
Total liabilities	<u>1,019,791</u>	<u>399,137</u>	<u>1,418,928</u>
Deferred inflows of resources	<u>5,446,586</u>	<u>1,164,785</u>	<u>6,611,371</u>
Fund Balance:			
Nonspendable	168,510	-	168,510
Restricted	-	2,419,695	2,419,695
Committed	164,402	516,989	681,391
Assigned	1,121,517	-	1,121,517
Unassigned	5,951,461	-	5,951,461
Total fund balance	<u>7,405,890</u>	<u>2,936,684</u>	<u>10,342,574</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 13,872,267</u>	<u>\$ 4,500,606</u>	<u>\$ 18,372,873</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

April 30, 2020

Total fund balances - governmental funds	\$ 10,342,574
Amounts reported for governmental activities in the Statement of Net Position are different due to:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	30,710,000
Receivables not available to pay for current-period expenditures and, therefore, not reported in the funds.	874,916
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	443,894
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the pension trust funds and Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position.	23,037,457
Long-term liabilities, including bonds payable and total pension liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(146,540,157)</u>
Net position of governmental activities	<u>\$ (81,131,316)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 6,842,995	\$ 1,722,645	\$ 8,565,640
Licenses and permits	284,074	-	284,074
Intergovernmental revenues	10,479,118	739,077	11,218,195
Charges for services	780,988	-	780,988
Fines and forfeitures	269,018	-	269,018
Investment income	96,262	18,490	114,752
Contributions and miscellaneous revenues	308,011	13,177	321,188
Total revenues	<u>19,060,466</u>	<u>2,493,389</u>	<u>21,553,855</u>
Expenditures:			
Current:			
General government	2,574,118	-	2,574,118
Public safety	12,515,910	-	12,515,910
Public works	1,443,244	679,611	2,122,855
Health and welfare	179,990	-	179,990
Culture and recreation	1,479,019	303,374	1,782,393
Economic development	51,716	423,745	475,461
Capital outlay	175,773	1,142,353	1,318,126
Debt service:			
Principal	147,737	585,448	733,185
Interest and fiscal charges	10,657	199,653	210,310
Total expenditures	<u>18,578,164</u>	<u>3,334,184</u>	<u>21,912,348</u>
Excess (deficiency) of revenues over (under) expenditures	<u>482,302</u>	<u>(840,795)</u>	<u>(358,493)</u>
Other financing sources (uses):			
Transfers in	-	746,351	746,351
Transfers out	(746,351)	-	(746,351)
Proceeds from sale of assets	8,000	-	8,000
Total other financing sources (uses)	<u>(738,351)</u>	<u>746,351</u>	<u>8,000</u>
Net change in fund balances	(256,049)	(94,444)	(350,493)
Fund balance - beginning	<u>7,661,939</u>	<u>3,031,128</u>	<u>10,693,067</u>
Fund balance - ending	<u>\$ 7,405,890</u>	<u>\$ 2,936,684</u>	<u>\$ 10,342,574</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the year ended April 30, 2020

Net change in fund balances	\$ (350,493)
Amounts reported for governmental activities in the Statement of Activities are different due to:	
Governmental funds report capital outlays as expenditures. In the statement, of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(165,859)
The net effect of various miscellaneous transactions involving capital assets (e.g. sales and donations) is to decrease net position.	(1,739)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and some amounts reported as revenues in the funds were reported as revenues on the statement of activities in the prior year. This is the net effect of these differences in revenue recognition.	39,902
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	740,021
Certain expenses in the Statement of Activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in government funds.	<u>(10,778,188)</u>
Change in net position of governmental activities	<u><u>\$ (10,516,356)</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

April 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 2,118,281	\$ 5,201,745	\$ 7,320,026	\$ 250,053
Receivables, net of allowance	474,420	575,988	1,050,408	7,607
Due from other funds	-	-	-	271,256
Due from component units	-	-	-	5,944
Prepaid items	-	6,250	6,250	161,693
Restricted assets:				
Cash and cash equivalents	141,881	406,338	548,219	5,797
Total current assets	<u>2,734,582</u>	<u>6,190,321</u>	<u>8,924,903</u>	<u>702,350</u>
Noncurrent assets:				
Capital assets:				
Land	378,724	208,431	587,155	-
Buildings and building improvements	12,140,524	1,109,855	13,250,379	-
Improvements other than buildings	293,249	11,003	304,252	-
Treatment, collection and distribution systems	13,097,381	39,368,823	52,466,204	-
Equipment, furniture and vehicles	2,744,516	2,273,905	5,018,421	-
Construction in progress	1,810,062	8,225,274	10,035,336	-
Less: accumulated depreciation	<u>(15,651,456)</u>	<u>(26,760,218)</u>	<u>(42,411,674)</u>	<u>-</u>
Total noncurrent assets	<u>14,813,000</u>	<u>24,437,073</u>	<u>39,250,073</u>	<u>-</u>
Total assets	<u>17,547,582</u>	<u>30,627,394</u>	<u>48,174,976</u>	<u>702,350</u>
Deferred outflows of resources:				
Deferred items - IMRF	244,421	232,010	476,431	-
Deferred items - OPEB	<u>731,755</u>	<u>700,961</u>	<u>1,432,716</u>	<u>-</u>
Total deferred outflows of resources	<u>976,176</u>	<u>932,971</u>	<u>1,909,147</u>	<u>-</u>
Combined assets and deferred outflows of resources	<u>\$ 18,523,758</u>	<u>\$ 31,560,365</u>	<u>\$ 50,084,123</u>	<u>\$ 702,350</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

April 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Liabilities:				
Current liabilities:				
Accounts payable	\$ 346,514	\$ 135,304	\$ 481,818	\$ 250,716
Payroll liabilities payable	70,754	70,825	141,579	-
Accrued interest	685	45,798	46,483	-
Due to other funds	28,120	33,868	61,988	-
Due to component unit	317	316	633	-
Compensated absences payable - current	33,007	27,577	60,584	-
General obligation bonds - current	-	540,000	540,000	-
Notes payable - current	73,460	334,076	407,536	-
Other payables from restricted assets	187,909	-	187,909	7,740
Total current liabilities	<u>740,766</u>	<u>1,187,764</u>	<u>1,928,530</u>	<u>258,456</u>
Noncurrent liabilities:				
Long-term debt payable:				
General obligation bonds payable, net of unamortized discounts and premiums	-	1,469,301	1,469,301	-
Notes payable	-	4,998,160	4,998,160	-
Net pension liability - IMRF	47,993	45,557	93,550	-
Compensated absences payable	132,031	110,307	242,338	-
Net other post-employment healthcare benefits liability	5,963,353	5,712,394	11,675,747	-
Total noncurrent liabilities	<u>6,143,377</u>	<u>12,335,719</u>	<u>18,479,096</u>	<u>-</u>
Total liabilities	<u>6,884,143</u>	<u>13,523,483</u>	<u>20,407,626</u>	<u>258,456</u>
Deferred inflows of resources:				
Deferred items - IMRF	517,577	491,297	1,008,874	-
Deferred items - OPEB	261,024	250,039	511,063	-
Total deferred inflows of resources	<u>778,601</u>	<u>741,336</u>	<u>1,519,937</u>	<u>-</u>
Combined liabilities and deferred inflows of resources	<u>7,662,744</u>	<u>14,264,819</u>	<u>21,927,563</u>	<u>258,456</u>
Net position:				
Net investment in capital assets	14,810,438	17,148,508	31,958,946	-
Unrestricted	(3,949,424)	147,038	(3,802,386)	443,894
Total net position	<u>\$ 10,861,014</u>	<u>\$ 17,295,546</u>	<u>\$ 28,156,560</u>	<u>\$ 443,894</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Operating revenues:				
Charges for services	\$ 3,689,863	\$ 4,301,293	\$ 7,991,156	\$ -
Fund charges and employee contributions	-	-	-	5,664,957
Miscellaneous operating revenues	-	-	-	157,332
Total operating revenues	<u>3,689,863</u>	<u>4,301,293</u>	<u>7,991,156</u>	<u>5,822,289</u>
Operating expenses:				
Reservoirs and sources of supply	16,950	-	16,950	-
Water treatment plant	1,252,630	-	1,252,630	-
Water distribution	803,338	-	803,338	-
Sewer collection system	-	782,747	782,747	-
Sewer lift stations	-	60,657	60,657	-
Wastewater treatment plant	-	1,010,659	1,010,659	-
Accounting and collection	368,936	363,321	732,257	-
Administrative and general	727,999	830,278	1,558,277	676,346
Insurance	-	-	-	1,626,703
Health claims and uninsured judgments	-	-	-	3,519,255
Depreciation	706,303	828,132	1,534,435	-
Total operating expenses	<u>3,876,156</u>	<u>3,875,794</u>	<u>7,751,950</u>	<u>5,822,304</u>
Operating income (loss)	<u>(186,293)</u>	<u>425,499</u>	<u>239,206</u>	<u>(15)</u>
Nonoperating revenues (expenses):				
Investment income	15,559	15,273	30,832	15
Interest expense	(1,501)	(151,420)	(152,921)	-
Gain on sale of assets	35,047	-	35,047	-
Total nonoperating revenues (expenses)	<u>49,105</u>	<u>(136,147)</u>	<u>(87,042)</u>	<u>15</u>
Change in net position	<u>(137,188)</u>	<u>289,352</u>	<u>152,164</u>	<u>-</u>
Total net position - beginning	<u>10,998,202</u>	<u>17,006,194</u>	<u>28,004,396</u>	<u>443,894</u>
Total net position - ending	<u>\$ 10,861,014</u>	<u>\$ 17,295,546</u>	<u>\$ 28,156,560</u>	<u>\$ 443,894</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 3,701,845	\$ 4,266,859	\$ 7,968,704	\$ -
Receipts from interfund services provided	-	-	-	4,310,011
Receipts from component units	-	-	-	94,021
Receipts from employees and retirees	-	-	-	1,121,068
Payments to employees	(1,093,166)	(1,052,683)	(2,145,849)	-
Payments to suppliers	(1,458,612)	(1,133,538)	(2,592,150)	(2,298,414)
Payments to claimants	-	-	-	(3,646,126)
Payments for interfund services used	(448,978)	(537,685)	(986,663)	-
Other receipts	-	-	-	153,589
Net cash provided (used) by operating activities	<u>701,089</u>	<u>1,542,953</u>	<u>2,244,042</u>	<u>(265,851)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(1,252,333)	(250,861)	(1,503,194)	-
Principal payments on debt	(566,680)	(857,605)	(1,424,285)	-
Interest and fiscal charges	(13,514)	(173,845)	(187,359)	-
Proceeds from sale of assets	<u>35,047</u>	<u>-</u>	<u>35,047</u>	<u>-</u>
Net cash (used) for capital and related financing activities	<u>(1,797,480)</u>	<u>(1,282,311)</u>	<u>(3,079,791)</u>	<u>-</u>
Cash flows from investing activities:				
Investment income received (net of expense)	<u>15,559</u>	<u>15,273</u>	<u>30,832</u>	<u>15</u>
Net cash provided by investing activities	<u>15,559</u>	<u>15,273</u>	<u>30,832</u>	<u>15</u>
Net increase (decrease) in cash	(1,080,832)	275,915	(804,917)	(265,836)
Cash, restricted and unrestricted - beginning	<u>3,340,994</u>	<u>5,332,168</u>	<u>8,673,162</u>	<u>521,686</u>
Cash, restricted and unrestricted - ending	<u>\$ 2,260,162</u>	<u>\$ 5,608,083</u>	<u>\$ 7,868,245</u>	<u>\$ 255,850</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (186,293)	\$ 425,499	\$ 239,206	\$ (15)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	706,303	828,132	1,534,435	-
(Increase) decrease in assets:				
(Increase) in receivables	(397)	(34,434)	(34,831)	(476)
Decrease (increase) in due from other funds	12,350	26,596	38,946	(2,191)
Decrease in due from component units	-	-	-	159
(Increase) in prepaid items	-	-	-	(9,937)
(Increase) in deferred outflows of resources:				
Decrease in deferred items - IMRF	631,440	606,992	1,238,432	-
(Increase) in deferred items - OPEB	(629,225)	(602,746)	(1,231,971)	-
Increase (decrease) in liabilities:				
(Decrease) in accounts payable	(173,093)	(2,745)	(175,838)	(112,824)
Increase in payroll liabilities payable	4,648	4,558	9,206	-
Increase (decrease) in due to other funds	(108)	3,886	3,778	(136,861)
Increase (decrease) in due to component units	317	316	633	(1,287)
Increase in compensated absences payable	32,675	13,623	46,298	-
Increase in other post-employment benefits liability	945,778	905,977	1,851,755	-
(Decrease) in net pension liability -IMRF	(961,777)	(921,717)	(1,883,494)	-
Increase (decrease) in other payables	12,061	-	12,061	(2,419)
Increase (decrease) in deferred inflows of resources:				
Increase in deferred items - IMRF	412,618	390,755	803,373	-
(Decrease) in deferred items - OPEB	(106,208)	(101,739)	(207,947)	-
Net cash provided (used) by operating activities	<u>\$ 701,089</u>	<u>\$ 1,542,953</u>	<u>\$ 2,244,042</u>	<u>\$ (265,851)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY COMPONENT UNITS

April 30, 2020

	Pension Component Units
Assets:	
Cash	\$ 1,093,156
Interest receivable	59,095
Prepaid expenses	2,479
Due from primary government	72,574
Total assets other than investments	1,227,304
Investments, at fair value:	
Certificate of deposit	1,905,696
U.S. government obligations	971,877
Corporate and municipal bonds	4,870,606
Insurance contracts	22,420,243
Annuities	569,332
Stocks	2,326,863
Total investments	33,064,617
Total assets	34,291,921
Liabilities:	
Accounts payable	5,380
Pensions payable	249,200
Total liabilities	254,580
Net Position:	
Held in trust for pension benefits	\$ 34,037,341

The accompanying notes are an integral part of these financial statements.

CITY OF MATTOON, ILLINOIS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY COMPONENT UNITS

For the year ended April 30, 2020

	<u>Pension Component Units</u>
Additions:	
Contributions:	
Employer	\$ 4,178,281
Plan members	<u>416,579</u>
Total contributions	<u>4,594,860</u>
Investment income:	
Interest income	257,713
Dividend income	47,031
Net decrease in fair value of investments	<u>(1,627,193)</u>
Net investment income	<u>(1,322,449)</u>
Total additions	<u>3,272,411</u>
Deductions:	
Benefits and refunds of contributions	5,277,535
Administrative expenses	<u>68,929</u>
Total deductions	<u>5,346,464</u>
Change in net position	(2,074,053)
Net position held in trust - beginning	<u>36,111,394</u>
Net position held in trust - ending	<u><u>\$ 34,037,341</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL REPORTING ENTITY

The City of Mattoon, Illinois, operates under an elected Commission form of government. The City's major operations include public safety, public works, recreation and parks, and general administrative services. In addition, the City owns and operates two major enterprise activities, a water plant and local sewer system.

As required by U.S. generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. In accordance with governmental accounting standards, financial accountability is determined on the basis of authoritative appointments of a voting majority of the potential component unit's board, imposition of its will on the potential component unit, the existence of a financial benefit or burden, fiscal dependency, and the designation of management. Entities may also be part of the financial reporting entity if their inclusion is necessary to prevent the financial statements from being misleading or incomplete or if the entities are closely related to or financially integrated with the primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations, so data from these units would be combined with data of the City. Each discretely presented component unit is usually reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. However, discretely presented component units that are fiduciary in nature are reported separately in statements relating to fiduciary net position. Separate financial statements are not issued for the individual component units listed below.

Blended component unit – The Mattoon Foreign Fire Insurance Tax Account is governed by the 2% Foreign Fire Board. The Mattoon Foreign Fire Insurance Account is treated as a blended component unit because its sole purpose is to account for monies received from the Illinois Municipal League to the City's firefighters to purchase equipment and supplies. The entity is reported as part of the General Fund.

Discretely presented component units – The Mattoon Public Library (Library) serves all of the citizens of the City and is governed by a board appointed by the City Council. The City is liable for a note issued for improvements of the Library and for an early retirement incentive for a Library employee. The Library is reported as a governmental fund type component unit. The Mattoon Police Pension Fund and the Mattoon Firefighters Pension Fund are responsible for funding pensions for their respective members. Because their sole purpose is to provide pension funding for the City's police officers and firefighters, the Mattoon Police Pension Fund and the Mattoon Firefighters Pension Fund are treated as discretely presented component units. Since they are fiduciary in nature, these component units are presented in fiduciary net position statements.

JOINT VENTURE

The Mattoon Police Department, which is a department within the City of Mattoon, is a participant with the Illinois State Police, the Charleston Police Department, the Arcola Police Department, the Eastern Illinois University Police Department, the Coles County Sheriff's Department, and the Douglas County Sheriff's Department in a joint venture known as the East Central Illinois Task Force (Task Force). This authority was created to provide citizens of each jurisdiction the most effective drug law enforcement protection against those who engage in actions detrimental to the public safety. In the event of dissolution of the Task Force, all Task Force property obtained through grants from the Illinois Criminal Justice Information Authority shall be disposed of consistent with the current property management or disposition guidelines issued by the Authority's Office of Federal Assistance Programs. All non-grant Task Force property, inventory, and all existing or currently pending forfeited assets will be distributed between the current participants.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

JOINT VENTURE (Continued)

The East Central Illinois Task Force is governed by a Board of Directors which consists of the Sheriff or Chief (as the case may be) of each participating agency and the Zone Commander of the Illinois State Police. Each agency assigns, commissions, or funds a full-time police officer to the Task Force except the Arcola Police Department, which commissions a peace officer for employment by the Task Force. The officers remain employees of the agencies from which they were appointed for payroll purposes with the exception of the personnel from the Arcola Police Department. The City of Mattoon is the fiduciary agency for the Task Force, passing a federal grant through to the Task Force and providing oversight. Complete financial statements for the East Central Illinois Task Force can be obtained from the Mattoon Police Department at 1710 Wabash Avenue, Mattoon, Illinois 61938.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The majority of interfund activity has been removed from these statements. However, transactions among City funds that would be treated as revenues and expenditures or if they involved organizations external to City government are accounted for as revenues and expenditures in the funds involved. Therefore, charges between the City's water and sewer function and various other functions of the government are included since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are reported as follows.

GOVERNMENTAL FUNDS

The City of Mattoon reports the following major governmental fund:

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

The City of Mattoon reports the following nonmajor governmental funds:

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. Included among these funds are:

Motor Fuel Tax Fund – This fund is used to account for the revenue and expenditures related to projects financed by the motor fuel tax funds collected and distributed by the State of Illinois.

Hotel and Motel Tax Fund – This fund is used to account for the collection of a 5% room occupancy tax.

Home Rehabilitation Grant Fund – This fund is used to account for housing grants and related expenditures.

Midtown TIF District Fund – This fund is used to account for revenues and expenditures for implementation of the Mattoon Midtown Redevelopment Plan and Project, including all property tax increment revenues received from Coles County allocable to the operation of the Mattoon Midtown Tax Increment District as required by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11 - 74.4-3 et seq.).

I-57 East TIF District Fund – This fund is used to account for revenues and expenditures for implementation of the I-57 East Redevelopment Plan and Project, including all property tax increment revenues received from Coles County allocable to the operation of the I-57 East Tax Increment District as required by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-3 et. seq.).

I-57 East Business District Fund – This fund is used to account for the revenues and expenditures for implementation of the I-57 East Business District Plan and Project, including all sales and hotel/motel tax revenues received from the State of Illinois and City of Mattoon allocable to the operation of the I-57 East Business District Fund as required by the Business District Development and Redevelopment Act (65 ILCS 5/1 74.3-1 et. seq.).

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

South Rt 45 TIF District Fund – This fund is used to account for the revenues and expenditures for implementation of the South Rt 45 Redevelopment Plan and Project, including all property tax increment revenues received from Coles County allocable to the operation of the South Rt 45 Tax Increment District as required by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-3 et. seq.).

South Rt 45 Business District Fund – This fund is used to account for revenues and expenditures for implementation of the South Rt 45 Business District Plan, including all sales tax and hotel/motel tax revenues received from the State of Illinois and City of Mattoon allocable to the operation of the South Rt 45 Business District Fund as required by the Business District Development and Redevelopment Act (65 ILCS 5/1-74.3-1 et. seq.).

Broadway East TIF District Fund – This fund is used to account for the revenue and expenditures for implementation of the Broadway East Redevelopment Plan and Project, including all property tax increment revenues received from Coles County allocable to the operation of the Broadway East Tax Increment District as required by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-3 et. seq.).

Broadway East Business District Fund – This fund is used to account for the revenues and expenditures for implementation of the Broadway East Business District Plan and Project, including all sales and hotel/motel tax revenues received from the State of Illinois and City of Mattoon allocable to the operation of the Broadway East Business District Fund as required by the Business District Development and Redevelopment Act (65 ILCS 5/1-74.3-1 et. seq.).

PROPRIETARY FUNDS

The City of Mattoon reports the following major proprietary funds:

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water Fund – This fund is used to account for the activities of the government’s water distribution system.

Sewer Fund – This fund is used to account for the activities of the government’s sewage treatment plant, sewage pumping stations and collection systems.

The City of Mattoon reports the following nonmajor proprietary funds:

Internal Service Funds – Internal Service Funds are used to account for financing of services provided by one department or agency to other departments or agencies of the governmental unit, or other governmental units, on a cost-reimbursement basis.

Health Insurance Fund – This fund is used to account for employee and retiree health insurance.

Insurance and Tort Judgment Fund – This fund is used to account for the insurance premiums paid by the City.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

OTHER FUND TYPES

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the City in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City does not have any fiduciary funds, but it does include the Mattoon Police Pension Fund and the Mattoon Firefighters' Pension Fund, both of which are fiduciary type discretely presented component units.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The City's records are generally maintained on the modified accrual basis of accounting. The basis of accounting used in the preparation of the basic financial statements is described in the following paragraphs.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues from exchange transactions are recognized when they are earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Revenues from taxes or assessments on exchange transactions (sales taxes, utility taxes) are recognized when the underlying exchange transaction occurs. Revenues from shared nonexchange transactions (state income taxes, motor fuel taxes, replacement taxes) are also recognized in the period when the underlying transaction occurs, provided the state is required to share the revenues under act of law. Property taxes are recognized as revenues in the year in which they are budgeted to be used. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available, including revenues from taxes or assessments on exchange transactions (sales taxes, utility taxes) and shared nonexchange transactions (state income taxes, motor fuel taxes, replacement taxes). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers revenues to be available if they are collectible within 60 days after year-end. Property taxes are recognized as revenues in the year in which they are levied as long as they meet the measurable and available criteria. Expenditures generally are recognized when the related fund liability is incurred, with the exception of principal and interest payments on general long-term debt which are recognized as liabilities when paid, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. In addition to liabilities, the statement of net position and the governmental funds balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of resources that applies to a future period and is not recognized as an inflow of resources or revenue until that time.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Unearned revenues included under the liabilities section of the statement of net position and the governmental funds balance sheet arise when resources are received prior to the City of Mattoon having a legal claim to them.

Property taxes are levied no later than the last Tuesday of December. These taxes attach as an enforceable lien on property as of January 1 of the calendar year that the levy ordinance was enacted. The taxes are payable by property owners in two equal installments. The first installment is due 30 days after the bills are mailed, while the second payment is due around September 1. The Coles County Treasurer distributed the 2018 tax extension to the City on June 21, 2019, July 23, 2019, October 4, 2019, and November 22, 2019. The City Council adopted the 2019 tax levy (receivable in calendar year 2020) on December 3, 2019. The 2019 property tax levy is a deferred inflow of resources in the governmental funds statements and government-wide statements, since the levy is intended to finance fiscal year 2021 expenditures. Property tax revenues recorded in these financial statements are from the 2018 and prior tax levies. TIF property taxes are not levied, but are paid by the County from incremental property tax receipts of all taxing bodies within a TIF District. The County collects such taxes and remits them periodically.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water enterprise fund, the Sewer enterprise fund, and the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

DEPOSITS AND INVESTMENTS

The City considers cash on hand, checking accounts, savings accounts, money market funds, and investments held with an original maturity date of less than three months to be cash and cash equivalents. The City maintains a cash pool for use by most funds. Each fund's portion of this pool is included in the financial statements as cash and cash equivalents. Investments of the City, as well as its component units, are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Unrealized gains or losses from the appreciation or depreciation in fair value of investments in the Mattoon Firefighters Pension Fund and Mattoon Police Pension Fund are reported as "net increase (decrease) in fair value of investments."

The City follows GASB Statement No. 72, *Fair Value Measurement and Application*, which provides a framework for measuring fair value under U.S. generally accepted accounting principles. Fair value is defined as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. This statement requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs and establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels as described below.

- Level 1 Inputs to the valuation methodology derived from unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEPOSITS AND INVESTMENTS (Continued)

Level 3 Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

Statutes authorize the City and the Library to invest in obligations of the United States of America and its agencies, direct obligations of any bank or savings and loan association that is insured by the Federal Deposit Insurance Corporation, short term obligations of corporations subject to certain qualifications, money market mutual funds whose portfolios are limited to governmental securities and obligations, the Illinois Funds Money Market Fund, and bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, subject to certain qualifications.

Statutes authorize the Police and Firefighters Pension component units to invest in obligations of the United States of America and its agencies, bonds of the State of Illinois, bonds of any county, township or municipal corporation of the State of Illinois, Illinois Funds Money Market Fund, money market mutual funds under the Investment Company Act of 1940 subject to certain restrictions, general accounts of life insurance companies authorized to transact business in Illinois, separate accounts managed by life insurance companies subject to certain qualifications, and mutual funds meeting certain requirements. Through an appointed investment adviser, the Pension component units can also invest in common and preferred stocks, subject to certain requirements. Furthermore, investments may be made in banks, savings and loan associations, and credit unions covered by depository insurance.

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

RECEIVABLES AND PAYABLES

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

Property taxes receivable have been adjusted for estimated uncollectible accounts. No allowance for uncollectibles is considered necessary at year-end. Water and sewer customer receivables are shown net of the allowance for uncollectible accounts. The allowance for uncollectible accounts is based on historical collection experience. If actual defaults are higher than the historical experience, management's estimate of the recoverability of amounts due the City could be adversely affected.

INVENTORY AND PREPAID ITEMS

It has been the policy of the Water and Sewer Funds to charge all materials, chemicals, repair parts, and supplies directly to expense at the time they are purchased. Therefore, no inventory is included in these funds. Inventories of governmental funds are considered immaterial at year-end.

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items, as reported in the fund financial statements, are offset by a nonspendable fund balance in the applicable governmental funds.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Land, buildings, furniture, equipment, and vehicles are included at estimated historical cost on various dates prior to December 7, 1971. Property purchased subsequent to that date is valued at historical cost. Donated capital assets are valued at their estimated fair value on the date donated.

The City has adopted an ordinance establishing capitalization thresholds for different classes of capital assets. The capitalization thresholds are as follows:

Property	Threshold
Land	\$ 5,000
Buildings and improvements	50,000
Infrastructure	50,000
Equipment and vehicles	10,000
Software	10,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Depreciation has been reported using the straight-line method over the estimated useful lives of the respective assets. Land is not depreciated. The estimated useful lives for each capital asset type are as follows:

Property	Years
Buildings and building improvements	50
Improvements other than buildings	20
Infrastructure:	
Sidewalks and bike paths	15
Streets, curbs and gutters	20
Traffic signals	25
Bridges and storm sewers	50
Radio-read water meter equipment	10
Equipment and vehicles	5
Software	2

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES PAYABLE

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits to specified maximums. Upon separation from service, employees are eligible to receive only a portion of accumulated time. Such amounts are accrued when incurred in the government-wide and proprietary fund financial statements. For governmental funds and the governmental component unit, the amount of compensated absences payable from available resources is recorded only when due for payment, such as when an employee retires or resigns.

LONG-TERM OBLIGATIONS

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental or business-type activities columns or proprietary fund statement of net position. Bond premiums and discounts, if applicable, are amortized over the life of the bonds using the straight line method, as the differences between the straight line method and the effective interest method are considered immaterial. Bonds payable are reported net of the applicable bond premium or discount, if applicable. Bond issuance costs are expensed in the year incurred.

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

FUND BALANCES

Governmental fund equity is classified as fund balance. Fund balance is assets less liabilities and deferred inflows of resources in a governmental fund. The following types of fund balances may be presented in the Balance Sheet – Governmental Funds, Combining Balance Sheet – Nonmajor Governmental Funds, and Balance Sheet – Governmental Component Unit (Mattoon Public Library):

Nonspendable Fund Balance – The portion of a governmental fund's fund balance that is not available to be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The General Fund and Revolving Loan Fund present nonspendable fund balances because the amounts are not in spendable form.

Restricted Fund Balance – The portion of a governmental fund's fund balance that is subject to constraints either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The following funds present restricted fund balances: Motor Fuel Tax Fund – restricted for public works, Hotel and Motel Tax Fund – restricted for culture and recreation, Home Rehabilitation Grant Fund, Midtown TIF District Fund, I-57 East TIF District Fund, South Rt 45 TIF District Fund, South Rt 45 Business District Fund, Broadway East TIF District Fund, Broadway East Business District Fund, and I-57 East Business District Fund – restricted for economic development.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND BALANCES (Continued)

Committed Fund Balance – The portion of a governmental fund’s fund balance with self-imposed constraints or limitations that have been imposed by action of the government’s highest level of decision-making. The Mattoon City Council can establish committed fund balances by adopting ordinances for such purposes. The General Fund and Capital Projects Fund present committed fund balances for capital outlay and the demolition of dilapidated structures.

Assigned Fund Balance – The portion of a governmental fund’s fund balance denoting a government’s intended use of resources. The Mattoon City Council is authorized to assign amounts to a specific purpose. The General Fund presents an assigned fund balance for culture and recreation and economic development.

Unassigned Fund Balance – The portion of a governmental fund’s fund balance that is not designated for a specific purpose. The General Fund presents an unassigned fund balance.

When an expenditure is incurred for which resources are available from multiple types of fund balance, it is the City’s policy to first apply restricted resources, then committed fund balances, followed by assigned fund balances, and finally unassigned fund balances.

NET POSITION

In the government-wide and proprietary fund financial statements, net position represents the difference between combined assets and deferred outflows of resources and combined liabilities and deferred inflows of resources. Net positions are displayed in three categories:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The governmental activities column on the statement of net position reports a restricted amount of \$2,525,130 of which \$844,694 is restricted by enabling legislation.

It is the City’s policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis in accordance with U.S. generally accepted accounting principles. The budget was passed on April 16, 2019 with no amendments.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The reconciliation of total governmental fund balances to net position of governmental activities includes a reconciliation between "total fund balances, governmental funds" and "net position of governmental activities." One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of the reconciling amount are as follows:

Bonds Payable	\$ (6,170,000)
Plus: bond premium (to be amortized as interest expense)	(48,214)
Accrued interest payable	(82,670)
Capital leases payable	(106,180)
Notes payable	(540,567)
Compensated absences payable	(1,097,663)
Net pension liability - IMRF	(67,826)
Net pension liability - police pension	(45,075,547)
Net pension liability - firefighter pension	(49,913,373)
Net OPEB liability	<u>(43,438,117)</u>
Net adjustment to reduce "total fund balances, governmental funds" to arrive at "net position of governmental activities"	<u>\$ (146,540,157)</u>

Another element of that reconciliation states that "differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the pension trust funds and Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position." The details of the reconciling amounts are as follows:

Deferred outflows - IMRF	\$ 345,426
Deferred outflows - Mattoon Police Pension Trust Fund	9,735,830
Deferred outflows - Mattoon Firefighters Pension Trust Fund	9,661,336
Deferred outflows - OPEB	6,169,848
Deferred inflows - IMRF	(731,464)
Deferred inflows - Mattoon Police Pension Trust Fund	(1,518,822)
Deferred inflows - Mattoon Firefighters' Pension Trust Fund	(235,368)
Deferred inflows - OPEB	<u>(389,329)</u>
	<u>\$ 23,037,457</u>

CITY OF MATTOON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)
 For the Year Ended April 30, 2020

2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities includes a reconciliation between "net change in fund balances, governmental funds" and "changes in net position of governmental activities." One element of the reconciliation explains that "governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense." The details of the reconciling amount are as follows:

Capital outlay	\$ 1,318,126
Depreciation	<u>(1,483,985)</u>
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	<u>\$ (165,859)</u>

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (e.g. sales and donations) is to decrease net position." The details of the reconciling amounts are as follows:

Net gain on disposal of capital assets	\$ 6,261
Proceeds from sale of assets	<u>(8,000)</u>
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	<u>\$ (1,739)</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued; whereas, these amounts are amortized in the statement of activities." The details of the reconciling amount are as follows:

Principal repayments:	
General obligation bonds	\$ 550,000
Capital leases	58,796
Notes payable	124,388
Amortization of bond premium	6,837
Net adjustment to increase "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	\$ 740,021

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of the reconciling amount are as follows:

Compensated absences	\$ (40,132)
Accrued interest	9,001
Change in net OPEB liability	(6,345,902)
Change in the net pension liability:	
IMRF	\$ 1,438,295
Mattoon Police Pension Trust Fund	(10,079,515)
Mattoon Firefighters Police Pension Trust Fund	(12,031,056)
Change in deferred inflows and outflows of resources:	
IMRF	(1,535,876)
Mattoon Police Pension Trust Fund	5,857,276
Mattoon Firefighters Police Pension Trust Fund	7,866,052
OPEB	4,083,669
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	\$ (10,778,188)

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

3 DEPOSITS AND INVESTMENTS

A. DEPOSITS

At April 30, 2020, the carrying amount of the primary government's deposits was \$13,525,742 and the bank balance was \$13,581,437. The governmental component unit (Mattoon Public Library) had deposits with a carrying amount of \$144,370 and bank balances totaling \$158,907. The fiduciary component units had deposits with a carrying amount of \$1,093,156 and bank balances totaling \$942,940. The primary government and governmental component unit (Mattoon Public Library) had cash on hand of \$830 and \$215, respectively.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The government does not have a deposit policy for custodial credit risk. At April 30, 2020, deposits at First Mid Bank & Trust and Prairie State Bank & Trust were fully insured or collateralized by the financial institutions. The City's cash balance at Prairie State Bank & Trust totaled \$5,016,067, with \$4,516,067 uninsured by FDIC, but fully collateralized by securities pledged by the financial institution. The City's cash balance at First Mid Bank & Trust totaled \$8,553,889, with \$8,303,889 uninsured by FDIC, but fully collateralized by securities pledged by the financial institution.

B. INVESTMENTS

At April 30, 2020, the City's primary government had the following investments:

Investment Type	Fair Value	Average Credit Rating	Weighted Avg. Maturity (Years)
Illinois Funds Money Market Fund	\$ 4,127,599	AAAm	Demand *

*-These accounts are subject to immediate withdrawal and are reflected as cash equivalents in the financial statements.

At April 30, 2020, the City's governmental component unit (Mattoon Public Library) had the following investment:

Investment Type	Fair Value	Average Credit Rating	Weighted Avg. Maturity (Years)
Investment pool - Southeastern Illinois Community Foundation	\$ 43,788	N/A	N/A
Certificate of deposit - First National Bank	90,218	N/A	N/A
	<u>\$ 134,006</u>		

At April 30, 2020, the City's fiduciary component units had the following investments:

Investment Type	Level of Hierarchy	Fair Value	Average Credit Rating	Weighted Avg. Maturity (Years)
Annuities	2	\$ 569,332	N/A	N/A
Common stock	1	2,326,863	N/A	N/A
Certificates of deposit	2	1,905,696	N/A	N/A
U.S. government obligations	2	971,877	AA+/AAA	15.74
Corporate and municipal bonds	2	4,870,606	A+/AA3	1.03
Insurance contracts		22,420,243	A+/A2	N/A
Total		<u>\$ 33,064,617</u>		

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

3 DEPOSITS AND INVESTMENTS (Continued)

THE ILLINOIS FUNDS MONEY MARKET FUND

The Illinois Funds Money Market Fund (Illinois Funds) enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. Although not subject to direct regulatory oversight, the investment pool is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. The investment policy of the Illinois Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity. The policy also limits investment categories to 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities, unless specifically authorized by the Treasurer. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits. The Illinois Funds received Standard & Poor's highest rating.

SOUTHEASTERN ILLINOIS COMMUNITY FOUNDATION

The Mattoon Public Library holds an account with Southeastern Illinois Community Foundation (SICF). While invested as a pool, individual funds are accounted for by the SICF on an individual fund basis. The investment policy of the SICF is to keep all its assets invested seventy percent (70%) in equities and thirty percent (30%) in fixed assets and cash or cash equivalents.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To help assess this risk, investments in debt securities are rated on their credit quality by nationally recognized statistical rating organizations. Statutes state that any short term obligations of corporations invested in by the City's primary government or the Mattoon Public Library component unit must be rated at the time of purchase at one of the three highest classifications established by at least two standard rating services. Investments in bonds of local governments must be rated within the four highest classifications established by a rating service nationally recognized for expertise in rating bonds of states and their political subdivisions. Neither the City nor the Mattoon Public Library governmental component unit has an investment policy that further limits its investments' exposure to credit risk. In addition to the limitations listed above, the City's fiduciary component units' have investment policies that further limit their investments in contracts and agreements of life insurance companies to those rated at least A by A.M. Best Company and A rated by Moody's and Standard and Poor's rating services.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The primary government of the City and the Mattoon Public Library component unit do not have formal investment policies that limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The fiduciary component units' investment policies do not limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

3 DEPOSITS AND INVESTMENTS (Continued)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. State statutes limit the investments in short term obligations of corporations to one-third or less of the government's funds. Neither the City nor the Mattoon Public Library component unit has an investment policy that further limits the percentage of investments from a single issuer. There are no investments (other than investments in external investment pools) in any one issuer that represent five percent or more of total investments for the primary government of the City.

State statutes limit the fiduciary component units' investments in separate accounts managed by life insurance companies and mutual funds to a maximum of sixty-five percent of the market value of the pension's net present assets at the time of investment. Further, the market value of stock in any one corporation cannot exceed five percent of the cash and invested assets of the pension fund. The investment policies of the fiduciary component units do not further limit investment concentrations. More than five percent of the City's fiduciary funds' investments are in AIG Annuity Insurance Company annuities (27.80%), and Venerable Insurance and Annuity Company annuities (34.81%).

C. RECONCILIATION BETWEEN THE DEPOSITS, INVESTMENTS AND CASH ON HAND AS SHOWN IN THE NOTES AND THE CASH, CERTIFICATES OF DEPOSIT AND INVESTMENTS AS SHOWN ON THE FINANCIAL STATEMENTS

	Primary Government	Governmental- Type Component Unit (Mattoon Public Library)	Fiduciary-Type Component Unit (Pensions)
Deposits, investments, and cash on hand per notes:			
Deposits	\$ 13,525,742	\$ 144,370	\$ 1,093,156
Investments, at fair value	4,127,599	134,006	33,064,617
Cash on hand	830	215	-
Total deposits, investments and cash on hand	\$ 17,654,171	\$ 278,591	\$ 34,157,773
Cash, certificates of deposit and investments per statements:			
Cash and cash equivalents	\$ 16,619,660	\$ 144,585	\$ 1,093,156
Investments, at fair value	-	134,006	33,064,617
Restricted assets:			
Cash and cash equivalents	1,025,099	-	-
Certificates of deposit	9,412	-	-
Total cash and cash equivalents, certificates of deposit and investments	\$ 17,654,171	\$ 278,591	\$ 34,157,773

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

4 RECEIVABLES

Receivables balances as of April 30, 2020, for the primary government were as follows:

	Governmental Activities			
	Governmental Funds		Proprietary Funds	
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
	Fund	Funds	Funds	Total
Property taxes	\$ 4,693,000	\$ -	\$ -	\$ 4,693,000
TIF property tax increment	-	1,043,455	-	1,043,455
Business district taxes	-	101,270	-	101,270
Utility taxes	107,784	-	-	107,784
Telecommunications taxes	127,465	-	-	127,465
Income and use taxes	407,743	-	-	407,743
Sales taxes	1,531,780	-	-	1,531,780
Personal property replacement taxes	77,011	-	-	77,011
Motor fuel taxes	-	98,605	-	98,605
Other taxes	23,937	99,888	-	123,825
Grants	1,713	-	-	1,713
Other receivables	212,661	18,944	7,607	239,212
	<u>\$ 7,183,094</u>	<u>\$ 1,362,162</u>	<u>\$ 7,607</u>	<u>\$ 8,552,863</u>

	Business-Type Activities		
	Proprietary Funds		
	Water Fund	Sewer Fund	Total
Customer receivables	\$ 477,014	\$ 578,982	\$ 1,055,996
Less: allowance for uncollectible accounts	(2,594)	(2,994)	(5,588)
Total	<u>\$ 474,420</u>	<u>\$ 575,988</u>	<u>\$ 1,050,408</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

5 SCHEDULE OF PAYABLES AND RECEIVABLES WITHIN THE REPORTING ENTITY

Payables and receivables between funds consisted of the following at April 30, 2020:

<u>Due to/from Other funds</u>		
<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ -	\$ 317,522
Nonmajor Governmental Funds		
Capital Projects Fund	109,378	-
Hotel and Motel Tax Fund	-	1,124
Total nonmajor governmental funds	<u>109,378</u>	<u>1,124</u>
Total governmental funds	<u>109,378</u>	<u>318,646</u>
Proprietary Funds:		
Enterprise Funds:		
Water Fund	-	28,120
Sewer Fund	-	33,868
Total Enterprise Funds	<u>-</u>	<u>61,988</u>
Internal Service Funds:		
Health Insurance Fund	220,624	-
Insurance and Tort Judgment Fund	50,632	-
Total Internal Service Funds	<u>271,256</u>	<u>-</u>
Total Proprietary Funds	<u>271,256</u>	<u>61,988</u>
Due To/From Other Funds	<u>\$ 380,634</u>	<u>\$ 380,634</u>

The amount receivable to the Capital Projects Fund from the General Fund consists of the transfer of one-half of the sales tax increase earmarked for capital projects, net of amounts owed for other capital improvements. The amounts receivable to the Health Insurance Fund and Insurance and Tort Judgment Fund from the General Fund, Hotel and Motel Tax Fund, Water Fund and Sewer Fund are for underpayment of charges for services.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

5 SCHEDULE OF PAYABLES AND RECEIVABLES WITHIN THE REPORTING ENTITY (Continued)

Payables and receivables between funds and component units consisted of the following at April 30, 2020:

Due between primary government and component units

Fund	Receivable	Payable
Primary Government:		
Governmental Fund:		
General Fund	\$ 19,653	\$ 72,891
Proprietary Funds:		
Enterprise Funds:		
Water Fund	-	317
Sewer Fund	-	316
Total Enterprise Funds	-	633
Internal Service Funds:		
Health Insurance Fund	5,409	-
Insurance and Tort Judgment Fund	535	-
Total Internal Service Funds	5,944	-
Total Primary Government	25,597	73,524
Component Units:		
Governmental Component Unit:		
Mattoon Public Library	950	25,597
Fiduciary Component Units:		
Mattoon Firefighters Pension Fund	36,287	-
Mattoon Police Pension Fund	36,287	-
Total Fiduciary Component Units	72,574	-
Total Component Units	73,524	25,597
Due between primary government and component units	\$ 99,121	\$ 99,121

The amount receivable to the General Fund from the Library is the reimbursement of expenditures of the Library paid by the General Fund, and the reimbursement of debt service payments paid by the General Fund. The amount receivable to the Health Insurance Fund and the Insurance and Tort Judgment Fund from the Mattoon Public Library is for underpayments of charges for services. The amount receivable to the Mattoon Firefighters Pension Fund and Mattoon Police Pension Fund is for the transfer of video gaming taxes from the General Fund.

Advance between primary government and component units

Fund	Receivable	Payable
Primary Government:		
Governmental Funds:		
General Fund	\$ 15,854	-
Component Units:		
Governmental Component Unit:		
Mattoon Public Library	-	15,854
Advance between primary government and component units	\$ 15,854	\$ 15,854

The amounts receivable to the General Fund consist of the long-term portion of debt paid by the General Fund on behalf of the Mattoon Public Library.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

6 CAPITAL ASSETS

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

	<u>Balance</u> <u>April 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2020</u>
Primary government:				
Government activities:				
Capital assets not being depreciated:				
Land	\$ 3,585,604	\$ 21,422	\$ -	\$ 3,607,026
Construction in progress	303,743	407,833	194,804	516,772
Total capital assets not being depreciated	<u>3,889,347</u>	<u>429,255</u>	<u>194,804</u>	<u>4,123,798</u>
Capital assets being depreciated:				
Building and improvements	13,535,156	74,833	-	13,609,989
Less: Accumulated depreciation	<u>(4,032,755)</u>	<u>(273,694)</u>	<u>-</u>	<u>(4,306,449)</u>
Buildings and improvements, net	<u>9,502,401</u>	<u>(198,861)</u>	<u>-</u>	<u>9,303,540</u>
Infrastructure	63,095,804	882,805	-	63,978,609
Less: Accumulated depreciation	<u>(51,323,883)</u>	<u>(692,561)</u>	<u>-</u>	<u>(52,016,444)</u>
Infrastructure, net	<u>11,771,921</u>	<u>190,244</u>	<u>-</u>	<u>11,962,165</u>
Improvements other than building	6,126,527	-	-	6,126,527
Less: Accumulated depreciation	<u>(1,276,076)</u>	<u>(241,901)</u>	<u>-</u>	<u>(1,517,977)</u>
Improvements other than building, net	<u>4,850,451</u>	<u>(241,901)</u>	<u>-</u>	<u>4,608,550</u>
Equipment, furniture and vehicles	6,752,620	126,035	101,294	6,777,361
Less: Accumulated depreciation	<u>(5,889,139)</u>	<u>(275,830)</u>	<u>(99,555)</u>	<u>(6,065,414)</u>
Equipment, furniture and vehicles, net	<u>863,481</u>	<u>(149,795)</u>	<u>1,739</u>	<u>711,947</u>
Total capital assets being depreciated, net	<u>26,988,254</u>	<u>(400,313)</u>	<u>1,739</u>	<u>26,586,202</u>
Total governmental activities, capital assets, net	<u>\$ 30,877,601</u>	<u>\$ 28,942</u>	<u>\$ 196,543</u>	<u>\$ 30,710,000</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

6 CAPITAL ASSETS (Continued)

Capital asset activity for the year ended April 30, 2020, was as follows: (continued)

	Balance April 30, 2019	Additions	Deletions	Balance April 30, 2020
Primary government (continued):				
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 587,155	\$ -	\$ -	\$ 587,155
Construction in progress	8,910,397	1,378,251	253,312	10,035,336
Total capital assets not being depreciated	9,497,552	1,378,251	253,312	10,622,491
Capital assets being depreciated:				
Building and improvements	13,250,379	-	-	13,250,379
Less: Accumulated depreciation	(6,322,387)	(229,902)	-	(6,552,289)
Buildings and improvements, net	6,927,992	(229,902)	-	6,698,090
Improvements other than building	304,252	-	-	304,252
Less: Accumulated depreciation	(179,159)	(5,958)	-	(185,117)
Improvements other than building, net	125,093	(5,958)	-	119,135
Treatment, collection, and distribution systems	52,466,204	-	-	52,466,204
Less: Accumulated depreciation	(30,667,928)	(988,687)	-	(31,656,615)
Treatment, collection, and distribution systems, net	21,798,276	(988,687)	-	20,809,589
Equipment, furniture and vehicles	4,640,167	378,254	-	5,018,421
Less: Accumulated depreciation	(3,707,765)	(309,888)	-	(4,017,653)
Equipment, furniture and vehicles, net	932,402	68,366	-	1,000,768
Total capital assets being depreciated, net	29,783,763	(1,156,181)	-	28,627,582
Total business-type activities, capital assets, net	\$ 39,281,315	\$ 222,070	\$ 253,312	\$ 39,250,073

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

6 CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 179,568
Public safety	304,889
Public works	875,256
Culture and recreation	107,912
Health and welfare	16,360
Governmental activities, depreciation expense	\$ 1,483,985

Business-type activities:

Water	\$ 706,303
Sewer	828,132
Business-type activities, depreciation expense	\$ 1,534,435

Analysis of changes in component unit capital assets:

Component unit (Mattoon Public Library):	Balance			Balance
Governmental activities:	April 30, 2019	Additions	Deletions	April 30, 2020
Capital assets being depreciated:				
Building and improvements	\$ 3,011,239	\$ -	\$ -	\$ 3,011,239
Less: Accumulated depreciation	(1,278,948)	(60,225)	-	(1,339,173)
Buildings and improvements, net	1,732,291	(60,225)	-	1,672,066
Equipment, furniture and vehicles	137,262	-	-	137,262
Less: Accumulated depreciation	(134,316)	(2,719)	-	(137,035)
Equipment, furniture and vehicles, net	2,946	(2,719)	-	227
Component unit, capital assets, net	\$ 1,735,237	\$ (62,944)	\$ -	\$ 1,672,293

Depreciation expense was charged to functions/programs of the discretely presented component unit, Mattoon Public Library, as follows:

Governmental activities:	
Mattoon Public Library	\$ 62,944

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

7 CONSTRUCTION IN PROGRESS

The City has active construction projects in progress as of April 30, 2020. The projects include construction of the Bike Trail Expansion, CSO piping project, rechlorination for Sarah Bush, Coles Centre improvements, a new WTP clearwell storage tank in addition to improving the existing clearwell storage tank and various street improvements. During the year, the design of IL-16/Dettro Drive was completed. Funds will be committed for the construction of IL-16/Dettro Dr. once available. Also, during the year, construction of a pavilion at Lake Mattoon began. During the year ended April 30, 2019, the City expended \$15,000 for construction of a pavilion at Lake Mattoon. The project is expected to be completed in fiscal year 2021 with various community donations. When completed, all property improvements will be donated to the City of Mattoon. Total expected costs for the pavilion is \$250,000. At April 30, 2020, the City's construction in progress is as follows:

Project:	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Primary government:		
Governmental activities:		
Broadway streetscaping	\$ 52,545	\$ 670,000
Bike Trail Expansion Project	109,023	1,250,000
Champaign Avenue sidewalks	141,950	7,639
Coles Centre roadway	121,806	1,945,896
Marshall Avenue design - phase 3	<u>91,448</u>	<u>1,227</u>
Total governmental activities	<u>\$ 516,772</u>	<u>\$ 3,874,762</u>
Business-type activities:		
CSO/long term control plan	\$ 8,081,153	\$ 13,560,000
Sarah Bush rechlorination	109,540	328,643
Lake pavilion	15,000	-
WWTP disinfection study	125,959	842,322
WWTP transformer	18,162	163,675
Coles Centre watermain	105,707	18,763
WTP Clearwell	<u>1,579,815</u>	<u>700,287</u>
Total business-type activities	<u>\$ 10,035,336</u>	<u>\$ 15,613,690</u>

8 CEMETERY DEVELOPMENT

Cemetery development consists of land held for future expansion and the Dodge Grove Cemetery Mausoleum. The carrying value of the mausoleum is equal to the cost of renovation less cost of crypt spaces sold.

Mausoleum carrying value, April 30, 2019	\$ 39,473
Less: cost of crypts sold	<u>-</u>
Mausoleum carrying value, April 30, 2020	39,473
Land held for future expansion, estimated carrying value, April 30, 2020	<u>21,179</u>
Total	<u>\$ 60,652</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

9 DEFERRED OUTFLOWS AND INFLOWS - DEBT REFUNDINGS

For governmental activities, deferred inflows of resources consists of current refundings of unamortized bond premiums with an original amount of \$93,555 and \$19,568 for the 2017A / 2017B refundings and 2014 refunding, respectively. As of April 30, 2020, the accumulated amortization on these refundings totaled \$52,550 and \$12,359, respectively. Amortization of current refunding of unamortized bond premiums for the year ended April 30, 2020, was \$6,837 for governmental activities.

10 RESTRICTED ASSETS

The General Fund has restricted cash and investments for mausoleums and cemetery perpetual care, police DUI and seizures and Mattoon Arts Council. The Water Fund has restricted cash accounts for customer meter deposits. The Water and Sewer Funds have restricted cash accounts for debt service requirements. The Health Insurance Fund has restricted cash for the employees' flexible spending account. The Mattoon Public Library has restricted contributions and grants.

11 DEFERRED COMPENSATION PLAN

In January 1977, the City entered into a deferred compensation plan agreement with participating employees, funded with a group variable annuity contract in accordance with Internal Revenue Code Section 457. Additional plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The City has little administrative involvement and performs no investing function for this plan. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property or rights are solely the property and rights of the participants and are not subject to claims of the City's creditors. Accordingly, these plan assets are not reflected in the financial statements.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

12 GENERAL OBLIGATION BONDS

General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities:			
Series 2017A	December 2028	2.21%	\$ 3,610,000
Series 2017B (Taxable)	December 2028	3.31%	<u>2,560,000</u>
 Total governmental activities bonds			 <u><u>\$ 6,170,000</u></u>
		<u>Interest Rates</u>	<u>Amount</u>
Business-type activities - refunding:			
Series 2014 Refunding Bonds	December 2019	2.00%	\$ -
Series 2014 Refunding Bonds	December 2023	2.00% - 3.00%	<u>1,950,000</u>
 Total business-type activities bonds			 <u><u>\$ 1,950,000</u></u>

The General Fund services all of the general obligation bonds for governmental activities, except for the Series 2017A and 2017B bonds. The Capital Projects Fund services the Series 2017A general obligation bonds, while the Broadway East Business District Fund services the Series 2017B bonds.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending April 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 580,000	\$ 164,517	\$ 540,000	\$ 58,500
2022	605,000	149,115	555,000	42,300
2023	630,000	133,049	570,000	25,650
2024	655,000	116,266	285,000	8,550
2025	685,000	98,820	-	-
2026-2030	3,015,000	205,260	-	-
2031-2035	-	-	-	-
 Total	 <u><u>\$ 6,170,000</u></u>	 <u><u>\$ 867,027</u></u>	 <u><u>\$ 1,950,000</u></u>	 <u><u>\$ 135,000</u></u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

13 CAPITAL LEASES

Previously, the City entered into a lease agreement to finance the purchase of a fire truck. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the net present value of future minimum lease payments as of the inception date.

The asset acquired through the current capital lease is as follows:

Description	Governmental Activities
Fire truck	\$ 748,078
Less: Accumulated depreciation	(748,078)
	\$ -

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2020, were as follows:

Years Ending April 30,	Governmental Activities
2021	\$ 64,452
2022	46,561
	111,013
Total minimum lease payments	111,013
Less: amount representing interest	(4,833)
	\$ 106,180

14 NOTES PAYABLE

The City has issued various notes as follows:

Governmental activities:

	Maturity Date	Interest Rates	Amount
First Mid Bank & Trust note, serviced by the General Fund, proceeds used to fund early retirement incentives, energy efficient improvements, and future needs in the General Fund	December 2020	2.490%	\$ 91,149
First Mid Bank & Trust note, serviced by the South Rt 45 TIF Fund, proceeds used to fund business development along South Rt 45	November 2029	4.875%	449,418
Total governmental activities notes			\$ 540,567

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

14 NOTES PAYABLE (Continued)

Business-type activities:

	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Amount</u>
First Mid Bank & Trust note, serviced by the Water Fund, proceeds used to fund early retirement incentives and energy efficient improvements	December 2020	2.490%	\$ 73,459
Illinois Environmental Protection Agency note, serviced by the Sewer Fund, proceeds used for sewer system improvements	August 2036	1.860%	5,274,003
First Mid Bank & Trust note, serviced by the Sewer Fund, proceeds used to fund early retirement incentives and energy efficient improvements	December 2020	2.490%	<u>58,234</u>
Total business-type activities notes			<u>\$ 5,405,696</u>

Notes payable debt service requirements to maturity are as follows:

<u>Year Ending April 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 126,826	\$ 24,269	\$ 407,536	\$ 100,108
2022	37,388	20,198	280,997	91,665
2023	39,211	18,375	286,248	86,414
2024	41,123	16,464	291,597	81,065
2025	43,088	14,499	297,046	75,616
2026-2030	252,931	38,658	1,570,593	292,717
2031-2035	-	-	1,722,925	140,385
2036-2039	-	-	548,754	10,238
Total	<u>\$ 540,567</u>	<u>\$ 132,463</u>	<u>\$ 5,405,696</u>	<u>\$ 878,208</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

15 CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the primary government for the year ended April 30, 2020, was as follows:

	Balance April 30, 2019	Additions	Reductions	Balance April 30, 2020	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 6,720,000	\$ -	\$ 550,000	\$ 6,170,000	\$ 580,000
Capital leases	164,976	-	58,796	106,180	60,927
Notes payable	664,955	-	124,388	540,567	126,826
Compensated absences	1,057,531	40,132	-	1,097,663	219,533
Net pension liability - IMRF	1,506,121	-	1,438,295	67,826	-
Net pension liability - police pension fund	34,996,032	10,079,515	-	45,075,547	-
Net pension liability - firefighters' pension fund	37,882,317	12,031,056	-	49,913,373	-
Net OPEB liability	37,092,215	6,345,902	-	43,438,117	-
	<u>\$ 120,084,147</u>	<u>\$ 28,496,605</u>	<u>\$ 2,171,479</u>	<u>\$ 146,409,273</u>	<u>\$ 987,286</u>
Governmental activities, long-term liabilities					
Business-type activities:					
General obligation bonds	\$ 2,975,000	\$ -	\$ 1,025,000	\$ 1,950,000	\$ 540,000
Add amounts:					
For issuance premiums	83,884	-	24,583	59,301	-
	<u>3,058,884</u>	<u>-</u>	<u>1,049,583</u>	<u>2,009,301</u>	<u>540,000</u>
Total general obligation bonds					
Notes payable	5,804,981	-	399,285	5,405,696	407,536
Compensated absences	256,624	46,298	-	302,922	60,584
Net pension liability - IMRF	1,977,044	-	1,883,494	93,550	-
Net OPEB liability	9,823,992	1,851,755	-	11,675,747	-
	<u>\$ 20,921,525</u>	<u>\$ 1,898,053</u>	<u>\$ 3,332,362</u>	<u>\$ 19,487,216</u>	<u>\$ 1,008,120</u>
Business-type activities, long-term liabilities					
Component unit (Mattoon Public Library):					
Governmental activities:					
Notes payable	\$ 40,000	\$ -	\$ 5,000	\$ 35,000	\$ 5,000
Compensated absences	22,091	-	1,119	20,972	4,194
Net pension liability - IMRF	167,186	-	162,878	4,308	-
Net OPEB liability	989,569	126,434	-	1,116,003	-
	<u>\$ 1,218,846</u>	<u>\$ 126,434</u>	<u>\$ 168,997</u>	<u>\$ 1,176,283</u>	<u>\$ 9,194</u>
Component unit, long-term liabilities					

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

16 DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources on the governmental funds balance sheet were as follows:

	General Fund	Nonmajor Governmental Funds
Property taxes	\$ 4,693,000	\$ 1,043,455
Sales and other related taxes	582,728	121,330
Service revenue	170,858	-
Totals	<u>\$ 5,446,586</u>	<u>\$ 1,164,785</u>

17 TAXES

Tax revenues during the year ended April 30, 2020, were as follows:

	General Fund	Nonmajor Governmental Funds
Property taxes, including mobile home taxes	\$ 4,411,560	\$ -
TIF property tax increment	50,008	1,022,699
Telecommunication taxes	499,229	-
Utility taxes	1,350,914	-
Business district taxes	-	421,720
Road and bridge taxes	149,187	-
Hotel taxes	-	278,226
Cable TV franchise taxes	191,216	-
Gas and electric franchise taxes	190,881	-
Totals	<u>\$ 6,842,995</u>	<u>\$ 1,722,645</u>

18 INTERGOVERNMENTAL REVENUES

Intergovernmental revenues during the year ended April 30, 2020, were as follows:

	General Fund	Nonmajor Governmental Funds
Income and use taxes	\$ 2,478,925	\$ -
Sales taxes	6,686,629	-
Personal property replacement taxes	564,158	-
Video gaming tax	362,869	-
Pull tabs and jar games tax	3,999	-
Motor fuel taxes	-	690,644
Foreign fire insurance taxes	40,742	-
Grants and contributions	341,796	48,433
Totals	<u>\$ 10,479,118</u>	<u>\$ 739,077</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

19 COMPARATIVE SCHEDULE OF PROPERTY TAXES EXTENDED, COLLECTED, AND DISTRIBUTED

	For Tax Levy Year		
	2019	2018	2017
Assessed valuation	\$ 199,924,401	\$ 200,959,518	\$ 197,171,994
Rate per \$100, excluding road and bridge rate	2.28442	2.22178	2.19838
Taxes extended, excluding road and bridge taxes	4,567,113	4,464,878	4,334,590
Add: City's share of road and bridge taxes extended	168,097	150,723	158,772
Total taxes extended	<u>\$ 4,735,210</u>	<u>\$ 4,615,601</u>	<u>\$ 4,493,362</u>
Taxes available to City after abatements and losses in collection (2019 estimated)	<u>\$ 4,693,000</u>	<u>\$ 4,549,347</u>	<u>\$ 4,455,944</u>
Percentage of extension available to City (2019 estimated)	<u>99.11%</u>	<u>98.56%</u>	<u>99.17%</u>

	For Tax Levy Year		
	2019	2018	2017
Distribution of taxes available (2019 estimated):			
General fund:			
General government	\$ 173,000	\$ 167,923	\$ 210,948
Fire protection	103,000	100,768	126,581
Police protection	103,000	100,768	126,581
Street, including road & bridge	167,000	149,187	157,638
Park	52,000	50,382	63,271
Mattoon Public Library	456,000	465,013	453,944
Firefighters pension fund	1,922,000	1,842,070	1,766,320
Police Pension Fund	1,717,000	1,673,236	1,550,661
	<u>\$ 4,693,000</u>	<u>\$ 4,549,347</u>	<u>\$ 4,455,944</u>

The City Council has abated the 2017, 2018, and 2019 property tax levies applicable to all outstanding general obligation bonds since alternative revenue sources are expected to be sufficient to pay debt service obligations.

CITY OF MATTOON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)
 For the Year Ended April 30, 2020

20 SCHEDULE OF OPERATING TRANSFER WITHIN THE REPORTING ENTITY

Operating transfer between funds during the year ended April 30, 2020, was as follows:

Transfers In	Transfers Out	Amount
Capital Projects Fund	General Fund	\$ 746,351

The transfer reclassified amounts of one-half sales tax increase earmarked for capital projects.

21 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF Plan Description

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

Under the employer number within IMRF, both the City and Library contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the City and Library.

Benefits Provided

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

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

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

21 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

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

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

Employees Covered by Benefit Terms

94 retirees and beneficiaries are included in the 135 accounts below. Some participants have more than one account due to ERI or benefit type. As of December 31, 2019, the following employee accounts were covered by the benefit terms:

	City Participants	Library Participants
Retirees and Beneficiaries accounts currently receiving benefits	135	6
Inactive Plan Members entitled to but not yet receiving benefits	24	1
Active Plan Members	61	6
Total	220	13

Contributions

As set by statute, the City and Library Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's and Library's annual contribution for calendar year 2019 was 7.43%. For the fiscal year ended April 30, 2020, \$333,280 was contributed to the plan (\$317,679 for the City and \$15,601 for the Library). The City and Library also contribute for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The net pension liability for the City and Library was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%.
- The Investment Rate of Return was assumed to be 7.25%.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

21 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Actuarial Assumptions (Continued)

- Projected Retirement Age was from the Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.6% - 7.6%
Cash Equivalents	1%	1.85%
Total	100%	

Single Discount Rate

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

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

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

21 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Single Discount Rate (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
City:			
Balances at December 31, 2018	\$ 36,146,285	\$ 32,663,120	\$ 3,483,165
Changes for the year:			
Service Cost	394,829	-	394,829
Interest on the Total Pension Liability	2,548,247	-	2,548,247
Differences Between Expected and Actual Experience of the Total Pension Liability	602,900	-	602,900
Changes of Assumptions	-	-	-
Contributions - Employer	-	267,213	(267,213)
Contributions - Employees	-	181,085	(181,085)
Net Investment Income	-	6,277,660	(6,277,660)
Benefit Payments, including Refunds of Employee Contributions	(1,975,251)	(1,975,251)	-
Other (Net Transfer)	-	141,807	(141,807)
Net Changes	1,570,725	4,892,514	(3,321,789)
Balances at December 31, 2019	\$ 37,717,010	\$ 37,555,634	\$ 161,376
Library:			
Balances at December 31, 2018	\$ 1,554,339	\$ 1,387,153	\$ 167,186
Changes for the year:			
Service Cost	19,359	-	19,359
Interest on the Total Pension Liability	124,949	-	124,949
Differences Between Expected and Actual Experience of the Total Pension Liability	29,562	-	29,562
Changes of Assumptions	-	-	-
Contributions - Employer	-	14,548	(14,548)
Contributions - Employees	-	8,811	(8,811)
Net Investment Income	-	307,814	(307,814)
Benefit Payments, including Refunds of Employee Contributions	(96,852)	(96,852)	-
Other (Net Transfer)	-	5,575	(5,575)
Net Changes	77,018	239,896	(162,878)
Balances at December 31, 2019	\$ 1,631,357	\$ 1,627,049	\$ 4,308

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

21 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Changes in the Net Pension Liability (Asset) (continued)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Total:			
Balances at December 31, 2018	\$ 37,700,624	\$ 34,050,273	\$ 3,650,351
Changes for the year:			
Service Cost	414,188	-	414,188
Interest on the Total Pension Liability	2,673,196	-	2,673,196
Differences Between Expected and Actual Experience of the Total Pension Liability	632,462	-	632,462
Changes of Assumptions	-	-	-
Contributions - Employer	-	281,761	(281,761)
Contributions - Employees	-	189,896	(189,896)
Net Investment Income	-	6,585,474	(6,585,474)
Benefit Payments, including Refunds of Employee Contributions	(2,072,103)	(2,072,103)	-
Other (Net Transfer)	-	147,382	(147,382)
Net Changes	1,647,743	5,132,410	(3,484,667)
Balances at December 31, 2019	<u>\$ 39,348,367</u>	<u>\$ 39,182,683</u>	<u>\$ 165,684</u>

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

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

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
City:			
Net Pension Liability (Asset)	\$ 4,715,697	\$ 161,376	\$ (3,630,899)
Library:			
Net Pension Liability (Asset)	125,887	4,308	(96,928)
Total:			
Net Pension Liability (Asset)	<u>\$ 4,841,584</u>	<u>\$ 165,684</u>	<u>\$ (3,727,827)</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

21 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

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

For the year ended April 30, 2020, the City recognized pension expense of \$573,572 and the Library recognized pension expense of \$4,878 for a total pension expense of \$578,450. At April 30, 2020, the City and Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City:		
Deferred amounts to be recognized in pension		
Expense in future periods:		
Differences between expected and actual experience	\$ 445,129	\$ -
Changes in assumptions	255,465	-
Net difference between projected and actual earnings on pension plan investments	-	1,740,338
Total deferred amounts to be recognized in pension expense in future periods	700,594	1,740,338
Pension contributions made subsequent to the measurement date	121,263	-
Total deferred amounts related to pensions	\$ 821,857	\$ 1,740,338
Library:		
Deferred amounts to be recognized in pension		
Expense in future periods:		
Differences between expected and actual experience	\$ 10,155	\$ -
Changes in assumptions	5,827	-
Net difference between projected and actual earnings on pension plan investments	-	46,457
Total deferred amounts to be recognized in pension expense in future periods	15,982	46,457
Pension contributions made subsequent to the measurement date	5,957	-
Total deferred amounts related to pensions	\$ 21,939	\$ 46,457

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

21 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total:		
Deferred amounts to be recognized in pension Expense in future periods:		
Differences between expected and actual experience	\$ 455,284	\$ -
Changes in assumptions	261,292	-
Net difference between projected and actual earnings on pension plan investments	-	1,786,795
Total deferred amounts to be recognized in pension expense in future periods	716,576	1,786,795
Pension contributions made subsequent to the measurement date	127,220	-
Total deferred amounts related to pensions	\$ 843,796	\$ 1,786,795

\$127,220 (\$121,263 for City and \$5,957 for Library) reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods for City and Library as follows:

Year Ending December 31	City Net Deferred Outflows of Resources	Library Net Deferred Outflows of Resources	Total Net Deferred Outflows of Resources
2020	\$ 21,834	\$ 640	\$ 22,474
2021	(402,859)	(11,808)	(414,667)
2022	151,434	4,439	155,873
2023	(810,153)	(23,746)	(833,899)
2024	-	-	-
Thereafter	-	-	-
Total	\$ (1,039,744)	\$ (30,475)	\$ (1,070,219)

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

22 DEFINED BENEFIT PENSION PLANS - POLICE AND FIREFIGHTERS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Firefighters and Police Pension plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

PLAN DESCRIPTIONS

The City of Mattoon contributes to two single-employer defined benefit pension plans: Mattoon Firefighters' Pension Fund and Mattoon Police Pension Fund. Each plan provides retirement and disability benefits to plan members and their beneficiaries. Cost of living adjustments are provided at the discretion of the Illinois legislature. Although they are single employer pension plans, the defined benefits as well as the employee and employer contribution levels are mandated by the Illinois Compiled Statutes, Chapter 40, Article 3 and 4, and may be amended only by the Illinois legislature. Separate financial statements are not issued for these pension plans.

Management of each Pension Fund is governed by the Mattoon Police Pension Fund Board and Mattoon Firefighter Pension Fund Board. Each Board consists of five members - which are appointed by the Mayor or elected by each Pension Fund's members.

Plan Membership - As of the Actuarial Valuation Date, pension plan membership consisted of the following:

	Police Pension	Firefighters Pension
Inactive plan members or beneficiaries currently receiving benefits	46	57
Inactive plan members entitled to but not yet receiving benefits	-	3
Active plan members	39	25
	85	85

BENEFITS PROVIDED

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

22 DEFINED BENEFIT PENSION PLANS - POLICE AND FIREFIGHTERS (Continued)

BENEFITS PROVIDED (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive a monthly retirement benefit equal to the final average salary. The final average salary is 2.5% for each year of service multiplied by the greater of: the average monthly salary obtained by dividing 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of services in which the total salary was the highest by the number of months of service in that period. The maximum benefit shall be 75% of the final average salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually, on January 1 after attainment of age 60, or after the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or the change in the Consumer Price Index for the proceeding 12 months ended in September. Police officers' salary for pension purposes was capped at \$106,800 in 2011, increased by the lesser of the annual change in the Consumer Price Index or 3% compounded.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive a monthly retirement benefit equal to 2.5% for each year of service multiplied by of the final average salary. The final average salary is the greater of: the average monthly salary obtained by dividing 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of services in which the total salary was the highest by the number of months of service in that period. The maximum monthly benefit shall be 75% of the final average. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). Firefighters' annual salary for pension purposes was capped at \$106,800 in 2011. The monthly benefit of a Tier 2 firefighter shall be increased annually, on January 1 after attainment of age 60, or after the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or the change in the Consumer Price Index for the proceeding 12 months ended in September.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

22 DEFINED BENEFIT PENSION PLANS - POLICE AND FIREFIGHTERS (Continued)

CONTRIBUTIONS

The contribution requirement of plan members and the City are established and may be amended by the State legislature. Firefighter plan members are required to contribute 9.455%. Police plan members are required to contribute 9.91%. These contribution rates may vary if members transfer service credit from a previous employer. If an employee, fire or police, leave covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City of Mattoon is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial costs method that will result in the funding of 90% of the past service costs of each pension fund by the end of the municipal fiscal year 2040 as required by ILCS. For the year ended April 30, 2020, the City's contribution was 76.42% of covered Police payroll and 131.35% of covered Firefighter payroll.

INVESTMENTS

The deposits and investments of each Fund are held separately from those of the City and are under the control of each Fund's Board of Trustees.

Investment Policy - Each pension plan's policy is established and may be amended by the applicable Board. It is the policy of each Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio. Neither pension fund has a specific asset allocation guideline. Investments must be in accordance with Illinois Compiled Statutes Chapter 40, Act 5/1-113. For ILCS limitations, see Note 3. The following are authorized:

Firefighters' Pension Fund - The funds are invested in those investments selected by the fund's investment managers and can include contracts/agreements of life insurance companies, mutual funds, common and preferred stocks.

Police Pension Fund - The fund can invest in mutual funds, common/preferred stocks, government securities and agencies, corporate bonds, and life insurance policies.

The long-term expected rate of return on the Police and Firefighters' Pension Funds' investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best-estimate ranges of expected future real rates of return (net pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Each Funds' investment policy does not include target allocations across asset classes. Best estimates of future real rates of return and arithmetic real rates of return for each major asset class are listed in the table below.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

22 DEFINED BENEFIT PENSION PLANS - POLICE AND FIREFIGHTERS (Continued)

INVESTMENTS (Continued)

Asset Class	Long-Term Expected Real Rate of Return	
	Police	Firefighters
Cash Alternatives	-0.20%	-0.20%
Short-term tax-exempt fixed income	0.00%	0.00%
Intermediate tax-exempt fixed income	0.40%	0.40%
Long-term tax-exempt fixed income	1.20%	1.20%
Public Real Estate	N/A	5.90%
Private Real Estate	N/A	6.70%
U.S. Large Cap Equities	6.30%	6.30%
U.S. Mid Cap Equities	7.10%	7.10%
U.S. Small Cap Equities	7.80%	7.80%
Developed Market ex. U.S. Equities	N/A	5.70%
Developed Market ex. U.S. Small Cap Equities	N/A	6.70%
Commodities	N/A	4.70%

Rate of Return -- For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.25% and -2.81% for the Police Pension Fund and Firefighters' Pension Fund, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ACTUARIAL ASSUMPTIONS

The Actuarial Valuation Date for reporting in the fiscal 2020 financial statements under GASB Statement 67 and 68 is April 30, 2019 (May 1, 2019). The Measurement Date used for the same reporting is April 30, 2020. The Total Pension Liability has been rolled forward from the Actuarial Valuation Date to the Measurement Date using standard actuarial procedures. The following actuarial methods and assumptions were made.

	Police	Firefighter
Actuarial Valuation Date	April 30, 2019	April 30, 2019
Actuarial Cost Method	Entry-age normal	Entry-age normal
Amortization	Straight-line	Straight-line
Actuarial Assumptions (Economic):		
Discount rate used for the total pension liability	5.07%	4.74%
Long Term Expected Rate of return on plan assets	6.75%	6.75%
High Quality 20 year tax-exempt G.O. Bond rate	2.56%	2.56%
Inflation	2.25%	2.25%
Salary increases	2.25% - 22.18%	3.25% - 11.94%
Cost of living adjustments	2.25%	2.25%

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

22 DEFINED BENEFIT PENSION PLANS - POLICE AND FIREFIGHTERS (Continued)

ACTUARIAL ASSUMPTIONS (Continued)

Actuarial Assumptions (Demographic):

Police:

Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data
Retirement Rates	100% of L&A 2020 Illinois Police Retirement Rates Capped at age 60
Disability Rates	100% of L&A 2020 Illinois Police Disability Rates
Termination Rates	100% of L&A 2020 Illinois Police Termination Rates

Fire:

Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data
Retirement Rates	100% of L&A 2020 Illinois Firefighters Retirement Rates Capped at age 65
Disability Rates	100% of L&A 2020 Illinois Firefighters Disability Rates
Termination Rates	100% of L&A 2020 Illinois Firefighters Termination Rates

All rates shown in the economic assumptions are assumed to be annual rates compounded on an annual basis. Some assumptions were changed from the prior year. The assumed rate on High Quality 20 year Tax-Exempt G.O. Bonds was changed from 3.79% to 2.56%.

DISCOUNT RATE

The single discount rate used to measure the total pension liability was 5.07% for the Police Pension Fund and 4.74% for the Firefighters' Pension Fund in the current year. In the prior year, the discount rate used to measure the total pension liability was 5.61% for the Police Pension Fund and 5.55% for the Firefighters' Pension Fund. The projection of cash flows used to determine these single discount rates assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average credit rating roughly equivalent to Moody's Investors Service Aa2 rating and Standard & Poor's Corp's AA.

For the purpose of the most recent valuations, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 2.56%, and the resulting single discount rate is 5.07% for the Police Pension Fund and 4.74% for the Firefighters' Pension Fund.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

22 DEFINED BENEFIT PENSION PLANS - POLICE AND FIREFIGHTERS (Continued)

DISCOUNT RATE (Continued)

Discount Rate Sensitivity -- The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Police and Firefighter's Pension fund calculated using the discount rate of 5.07% and 4.74%, respectively as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

<u>Employer Net Pension Liability</u>	<u>1% Decrease 4.07%</u>	<u>Current Discount Rate - 5.07%</u>	<u>1% Increase 6.07%</u>
Police Pension Fund	\$ 55,864,712	\$ 45,075,547	\$ 36,558,850

<u>Employer Net Pension Liability</u>	<u>1% Decrease 3.74%</u>	<u>Current Discount Rate - 4.74%</u>	<u>1% Increase 5.74%</u>
Firefighters' Pension Fund	\$ 59,973,224	\$ 49,913,373	\$ 41,829,100

The sensitivity of the Net Pension Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's projected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The percent funded of the plan (ratio of the net position to the total pension liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

PENSION LIABILITY

Changes in the Net Pension Liability:

	<u>Police Pension Fund</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balances at April 30, 2019	\$ 54,211,609	\$ 19,215,577	\$ 34,996,032
Changes for the year:			
Service cost	955,630	-	955,630
Interest	2,974,331	-	2,974,331
Actuarial experience	336,305	-	336,305
Assumptions changes	7,200,583	-	7,200,583
Changes of benefit terms	119,577	-	119,577
Contributions - employer	-	2,004,489	(2,004,489)
Contributions - members	-	259,922	(259,922)
Net investment income	-	(699,913)	699,913
Benefit payments, including refunds	(2,386,466)	(2,386,466)	-
Administrative expense	-	(57,587)	57,587
Net changes	<u>9,199,960</u>	<u>(879,555)</u>	<u>10,079,515</u>
Balances at April 30, 2020	<u>\$ 63,411,569</u>	<u>\$ 18,336,022</u>	<u>\$ 45,075,547</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

22 DEFINED BENEFIT PENSION PLANS - POLICE AND FIREFIGHTERS (Continued)

PENSION LIABILITY (Continued)

Changes in the Net Pension Liability:

	Firefighters' Pension Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at April 30, 2019	\$ 54,778,135	\$ 16,895,818	\$ 37,882,317
Changes for the year:			
Service cost	657,766	-	657,766
Interest	2,959,959	-	2,959,959
Actuarial experience	576,907	-	576,907
Assumptions changes	9,425,651	-	9,425,651
Changes of benefit terms	107,343	-	107,343
Contributions - employer	-	2,173,792	(2,173,792)
Contributions - employee	-	156,657	(156,657)
Net investment income	-	(622,537)	622,537
Benefit payments, including refunds	(2,891,069)	(2,891,069)	-
Administrative expense	-	(11,342)	11,342
Net changes	<u>10,836,557</u>	<u>(1,194,499)</u>	<u>12,031,056</u>
Balances at April 30, 2020	<u>\$ 65,614,692</u>	<u>\$ 15,701,319</u>	<u>\$ 49,913,373</u>

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended April 30, 2020, the City recognized pension expense of \$6,338,797 for the Police Pension fund and \$6,190,441 for the Firefighters' Pension Fund. At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Pension Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,191,150	\$ -
Changes of assumptions	7,050,795	1,518,822
Net difference between projected and actual earnings on pension plan investments	1,493,885	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 9,735,830</u>	<u>\$ 1,518,822</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

22 DEFINED BENEFIT PENSION PLANS - POLICE AND FIREFIGHTERS (Continued)

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

Contributions subsequent to the measurement date may be recognized as a reduction to the NPL. However, as presented above, there were no contributions subsequent to the measurement date. Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

Year ended April 30:

2021	\$ 2,110,064
2022	1,263,781
2023	1,612,346
2024	1,675,589
2025	1,196,332
Thereafter	358,896
	<u>\$ 8,217,008</u>

	<u>Firefighters' Pension Fund</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,102,877	\$ -
Changes of assumptions	7,493,965	235,368
Net difference between projected and actual earnings on pension plan investments	1,064,494	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 9,661,336</u>	<u>\$ 235,368</u>

Contributions subsequent to the measurement date may be recognized as a reduction to the NPL. However, there were no contributions subsequent to the measurement date. Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

Year ended April 30:

2021	\$ 2,984,420
2022	3,143,677
2023	2,753,008
2024	544,863
2025	-
Thereafter	-
	<u>\$ 9,425,968</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

23 POST-EMPLOYMENT HEALTHCARE BENEFITS

The City provides post-employment healthcare benefits to former employees and retirees.

Former employees, who are not retirees, are provided COBRA healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act. Former employees, who are qualified under the Act, may apply for coverage by the City's self-insured health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon actual cost of the health plan for either "single" or "family" coverage. Both the City and Library contribute to the plan. As a result, OPEB is considered to be a single-employer plan through which cost-sharing occurs between the City and Library. The cost-sharing allocation is actuarially determined. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Illinois statutes mandate that a municipality must offer its retirees a health insurance plan equivalent to that offered to active employees at a blended employer rate. This benefit creates an implicit subsidy of retiree health insurance. Illinois statutes enable a municipality to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. State statutes do not presently require the municipality to pay any portion of the cost of the plan for retired employees. Separate financial statements are not issued for the post-employment healthcare benefits program.

BENEFITS PROVIDED

The City and Library retirees and their dependents may continue coverage under The City of Mattoon's group health program by contributing a monthly premium and immediately receiving an eligible pension. Retirees contribute a percentage (based on date of hire and monthly pension amount) of the blended average employee group cost. The City and Library pay the difference between the actual cost of the health coverage for retirees and the blended average employee group cost. Employees hired prior to May 1, 2007 contribute 20% of the cost if pension is less than \$1,625 and 40% of the cost if pension is greater than \$1,625. Employees hired after April 30, 2007 contribute 100% of the blended average cost of coverage. The City pays 100% of the cost of premiums for eligible duty disabled Police and Fire officers. The municipality bears all cost up to the stop loss insurance and above the amount contributed by retirees on a pay-as-you-go basis. Retirees may elect to retain life insurance coverage by contributing \$19.64/month (before age 70) and \$9.82 thereafter.

Employees are eligible to retire from the City of Mattoon and continue their health coverage after meeting the following age and service requirements.

Police & Fire

Tier 1:	Age 50 and 20 years of service or age 60 and 8 years of service
Tier 2:	Normal Retirement: Age 55 and 10 years of service Early Retirement: Age 50 and 10 years of service

Full-time Police and Fire officers that become disabled in the line of duty are eligible for PSEBA disability benefits after 1 year of service.

IMRF Tier 1

Normal Retirement:	Age 55 and 35 years of service or Age 60 and 8 years of service
Early Retirement:	Age 55 and 8 years of service

IMRF Tier 2

Normal Retirement:	Age 62 and 35 years of service or Age 67 and 10 years of service
Early Retirement:	Age 62 and 10 years of service

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

EMPLOYEES COVERED BY BENEFIT TERMS

As of April 30, 2020, the following employees were covered by the benefit terms:

	City	Library
Active participants	116	4
Disabled participants	9	-
Retired participants	131	-
	256	4

TOTAL OPEB LIABILITY

The City's total OPEB liability of \$56,229,867 (\$55,113,864 for the City and \$1,116,003 for the Library) was measured as of April 30, 2020, and was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods	Post-Employment Health Care Benefits
Funding Method	Entry Age Normal Actuarial Cost
Discount Rate	
Beginning of year	3.79%
End of year	2.91%
Salary Progression	3.50%
Claim Costs:	
Single Coverage	\$645
Family Coverage	\$1,667
Retiree Contributions:	
Hired prior to May 1, 2007	
Pension amount less than \$1,625/month	20% of cost
Pension amount more than \$1,625/month	40% of cost
Hired after April 30, 2007	100% of cost
Mortality Rate	RP2014 Blue Collar base rates projected to 2018 using scale MP2018

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

Actuarial Methods	Post-Employment Health Care Benefits	
Retirement, Withdrawal, and Disability Rates	Age-related tables with varying rates to reflect recent studies by the IDOI and IMRF	
Participation	90% of employees hired prior to May 1, 2007, that are currently enrolled 50% of employees hired after April 30, 2007, that are currently enrolled	
Spouse Information	50% employees assumed to have participating spouses Females assumed to be three years younger than males	
Health Care Cost Inflation Rates	Period	Rate
	2020	7.5%
	2021	7%
	2022	6.5%
	2023 and after	4.0% - 6.0%

DISCOUNT RATE

The City does not have a dedicated Trust to pay the benefits of the Plan. In this case, the discount rate used for valuing OPEB liabilities for unfunded plans as of the Measurement Date is based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This discount rate was 2.91% as of April 30, 2020. Similarly, a discount rate of 3.79% was used as of May 1, 2019.

CHANGES IN TOTAL OPEB LIABILITY

	Net Pension Liability (Asset) (a) - (b)
City:	
Balance at April 30, 2019	\$ 46,916,207
Changes for the year:	
Service cost	460,352
Interest	1,748,342
Differences between expected and actual experience	-
Changes in assumptions	7,560,556
Benefit payments	(1,571,593)
Net change in total OPEB liability	<u>8,197,657</u>
Balance at April 30, 2020	<u>\$ 55,113,864</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

CHANGES IN TOTAL OPEB LIABILITY (Continued)

	Net Pension Liability (Asset) (a) - (b)
Library:	
Balance at April 30, 2019	\$ 989,569
Changes for the year:	
Service cost	14,464
Interest	36,531
Differences between expected and actual experience	-
Changes in assumptions	126,834
Benefit payments	(51,395)
Net change in total OPEB liability	126,434
Balance at April 30, 2020	\$ 1,116,003
 Total:	
Balance at April 30, 2019	\$ 47,905,776
Changes for the year:	
Service cost	474,816
Interest	1,784,873
Differences between expected and actual experience	-
Changes in assumptions	7,687,390
Benefit payments	(1,622,988)
Net change in total OPEB liability	8,324,091
Balance at April 30, 2020	\$ 56,229,867

Changes in assumptions reflect a change in the mortality assumption to RP2014 base rates with blue collar adjustment projected to 2019 using scale MP2018. The withdrawal, disability and retirement rates were updated to reflect recent studies by the IDOI and IMRF.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the City and the Library, as well as what the City's and Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease 1.91%	Current Discount Rate - 2.91%	1% Increase 3.91%
City:			
Total OPEB liability	\$ 66,099,407	\$ 55,113,864	\$ 46,454,412
Library:			
Total OPEB liability	1,338,450	1,116,003	944,525
Total:			
Total OPEB liability	<u>\$ 67,437,857</u>	<u>\$ 56,229,867</u>	<u>\$ 47,398,937</u>

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the total OPEB liability of the City and Library, as well as what the City's and Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease 7.0% Decreasing to 3.0%	Current Discount 8.0% Decreasing to 4.0%	1% Increase 9.0 % Decreasing to 5.0%
City:			
Total OPEB liability	\$ 46,445,989	\$ 55,113,864	\$ 66,363,058
Library:			
Total OPEB liability	940,487	1,116,003	1,343,788
Total:			
Total OPEB liability	<u>\$ 47,386,476</u>	<u>\$ 56,229,867</u>	<u>\$ 67,706,846</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO

For the year ended April 30, 2020, the City recognized OPEB expense of \$4,245,661 and the Library recognized OPEB expense of \$67,221 for a total OPEB expense of \$4,312,882. At April 30, 2020, the City and Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City:		
Differences between expected and actual experience	\$ 952,655	\$ (900,392)
Changes in assumptions	6,649,909	-
Total	<u>\$ 7,602,564</u>	<u>\$ (900,392)</u>
Library:		
Differences between expected and actual experience	\$ 14,129	\$ (44,422)
Changes in assumptions	98,625	-
Total	<u>\$ 112,754</u>	<u>\$ (44,422)</u>
Total:		
Differences between expected and actual experience	\$ 966,784	\$ (944,814)
Changes in assumptions	6,748,534	-
Total	<u>\$ 7,715,318</u>	<u>\$ (944,814)</u>

Amounts reported as net deferred outflows of resources and net deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended April 30:	<u>City</u>	<u>Library</u>	<u>Total</u>
2021	\$ 2,036,967	\$ 16,226	\$ 2,053,193
2022	2,036,967	16,226	2,053,193
2023	1,852,101	22,860	1,874,961
2024	776,137	13,020	789,157
2025	-	-	-
Thereafter	-	-	-
	<u>\$ 6,702,172</u>	<u>\$ 68,332</u>	<u>\$ 6,770,504</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

24 SELF-INSURANCE

The City has offered its employees and retirees a self-insured group health insurance plan managed by a third party administrator (TPA) since January 1, 1983. The health plan offers medical, dental and prescription drug benefits. A third party administrator is responsible for the approval and processing of claims and for the payment of claims from the City's Health Insurance Internal Service Fund. The City is responsible for the payment of monthly administration fees and stop loss insurance premiums to the plan administrators. The plan administrators are Aetna for medical and pharmacy benefits and Delta Dental for dental benefits.

The municipality requires active employee and retiree contributions to the health plan. Note 23 provides the funding information for retirees. For the fiscal year ended April 30, 2020, the contribution for active employees was \$129 per month for those with no dependents or \$333 per month for those with dependents, approximately 20% of total monthly costs. The municipality bears all cost above the amount contributed by employees on a pay-as-you-go basis.

In addition to the monthly contributions, participants are required to pay an annual deductible and co-payments on claims incurred after the annual deductible. The co-payments required of participants are lower for PPO providers. The plan underwrites 100% of the cost of claims after the participant has made co-payments in excess of the deductible and out-of-pocket expenses each calendar year up to the stop loss insurance threshold. The City's plan has a \$600 calendar year family deductible and a \$300 calendar year single deductible for PPO providers. There is a \$2,000 calendar year out of pocket family maximum and \$1,000 calendar year out of pocket single maximum for PPO providers, after contract year deductible. For out-of-network providers, the City's plan has a \$1,000 calendar year family deductible and a \$500 calendar year single deductible. There is a \$4,000 calendar year out of pocket family maximum and \$2,000 calendar year out of pocket single maximum for out-of-network providers, after contract year deductible. There are separate annual deductible, co-payment and yearly maximums for the dental plan. There are separate copayment amounts required for the prescription drug benefit.

The specific stop loss insurance coverage presently attaches at costs in excess of \$150,000 per participant. The aggregate stop loss coverage attaches at costs in excess of about \$1 million per calendar year. The exact attachment point for the annual aggregate coverage varies each year and is determined by a formula and the number of enrolled participants.

At the end of the fiscal year, the City had 165 employees and retirees participating in the group health plan. Of this number, 110 were active employees and 55 were retirees. 41 of the participants had single coverage, 124 had family coverage, and no employees had COBRA coverage.

The health plan is funded on a pay-as-you-go basis. The City incurred health plan claims expenditures of \$3,519,255 in the fiscal year that ended April 30, 2020, which includes \$219,993 of claims incurred, but not paid. An actuarial estimate of claims incurred, but not reported, was not determined.

Beginning in 2019, the City offered a Qualified High Deductible Health Plan (QHDHP) which currently includes 8 participants. Of those, 1 is active with single coverage, 2 are active with family coverage, 2 are retirees with single +1 coverage, and 2 are retirees having family coverage.

The City also has Medicare supplemental insurance offered to current Medicare-eligible participants through Aetna. The City pays the monthly premiums with participants' contributions the same as the City's plan. There are no claims, deductibles, out-of-pocket, or stop loss expenses. There is no network, but providers must accept Medicare. At April 30, 2020, the City had 80 retirees and 32 dependents on the policy, each having individual policies.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

25 INSURANCE

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disasters; errors and omissions; and injuries to employees for which the City carries commercial insurance. There have been no decreases of insurance coverage in the last three years. The following schedule presents information pertaining to lines of insurance coverage that were in effect at the end of the fiscal year.

<u>Exposure</u>	<u>Insurer</u>	<u>Limits of Coverage</u>	<u>Expiration</u>
Workers Compensation	IPRF ¹	\$3 million each accident \$3 million each employee \$3 million policy limit	1/1/2021
Property & Casualty	Federal ²	Replacement Cost \$84,257,234 Blanket Building and Contents Limit \$1,000,000 Extra Expense and Business Income Property- \$5,000 deductible Extra Expense and Business Income- \$5,000 deductible	12/1/2020
General Liability ³	Lloyd's London	\$1 million each occurrence \$3 million aggregate	12/1/2020
Volunteers	Federal ²	\$50,000 each occurrence \$500,000 aggregate	12/1/2020
Flood	American ⁴	\$500,000 Blower Building Structure \$437,500 Blower Building Contents \$194,000 Pump Station Building \$269,100 Pump Station Contents \$25,000 deductible	12/9/2020
Fiduciary Liability	Federal ²	\$500,000 per claim \$500,000 in the aggregate	12/1/2020
Public Officials Liability	Lloyd's London	\$1 million each occurrence \$3 million aggregate \$5,000 deductible	12/1/2020
Employment Practices Liability	Lloyd's London	\$1 million each occurrence \$3 million aggregate \$10,000 per claim - back wages \$5,000 deductible for each wrongful act \$5,000 deductible for back wages	12/1/2020
Automobile Physical Damage	Lloyd's London	Actual cash value \$1,000 deductible	12/1/2020

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

25 INSURANCE (Continued)

Automobile Liability	Lloyd's London	\$1 million	12/1/2020
Law Enforcement Liability	Lloyd's London	\$1 million each occurrence \$3 million aggregate \$5,000 deductible	12/1/2020
Crime	Hanover ⁵	Limit - \$500,000	12/1/2022
Inland Marine	Federal ²	\$3,236,782 \$2,500 deductible	12/1/2020
Umbrella Liability ⁶	Lloyd's London	\$10 million each occurrence \$10 million aggregate	12/1/2020

¹ Illinois Public Risk Fund.

² Federal Insurance Company.

³ The general liability coverage is subject to exclusions and sub-limits for exposures related to Products/Completed Operations, Personal & Advertising Injury, Damage to Premises Rented to You, and Employee Benefits. See the policy on file with the City for exclusion and sub-limit information.

⁴ American Banker's Insurance Company of Florida.

⁵ Hanover Insurance Company.

⁶ The umbrella policy is excess liability coverage for the following policies: Commercial General Liability, Commercial Automobile Liability, Public Officials Liability, Law Enforcement, and Employment Practices Liability.

26 CONTINGENCIES

At April 30, 2020, the City was a defendant in a pending lawsuit. The City's legal counsel is unable to express an opinion as to the likelihood of an unfavorable outcome on the lawsuit. However, the City believes it has numerous meritorious defenses and is vigorously defending this litigation.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

27 TAX ABATEMENT

The City of Mattoon enters into property tax abatement agreements with local businesses within the Coles County Enterprise Zone under the Illinois Enterprise Zone Act of 1982. Under the Act, taxing districts may order the county clerk to abate any portion of its taxes on real property, or on any particular class thereof, located within a zone and upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated. The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation or rehabilitation. Taxes based on the assessed value of the land and existing improvements continue to be extended and collected. Abatements are obtained through application, and equal 100 percent of the increase in tax above the property base value for ten years for industrial projects. This abatement period shall not extend beyond the "life" of the Enterprise Zone, which currently expires in 2035.

For the fiscal year ended April 30, 2020, the City abated property taxes totaling \$56,858.

28 RELATED PARTY TRANSACTIONS

The City of Mattoon services a \$2,000,000 loan that was issued December 16, 2010, to fund early retirement incentives and energy efficient improvements throughout the City's buildings. The loan is serviced by the primary government. The Mattoon Public Library, a discretely presented component unit, had an employee retire using the early retirement incentive and received various energy efficient improvements that were paid for from the proceeds of the loan. Therefore, the Library reports an amount due to the General Fund for the cost of these items, minus grants received to help cover the cost. The Library makes monthly payments to the General Fund to reimburse the amount owed plus the interest on the note proceeds used for the Library. At April 30, 2020, the balance due to the General Fund from the Library for this transaction was \$25,597.

29 FUTURE FINANCIAL STATEMENT PRESENTATION CHANGES

The Governmental Accounting Standards Board has issued Statement No 84, *Fiduciary Activities, which* establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether an how business-type activities should report their fiduciary activities. The provisions of this statement are effective for financial statements for the City's fiscal year ending April 30, 2021.

The Governmental Accounting Standards Board has issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which improves information that is disclosed in the notes to government financial statements related to debt, including direct borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB 88 is effective for financial statements for the City's fiscal year ending April 30, 2021.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2020

30 SUBSEQUENT EVENTS

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020 has led to adverse impacts on the U.S and global economies and created uncertainty regarding potential impacts to the City's activities. While the disruption caused by the pandemic is currently expected to be temporary, there is uncertainty regarding its duration. Therefore, while it is expected that the pandemic will impact the results of the City's activities, financial position, and liquidity, the impact cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management's Discussion and Analysis)

CITY OF MATTOON, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER NET PENSION LIABILITY AND RELATED RATIOS

Calendar Year 2019

	Primary Government				
	2019	2018	2017	2016	2015
Total Pension Liability (Asset):					
Service Cost	\$ 394,829	\$ 375,029	\$ 391,138	\$ 415,188	\$ 398,340
Interest on the Total Pension Liability	2,548,247	2,496,740	2,516,171	2,472,667	2,356,081
Differences Between Expected and Actual Experience of the Total Pension Liability	602,900	226,101	(20,831)	(193,808)	156,410
Changes of Assumptions	-	961,681	(1,056,495)	(79,362)	78,807
Benefit Payments, including Refunds of Employee Contributions	(1,975,251)	(1,959,805)	(1,879,002)	(1,819,353)	(1,809,316)
Net Change in Total Pension Liability	1,570,725	2,099,746	(49,019)	795,332	1,180,322
Total Pension Liability - Beginning	36,146,285	34,046,539	34,095,558	33,300,226	32,119,904
Total Pension Liability - Ending (A)	37,717,010	36,146,285	34,046,539	34,095,558	33,300,226
Plan Fiduciary Net Position:					
Contributions - Employer	267,213	409,202	408,510	412,723	444,509
Contributions - Employees	181,085	162,956	169,030	160,523	169,230
Net Investment Income	6,277,660	(2,102,209)	5,810,421	2,116,932	155,215
Benefit Payments, including Refunds of Employee Contributions	(1,975,251)	(1,959,805)	(1,879,002)	(1,819,353)	(1,809,316)
Other (Net Transfer)	141,807	706,777	(670,287)	247,662	(111,443)
Net Change in Plan Fiduciary Net Position	4,892,514	(2,783,079)	3,838,672	1,118,487	(1,151,805)
Plan Fiduciary Net Position - Beginning	32,663,120	35,446,199	31,607,527	30,489,040	31,640,845
Plan Fiduciary Net Position - Ending (B)	37,555,634	32,663,120	35,446,199	31,607,527	30,489,040
Net Pension Liability (Asset) - Ending (A)-(B)	\$ 161,376	\$ 3,483,165	\$ (1,399,660)	\$ 2,488,031	\$ 2,811,186
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.57%	90.36%	104.11%	92.70%	91.56%
Covered Payroll	\$ 3,711,744	\$ 3,621,279	\$ 3,615,171	\$ 3,562,411	\$ 3,760,681
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	4.35%	96.19%	-38.72%	69.84%	74.75%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

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

Calendar Year 2019

Mattoon Public Library					
Total Pension Liability (Asset):	2019	2018	2017	2016	2015
Service Cost	\$ 19,359	\$ 18,001	\$ 14,523	\$ 15,416	\$ 17,464
Interest on the Total Pension Liability	124,949	104,626	93,423	72,940	103,294
Differences Between Expected and Actual					
Experience of the Total Pension Liability	29,562	10,852	(773)	(7,196)	6,857
Changes of Assumptions	-	46,159	(39,227)	(2,947)	3,455
Benefit Payments, including Refunds of					
Employee Contributions	(96,852)	(94,067)	(69,766)	(67,551)	(79,323)
Net Change in Total Pension Liability	77,018	85,571	(1,820)	10,662	51,747
Total Pension Liability - Beginning	1,554,339	1,468,768	1,470,588	1,459,926	1,408,179
Total Pension Liability - Ending (A)	1,631,357	1,554,339	1,468,768	1,470,588	1,459,926
Plan Fiduciary Net Position:					
Contributions - Employer	14,548	19,641	15,168	15,324	19,488
Contributions - Employees	8,811	7,822	6,276	5,960	7,419
Net Investment Income	307,814	(100,903)	215,736	78,600	6,805
Benefit Payments, including Refunds of					
Employee Contributions	(96,852)	(94,067)	(69,766)	(67,551)	(79,323)
Other (Net Transfer)	5,575	33,924	(24,887)	9,195	(4,886)
Net Change in Plan Fiduciary Net Position	239,896	(133,583)	142,527	41,528	(50,497)
Plan Fiduciary Net Position - Beginning	1,387,153	1,520,736	1,378,209	1,336,681	1,387,178
Plan Fiduciary Net Position - Ending (B)	1,627,049	1,387,153	1,520,736	1,378,209	1,336,681
Net Pension Liability (Asset) - Ending (A)-(B)	\$ 4,308	\$ 167,186	\$ (51,968)	\$ 92,379	\$ 123,245
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.74%	89.24%	103.54%	93.72%	91.56%
Covered Payroll	\$ 195,802	\$ 173,792	\$ 134,201	\$ 137,216	\$ 164,843
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	2.20%	96.20%	-38.72%	67.32%	74.77%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

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

Calendar Year 2019

	Total Government				
	2019	2018	2017	2016	2015
Total Pension Liability (Asset):					
Service Cost	\$ 414,188	\$ 393,030	\$ 405,661	\$ 430,604	\$ 415,804
Interest on the Total Pension Liability	2,673,196	2,601,366	2,609,594	2,545,607	2,459,375
Differences Between Expected and Actual					
Experience of the Total Pension Liability	632,462	236,953	(21,604)	(201,004)	163,267
Changes of Assumptions	-	1,007,840	(1,095,722)	(82,309)	82,262
Benefit Payments, including Refunds of					
Employee Contributions	(2,072,103)	(2,053,872)	(1,948,768)	(1,886,904)	(1,888,639)
Net Change in Total Pension Liability	1,647,743	2,185,317	(50,839)	805,994	1,232,069
Total Pension Liability - Beginning	37,700,624	35,515,307	35,566,146	34,760,152	33,528,083
Total Pension Liability - Ending (A)	39,348,367	37,700,624	35,515,307	35,566,146	34,760,152
Plan Fiduciary Net Position:					
Contributions - Employer	281,761	428,843	423,678	428,047	463,997
Contributions - Employees	189,896	170,778	175,306	166,483	176,649
Net Investment Income	6,585,474	(2,203,112)	6,026,157	2,195,532	162,020
Benefit Payments, including Refunds of					
Employee Contributions	(2,072,103)	(2,053,872)	(1,948,768)	(1,886,904)	(1,888,639)
Other (Net Transfer)	147,382	740,701	(695,174)	256,857	(116,329)
Net Change in Plan Fiduciary Net Position	5,132,410	(2,916,662)	3,981,199	1,160,015	(1,202,302)
Plan Fiduciary Net Position - Beginning	34,050,273	36,966,935	32,985,736	31,825,721	33,028,023
Plan Fiduciary Net Position - Ending (B)	39,182,683	34,050,273	36,966,935	32,985,736	31,825,721
Net Pension Liability (Asset) - Ending (A)-(B)	\$ 165,684	\$ 3,650,351	\$ (1,451,628)	\$ 2,580,410	\$ 2,934,431
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.58%	90.32%	104.09%	92.74%	91.56%
Covered Payroll	\$ 3,907,546	\$ 3,795,071	\$ 3,749,372	\$ 3,699,627	\$ 3,925,524
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	4.24%	96.19%	-38.72%	69.75%	74.75%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Calendar Year 2019

Primary Government

Year Ended December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 444,509	\$ 444,509	\$ -	\$ 3,760,681	11.82%
2016	412,723	412,723	-	3,562,411	11.59%
2017	408,510	408,509	1	3,615,171	11.30%
2018	409,202	409,202	-	3,621,279	11.30%
2019	275,783	267,213	8,570	3,711,744	7.20%

Mattoon Public Library

Year Ended December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 19,488	\$ 19,488	\$ -	\$ 164,843	11.82%
2016	15,324	15,324	-	137,216	11.17%
2017	15,169	15,169	-	134,201	11.30%
2018	19,641	19,641	-	173,792	11.30%
2019	14,548	14,548	-	195,802	7.43%

Total Government

Year Ended December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 463,997	\$ 463,997	\$ -	\$ 3,925,524	11.82%
2016	428,047	428,047	-	3,699,627	11.57%
2017	423,679	423,678	1	3,749,372	11.30%
2018	428,843	428,843	-	3,795,071	11.30%
2019	290,331	281,761	8,570	3,907,546	7.21%

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS (Continued)

Calendar Year 2019

Notes to Required Supplementary Information:

Valuation Date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amort. Period	24-year closed period
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for the non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustment to match current IMRF experience.

There were no benefit changes during the year. 2019 contribution rates were based on valuation assumptions used in the December 31, 2017 actuarial valuation.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

POLICE PENSION FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2020

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 955,630	\$ 947,802	\$ 1,003,042	\$ 952,466	\$ 819,041	\$ 570,535
Interest	2,974,331	2,819,376	2,709,658	2,696,963	1,966,213	2,473,846
Actuarial experience	336,305	1,249,126	12,122	154,740	726,953	-
Assumption changes	7,200,583	(373,142)	(1,843,857)	(1,474,935)	11,558,737	-
Changes of benefit terms	119,577	-	-	-	-	-
Benefit payments, including refunds	(2,386,466)	(2,279,516)	(2,124,673)	(2,055,641)	(1,984,166)	(1,925,291)
Net Change in Total Pension Liability	9,199,960	2,363,646	(243,708)	273,593	13,086,778	1,119,090
Total Pension Liability - Beginning	54,211,609	51,847,963	52,091,671	51,818,078	38,731,300	37,612,210
Total Pension Liability - Ending (A)	63,411,569	54,211,609	51,847,963	52,091,671	51,818,078	38,731,300
Plan Fiduciary Net Position						
Contributions - Employer	2,004,489	1,813,641	1,639,440	1,437,453	1,403,051	1,422,547
Contributions - Members	259,922	264,633	253,608	249,841	253,098	227,982
Net Investment Income	(699,913)	951,830	1,545,172	1,656,958	(715,510)	956,536
Benefit Payments and Refunds	(2,386,466)	(2,279,516)	(2,124,673)	(2,055,641)	(1,984,166)	(1,925,291)
Administrative Expense	(57,587)	(69,948)	(64,129)	(53,591)	(51,834)	(56,136)
Net Change in Plan Fiduciary Net Position	(879,555)	680,640	1,249,418	1,235,020	(1,095,361)	625,638
Plan Fiduciary Net Position - Beginning	19,215,577	18,534,937	17,285,519	16,050,499	17,145,860	16,520,222
Plan Fiduciary Net Position - Ending (B)	18,336,022	19,215,577	18,534,937	17,285,519	16,050,499	17,145,860
Employer Net Pension Liability - Ending (A) - (B)	\$ 45,075,547	\$ 34,996,032	\$ 33,313,026	\$ 34,806,152	\$ 35,767,579	\$ 21,585,440

Note: This schedule is intended to show information for ten years. Additional year's information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS (Continued)

April 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.92%	35.45%	35.75%	33.18%	30.97%	44.27%
Covered-Employee Payroll	\$ 2,622,836	\$ 2,670,368	\$ 2,545,391	\$ 2,763,389	\$ 2,481,680	\$ 2,339,454
Employer Net Pension Liability as a Percentage of Covered-Employee Payroll	1718.58%	1310.53%	1308.76%	1259.55%	1441.26%	922.67%
Annual money-weighted rate of return, net of investment expense	-2.25%	5.53%	9.99%	10.99%	-4.66%	6.53%

Note: This schedule is intended to show information for ten years. Additional year's information will be displayed as it becomes available.

CITY OF MATTOON, ILLINOIS
 FIREFIGHTERS' PENSION FUND
 SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2020

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 657,766	\$ 667,678	\$ 753,373	\$ 712,881	\$ 672,938	\$ 714,453
Interest	2,959,959	2,868,521	2,820,446	2,806,228	2,455,405	2,375,442
Actuarial experience	576,907	1,115,180	79,060	634,737	741,876	-
Changes in assumptions	9,425,651	479,619	399,338	(1,442,384)	3,111,763	-
Changes of benefit terms	107,343	-	-	-	-	-
Benefit payments, including refunds	(2,891,069)	(2,788,313)	(2,545,025)	(2,377,256)	(2,225,941)	(2,158,444)
Net Change in Total Pension Liability	10,836,557	2,342,685	1,507,192	334,206	4,756,041	931,451
Total Pension Liability - Beginning	54,778,135	52,435,450	50,928,258	50,594,052	45,838,011	44,906,560
Total Pension Liability - Ending (A)	65,614,692	54,778,135	52,435,450	50,928,258	50,594,052	45,838,011
Plan Fiduciary Net Position						
Contributions - Employer	2,173,792	2,029,881	1,829,282	1,533,379	1,367,692	1,356,510
Contributions - Member	156,657	170,122	200,317	204,327	202,743	202,721
Net Investment Income	(622,537)	1,309,076	1,210,206	1,544,569	(735,261)	623,230
Benefit Payments and Refunds	(2,891,069)	(2,788,313)	(2,545,025)	(2,377,256)	(2,225,941)	(2,158,444)
Administrative Expense	(11,342)	(12,048)	(17,837)	(18,475)	(28,896)	(16,823)
Net Change in Plan Fiduciary Net Position	(1,194,499)	708,718	676,943	886,544	(1,419,663)	7,194
Plan Fiduciary Net Position - Beginning	16,895,818	16,187,100	15,510,157	14,623,613	16,043,276	16,036,082
Plan Fiduciary Net Position - Ending (B)	15,701,319	16,895,818	16,187,100	15,510,157	14,623,613	16,043,276
Employer Net Pension Liability - Ending (A) - (B)	<u>\$ 49,913,373</u>	<u>\$ 37,882,317</u>	<u>\$ 36,248,350</u>	<u>\$ 35,418,101</u>	<u>\$ 35,970,439</u>	<u>\$ 29,794,735</u>

Note: This schedule is intended to show information for ten years. Additional year's information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS (Continued)

April 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.93%	30.84%	30.87%	30.45%	28.90%	35.00%
Covered-Employee Payroll	\$ 1,654,901	\$ 1,763,848	\$ 2,019,165	\$ 2,450,182	\$ 2,119,559	\$ 2,053,279
Employer Net Pension Liability as a Percentage of Covered-Employee Payroll	3016.09%	2147.71%	1795.21%	1445.53%	1697.07%	1451.08%
Annual money-weighted rate of return, net of investment expense	-2.81%	7.55%	8.00%	11.68%	-5.13%	4.62%

Note: This schedule is intended to show information for ten years. Additional year's information will be displayed as it becomes available.

CITY OF MATTOON, ILLINOIS

SCHEDULES OF EMPLOYER CONTRIBUTIONS

April 30, 2020

SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE PENSION

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,048,935	\$ 1,909,835	\$ 1,761,222	\$ 1,619,160	\$ 1,641,766	\$ 1,841,839
Contributions in Relation to the Actuarially Determined Contribution	<u>1,968,202</u>	<u>1,813,641</u>	<u>1,639,440</u>	<u>1,437,453</u>	<u>1,403,051</u>	<u>1,422,547</u>
Contribution Deficiency (Excess)	<u>\$ 80,733</u>	<u>\$ 96,194</u>	<u>\$ 121,782</u>	<u>\$ 181,707</u>	<u>\$ 238,715</u>	<u>\$ 419,292</u>
Covered-Employee Payroll	\$ 2,622,836	\$ 2,670,368	\$ 2,545,391	\$ 2,763,389	\$ 2,481,680	\$ 2,339,454
Contributions as a Percentage of Covered-Employee Payroll	75.04%	67.92%	64.41%	52.02%	56.54%	60.81%

NOTE: The 2015 - 2020 actuarially determined contribution (ADC) shown is from the May 1, 2013 - 2018 actuary's reports completed by Lauterbach and Amen, LLP for the tax levy recommendation for the December, 2013 - 2018 tax levy, respectively.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - FIREFIGHTERS' PENSION

Actuarially Determined Contribution	\$ 2,462,310	\$ 2,306,317	\$ 2,131,926	\$ 1,920,452	\$ 1,781,786	\$ 1,488,746
Contributions in Relation to the Actuarially Determined Contribution	<u>2,173,792</u>	<u>2,029,881</u>	<u>1,829,282</u>	<u>1,533,379</u>	<u>1,367,692</u>	<u>1,356,510</u>
Contribution Deficiency (Excess)	<u>\$ 288,518</u>	<u>\$ 276,436</u>	<u>\$ 302,644</u>	<u>\$ 387,073</u>	<u>\$ 414,094</u>	<u>\$ 132,236</u>
Covered-Employee Payroll	\$ 1,654,901	\$ 1,763,848	\$ 2,019,165	\$ 2,450,182	\$ 2,119,559	\$ 2,053,279
Contributions as a Percentage of Covered-Employee Payroll	131.35%	115.08%	90.60%	62.58%	64.53%	66.07%

NOTE: The 2015 actuarially determined contribution (ADC) shown is from the May 1, 2013 actuary's report completed by Tepfer Consulting Group, Ltd. for the tax levy recommendation for the December, 2013 tax levy. The 2016 - 2020 ADC is from May 1, 2014 - 2018 actuary's reports completed by Lauterbach and Amen, LLP for the tax levy recommendation for the December, 2014 - 2018 tax levy, respectively.

CITY OF MATTOON, ILLINOIS

SCHEDULES OF EMPLOYER CONTRIBUTIONS (Continued)

April 30, 2020

Notes to Required Supplementary Information:

	Police	Firefighter
Actuarial Valuation Date	May 1, 2018	May 1, 2018
Actuarial Cost Method	Entry-age normal	Entry-age normal
Amortization Method	Level % of pay - closed amortization period	Level % of pay - closed amortization period
Remaining Amortization Period	100% Funded over 26 years	100% Funded over 20 years
Investment Rate of Return, Net of Investment Plan Expenses, Including Inflation	6.75%	6.75%
Inflation Rate	2.50%	2.50%
Salary Increases	2.50% - 22.43%	3.50 - 12.19%
Asset Valuation	5 Year Smoothed Market Value	5 Year Smoothed Market Value

Demographic Actuarial Assumptions:

Police:

Mortality Rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate
Retirement Rates	150% of L&A 2016 Illinois Police Retirement Rates Capped at age 60
Disability Rates	125% of L&A 2016 Illinois Police Disability Rates
Termination Rates	100% of L&A 2016 Illinois Police Termination Rates

Fire:

Mortality Rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate
Retirement Rates	100% of L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65
Disability Rates	100% of L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	100% of L&A 2016 Illinois Firefighters Termination Rates

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

POST EMPLOYMENT HEALTHCARE BENEFIT PROGRAM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

For the year ended April 30, 2020

Primary Government		
	2020	2019
Total OPEB Liability		
Service Cost	\$ 460,352	\$ 486,798
Interest	1,748,342	1,713,178
Differences between expected and actual experience	-	120,422
Changes in assumptions	7,560,556	1,399,024
Benefit payments	<u>(1,571,593)</u>	<u>(1,461,725)</u>
Net Change in Total OPEB Liability	8,197,657	2,257,697
Total OPEB Liability - Beginning	<u>46,916,207</u>	<u>44,658,510</u>
Total OPEB Liability - Ending (A)	<u>\$ 55,113,864</u>	<u>\$ 46,916,207</u>
Covered-Employee Payroll	\$ 7,536,660	\$ 7,281,797
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	731.28%	644.29%

Notes to Schedule:

This schedule is intended to show information for ten years. Additional year's information will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Changes in assumptions reflect a change in the mortality assumption to RP2014 base rates with blue collar adjustment projected to 2018 using scale MP2018. The withdrawal, disability and retirement rates were updated to reflect recent studies by the IDOI and IMRF.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

POST EMPLOYMENT HEALTHCARE BENEFIT PROGRAM
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

For the year ended April 30, 2020

Mattoon Public Library

	2020	2019
Total OPEB Liability		
Service Cost	\$ 14,464	\$ 20,517
Interest	36,531	39,322
Differences between expected and actual experience	-	(80,572)
Changes in assumptions	126,834	26,069
Benefit payments	(51,395)	(48,031)
Net Change in Total OPEB Liability	126,434	(42,695)
Total OPEB Liability - Beginning	989,569	1,032,264
Total OPEB Liability - Ending (A)	<u>\$ 1,116,003</u>	<u>\$ 989,569</u>
Covered-Employee Payroll	\$ 213,563	\$ 206,341
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	522.56%	479.58%

Notes to Schedule:

This schedule is intended to show information for ten years. Additional year's information will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Changes in assumptions reflect a change in the mortality assumption to RP2014 base rates with blue collar adjustment projected to 2018 using scale MP2018. The withdrawal, disability and retirement rates were updated to reflect recent studies by the IDOI and IMRF.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

POST EMPLOYMENT HEALTHCARE BENEFIT PROGRAM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

For the year ended April 30, 2020

Total Government		
	2020	2019
Total OPEB Liability		
Service Cost	\$ 474,816	\$ 507,315
Interest	1,784,873	1,752,500
Differences between expected and actual experience	-	39,850
Changes in assumptions	7,687,390	1,425,093
Benefit payments	<u>(1,622,988)</u>	<u>(1,509,756)</u>
Net Change in Total OPEB Liability	8,324,091	2,215,002
Total OPEB Liability - Beginning	<u>47,905,776</u>	<u>45,690,774</u>
Total OPEB Liability - Ending (A)	<u>\$ 56,229,867</u>	<u>\$ 47,905,776</u>
Covered-Employee Payroll	\$ 7,750,223	\$ 7,488,138
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	725.53%	639.76%

Notes to Schedule:

This schedule is intended to show information for ten years. Additional year's information will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Changes in assumptions reflect a change in the mortality assumption to RP2014 base rates with blue collar adjustment projected to 2018 using scale MP2018. The withdrawal, disability and retirement rates were updated to reflect recent studies by the IDOI and IMRF.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,008,398	\$ 7,008,398	\$ 6,842,995	\$ (165,403)
Licenses and permits	244,850	244,850	284,074	39,224
Intergovernmental revenues	9,960,673	9,960,673	10,479,118	518,445
Charges for services	929,102	929,102	780,988	(148,114)
Fines and forfeitures	121,700	121,700	269,018	147,318
Investment income	84,830	84,830	96,262	11,432
Contributions & miscellaneous revenues	325,830	325,830	308,011	(17,819)
Total revenues	18,675,383	18,675,383	19,060,466	385,083
Expenditures:				
Current				
General government	2,675,088	2,675,088	2,574,118	100,970
Public safety	12,426,133	12,426,133	12,515,910	(89,777)
Public works	1,421,307	1,421,307	1,443,244	(21,937)
Health and welfare	171,828	171,828	179,990	(8,162)
Culture and recreation	1,493,695	1,493,695	1,479,019	14,676
Economic development	94,581	94,581	51,716	42,865
Capital outlay	132,452	132,452	175,773	(43,321)
Debt service				
Principal	223,922	223,922	147,737	76,185
Interest and fiscal charges	4,984	4,984	10,657	(5,673)
Total expenditures	18,643,990	18,643,990	18,578,164	65,826
Excess of revenues over expenditures	31,393	31,393	482,302	450,909
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(730,000)	(730,000)	(746,351)	(16,351)
Proceeds from sale of assets	10,000	10,000	8,000	(2,000)
Total other financing sources (uses)	(720,000)	(720,000)	(738,351)	(18,351)
Net change in fund balance	\$ (688,607)	\$ (688,607)	(256,049)	\$ 432,558
Fund balance -beginning			7,661,939	
Fund balance - ending			<u>\$ 7,405,890</u>	

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended April 30, 2020

1 ADJUSTMENT FOR DIFFERENCES IN PERSPECTIVE

Generally accepted accounting principles require the presentation of a budgetary comparison schedule for the General Fund. However, the City's General Fund is comprised of three funds, the General Fund, Festival Management Fund and Revolving Loan Fund, each with its own legally adopted budget. The reconciling schedule on pages 106 and 107 shows the budget and actual amounts for each account and the totals as shown on the General Fund's Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

2 BUDGET OVERAGES

The following funds had an excess of actual expenditures over budget for the fiscal year:

Motor Fuel Tax Fund	\$ 65,514
I-57 East TIF District Fund	128,650
South Route 45 TIF District Fund	1,731
Broadway East TIF District Fund	23,142

CITY OF MATTOON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended April 30, 2020

1 ADJUSTMENTS FOR DIFFERENCES IN PERSPECTIVE (Continued)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
For the Year Ended April 30, 2020

	General Fund			Festival Management Fund		
	Budgeted Amounts Original/ Final	Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts Original/ Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:						
Taxes	\$ 7,008,398	\$ 6,842,995	\$ (165,403)	\$ -	\$ -	\$ -
Licenses and permits	244,850	284,074	39,224	-	-	-
Intergovernmental revenues	9,960,673	10,479,118	518,445	-	-	-
Charges for services	929,102	780,988	(148,114)	-	-	-
Fines and forfeitures	121,700	269,018	147,318	-	-	-
Investment income	81,410	90,536	9,126	-	-	-
Contributions & miscellaneous revenues	156,669	156,310	(359)	128,000	151,701	23,701
Total revenues	<u>18,502,802</u>	<u>18,903,039</u>	<u>400,237</u>	<u>128,000</u>	<u>151,701</u>	<u>23,701</u>
Expenditures:						
Current						
General government	2,675,088	2,574,118	100,970	-	-	-
Public safety	12,426,133	12,515,910	(89,777)	-	-	-
Public works	1,421,307	1,443,244	(21,937)	-	-	-
Health and welfare	171,828	179,990	(8,162)	-	-	-
Culture and recreation	1,369,670	1,345,088	24,582	124,025	133,931	(9,906)
Economic development	50,000	50,000	-	-	-	-
Capital outlay	132,452	175,773	(43,321)	-	-	-
Debt service						
Principal	223,922	147,737	76,185	-	-	-
Interest and fiscal charges	4,984	10,657	(5,673)	-	-	-
Total expenditures	<u>18,475,384</u>	<u>18,442,517</u>	<u>32,867</u>	<u>124,025</u>	<u>133,931</u>	<u>(9,906)</u>
Excess of revenues over expenditures	<u>27,418</u>	<u>460,522</u>	<u>433,104</u>	<u>3,975</u>	<u>17,770</u>	<u>13,795</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(730,000)	(746,351)	(16,351)	-	-	-
Proceeds from sale of assets	10,000	8,000	(2,000)	-	-	-
Total other financing sources (uses):	<u>(720,000)</u>	<u>(738,351)</u>	<u>(18,351)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (692,582)</u>	<u>(277,829)</u>	<u>\$ 414,753</u>	<u>\$ 3,975</u>	<u>17,770</u>	<u>\$ 13,795</u>
Fund balance -beginning		<u>6,594,627</u>			<u>(14,172)</u>	
Fund balance - ending		<u>\$ 6,316,798</u>			<u>\$ 3,598</u>	

CITY OF MATTOON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended April 30, 2020

1 ADJUSTMENTS FOR DIFFERENCES IN PERSPECTIVE (Continued)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

GENERAL FUND (Continued)

For the Year Ended April 30, 2020

	Revolving Loan Fund			Totals		
	Budgeted Amounts Original/ Final	Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts Original/ Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 7,008,398	\$ 6,842,995	\$ (165,403)
Licenses and permits	-	-	-	244,850	284,074	39,224
Intergovernmental revenues	-	-	-	9,960,673	10,479,118	518,445
Charges for services	-	-	-	929,102	780,988	(148,114)
Fines and forfeitures	-	-	-	121,700	269,018	147,318
Investment income	3,420	5,726	2,306	84,830	96,262	11,432
Contributions & miscellaneous revenues	41,161	-	(41,161)	325,830	308,011	(17,819)
Total revenues	44,581	5,726	(38,855)	18,675,383	19,060,466	385,083
Expenditures:						
Current						
General government	-	-	-	2,675,088	2,574,118	100,970
Public safety	-	-	-	12,426,133	12,515,910	(89,777)
Public works	-	-	-	1,421,307	1,443,244	(21,937)
Health and welfare	-	-	-	171,828	179,990	(8,162)
Culture and recreation	-	-	-	1,493,695	1,479,019	14,676
Economic development	44,581	1,716	42,865	94,581	51,716	42,865
Capital outlay	-	-	-	132,452	175,773	(43,321)
Debt service						
Principal	-	-	-	223,922	147,737	76,185
Interest and fiscal charges	-	-	-	4,984	10,657	(5,673)
Total expenditures	44,581	1,716	42,865	18,643,990	18,578,164	65,826
Excess of revenues over expenditures	-	4,010	4,010	31,393	482,302	450,909
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(730,000)	(746,351)	(16,351)
Proceeds from sale of assets	-	-	-	10,000	8,000	(2,000)
Total other financing sources (uses):	-	-	-	(720,000)	(738,351)	(18,351)
Net change in fund balance	\$ -	4,010	\$ 4,010	\$ (688,607)	(256,049)	\$ 432,558
Fund balance -beginning		1,081,484			7,661,939	
Fund balance - ending		\$ 1,085,494			\$ 7,405,890	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF MATTOON, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2020

	Motor Fuel Tax Fund	Hotel and Motel Tax Fund	Home Rehabilitation Grant Fund
Assets:			
Cash and cash equivalents	\$ 978,378	\$ 250,528	\$ 37
Receivables	117,549	99,888	-
Due from other funds	-	-	-
	-	-	-
Total assets	\$ 1,095,927	\$ 350,416	\$ 37
Liabilities:			
Accounts payable	\$ 375,662	\$ 409	\$ -
Payroll liabilities payable	-	4,684	-
Due to other funds	-	1,124	-
	-	1,124	-
Total liabilities	375,662	6,217	-
Deferred inflows of resources:			
Unavailable revenue	-	81,188	-
	-	81,188	-
Fund Balance:			
Nonspendable	-	-	-
Restricted	720,265	263,011	37
Committed	-	-	-
	-	-	-
Total fund balance	720,265	263,011	37
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,095,927	\$ 350,416	\$ 37

CITY OF MATTOON, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)

April 30, 2020

	<u>Midtown TIF District Fund</u>	<u>Capital Projects Fund</u>	<u>I-57 East TIF District Fund</u>
Assets:			
Cash and cash equivalents	\$ 688,333	\$ 409,481	\$ 148,721
Receivables	782,090	-	31,147
Due from other funds	-	109,378	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,470,423</u>	<u>\$ 518,859</u>	<u>\$ 179,868</u>
Liabilities:			
Accounts payable	\$ -	\$ 1,870	\$ 12,091
Payroll liabilities payable	-	-	-
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>1,870</u>	<u>12,091</u>
Deferred inflows of resources:			
Unavailable revenue	<u>782,090</u>	<u>-</u>	<u>31,147</u>
Fund Balance:			
Nonspendable	-	-	-
Restricted	688,333	-	136,630
Committed	-	516,989	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>688,333</u>	<u>516,989</u>	<u>136,630</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,470,423</u>	<u>\$ 518,859</u>	<u>\$ 179,868</u>

CITY OF MATTOON, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)

April 30, 2020

	South Rt 45 TIF District Fund	South Rt 45 Business District Fund	Broadway East TIF District Fund
Assets:			
Cash and cash equivalents	\$ 11,014	\$ 40,287	\$ 355,723
Receivables	65,018	18,795	165,200
Due from other funds	-	-	-
	-	-	-
Total assets	\$ 76,032	\$ 59,082	\$ 520,923
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	-	-
Due to other funds	-	-	-
	-	-	-
Total liabilities	-	-	-
Deferred inflows of resources:			
Unavailable revenue	65,018	14,664	165,200
Fund Balance:			
Nonspendable	-	-	-
Restricted	11,014	44,418	355,723
Committed	-	-	-
	-	-	-
Total fund balance	11,014	44,418	355,723
Total liabilities, deferred inflows of resources, and fund balance	\$ 76,032	\$ 59,082	\$ 520,923

CITY OF MATTOON, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)

April 30, 2020

	Broadway East Business District Fund	I-57 East Business District Fund	Totals
Assets:			
Cash and cash equivalents	\$ 123,194	\$ 23,370	\$ 3,029,066
Receivables	81,932	543	1,362,162
Due from other funds	-	-	109,378
	<u>205,126</u>	<u>23,913</u>	<u>4,500,606</u>
Total assets	\$ 205,126	\$ 23,913	\$ 4,500,606
Liabilities:			
Accounts payable	\$ 3,297	\$ -	\$ 393,329
Payroll liabilities payable	-	-	4,684
Due to other funds	-	-	1,124
	<u>3,297</u>	<u>-</u>	<u>399,137</u>
Total liabilities	3,297	-	399,137
Deferred inflows of resources:			
Unavailable revenue	<u>25,354</u>	<u>124</u>	<u>1,164,785</u>
Fund Balance:			
Nonspendable	-	-	-
Restricted	176,475	23,789	2,419,695
Committed	-	-	516,989
	<u>176,475</u>	<u>23,789</u>	<u>2,936,684</u>
Total fund balance	176,475	23,789	2,936,684
Total liabilities, deferred inflows of resources, and fund balance	\$ 205,126	\$ 23,913	\$ 4,500,606

CITY OF MATTOON, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2020

	Motor Fuel Tax Fund	Hotel and Motel Tax Fund	Home Rehabilitation Grant Fund
Revenues:			
Taxes	\$ -	\$ 278,226	\$ -
Intergovernmental revenues	739,077	-	-
Investment income	13,878	-	-
Contributions and miscellaneous revenues	-	500	-
Total revenues	<u>752,955</u>	<u>278,726</u>	<u>-</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	539,327	-	-
Culture and recreation	-	303,374	-
Economic development	-	-	-
Capital outlay	105,625	36,517	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>644,952</u>	<u>339,891</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>108,003</u>	<u>(61,165)</u>	<u>-</u>
Other financing sources (uses):			
Transfer in	-	-	-
Transfer out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	108,003	(61,165)	-
Fund balance - beginning	<u>612,262</u>	<u>324,176</u>	<u>37</u>
Fund balance - ending	<u>\$ 720,265</u>	<u>\$ 263,011</u>	<u>\$ 37</u>

CITY OF MATTOON, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)

For the Year Ended April 30, 2020

	Midtown TIF District Fund	Capital Projects Fund	I-57 East TIF District Fund
Revenues:			
Taxes	\$ 766,720	\$ -	\$ 30,574
Intergovernmental revenues	-	-	-
Investment income	2,983	665	57
Contributions and miscellaneous revenues	-	12,677	-
Total revenues	<u>769,703</u>	<u>13,342</u>	<u>30,631</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	140,284	-
Culture and recreation	-	-	-
Economic development	327,132	-	13,944
Capital outlay	582,712	295,693	121,806
Debt service			
Principal	-	330,000	-
Interest and fiscal charges	-	86,269	-
Total expenditures	<u>909,844</u>	<u>852,246</u>	<u>135,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,141)</u>	<u>(838,904)</u>	<u>(105,119)</u>
Other financing sources (uses):			
Transfer in	-	746,351	-
Transfer out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>746,351</u>	<u>-</u>
Net change in fund balances	(140,141)	(92,553)	(105,119)
Fund balance - beginning (restated)	<u>828,474</u>	<u>609,542</u>	<u>241,749</u>
Fund balance - ending	<u>\$ 688,333</u>	<u>\$ 516,989</u>	<u>\$ 136,630</u>

Note - Restated fund balance resulted from FY19 payable recorded in the Capital Projects Fund that was subsequently paid from Midtown TIF District Fund in the amount of \$16,776.

CITY OF MATTOON, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)

For the Year Ended April 30, 2020

	South Rt 45 TIF District Fund	South Rt 45 Business District Fund	Broadway East TIF District Fund
Revenues:			
Taxes	\$ 63,252	\$ 22,979	\$ 162,153
Intergovernmental revenues	-	-	-
Investment income	119	-	304
Contributions and miscellaneous revenues	-	-	-
Total revenues	<u>63,371</u>	<u>22,979</u>	<u>162,457</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Economic development	18,704	-	37,802
Capital outlay	-	-	-
Debt service			
Principal	35,448	-	-
Interest and fiscal charges	22,139	-	-
Total expenditures	<u>76,291</u>	<u>-</u>	<u>37,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,920)</u>	<u>22,979</u>	<u>124,655</u>
Other financing sources (uses):			
Transfer in	20,000	-	-
Transfer out	-	(20,000)	-
Total other financing sources (uses)	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	7,080	2,979	124,655
Fund balance - beginning	<u>3,934</u>	<u>41,439</u>	<u>231,068</u>
Fund balance - ending	<u>\$ 11,014</u>	<u>\$ 44,418</u>	<u>\$ 355,723</u>

CITY OF MATTOON, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)

For the Year Ended April 30, 2020

	Broadway East Business District Fund	I-57 East Business District Fund	Totals
Revenues:			
Taxes	\$ 396,261	\$ 2,480	\$ 1,722,645
Intergovernmental revenues	-	-	739,077
Investment income	484	-	18,490
Contributions and miscellaneous revenues	-	-	13,177
Total revenues	<u>396,745</u>	<u>2,480</u>	<u>2,493,389</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	-	679,611
Culture and recreation	-	-	303,374
Economic development	26,163	-	423,745
Capital outlay	-	-	1,142,353
Debt service			
Principal	220,000	-	585,448
Interest and fiscal charges	91,245	-	199,653
Total expenditures	<u>337,408</u>	<u>-</u>	<u>3,334,184</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,337</u>	<u>2,480</u>	<u>(840,795)</u>
Other financing sources (uses):			
Transfer in	-	-	766,351
Transfer out	-	-	(20,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>746,351</u>
Net change in fund balances	59,337	2,480	(94,444)
Fund balance - beginning	<u>117,138</u>	<u>21,309</u>	<u>3,031,128</u>
Fund balance - ending	<u>\$ 176,475</u>	<u>\$ 23,789</u>	<u>\$ 2,936,684</u>

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 MOTOR FUEL TAX FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 492,000	\$ 492,000	\$ 739,077	\$ 247,077
Investment income	7,000	7,000	13,878	6,878
Total revenues	<u>499,000</u>	<u>499,000</u>	<u>752,955</u>	<u>253,955</u>
Expenditures:				
Current				
Public works	474,100	474,100	539,327	(65,227)
Capital outlay	<u>105,338</u>	<u>105,338</u>	<u>105,625</u>	<u>(287)</u>
Total expenditures	<u>579,438</u>	<u>579,438</u>	<u>644,952</u>	<u>(65,514)</u>
Net change in fund balance	<u>\$ (80,438)</u>	<u>\$ (80,438)</u>	108,003	<u>\$ 188,441</u>
Fund balance - beginning			<u>612,262</u>	
Fund balance - ending			<u>\$ 720,265</u>	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 HOTEL AND MOTEL TAX FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 330,000	\$ 330,000	\$ 278,226	\$ (51,774)
Contributions and miscellaneous revenues	-	-	500	500
Total revenues	<u>330,000</u>	<u>330,000</u>	<u>278,726</u>	<u>(51,274)</u>
Expenditures:				
Current				
Culture and recreation	298,875	298,875	303,374	(4,499)
Capital outlay	<u>75,000</u>	<u>75,000</u>	<u>36,517</u>	<u>38,483</u>
Total Expenditures	<u>373,875</u>	<u>373,875</u>	<u>339,891</u>	<u>33,984</u>
Net change in fund balance	<u>\$ (43,875)</u>	<u>\$ (43,875)</u>	(61,165)	<u>\$ (17,290)</u>
Fund balance - beginning			<u>324,176</u>	
Fund balance - ending			<u>\$ 263,011</u>	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 HOME REHABILITATION GRANT FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 258,226	\$ 258,226	\$ -	\$ (258,226)
Expenditures:				
Current				
Economic development	258,226	258,226	-	258,226
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			37	
Fund balance - ending			\$ 37	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 MIDTOWN TIF DISTRICT FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 793,000	\$ 793,000	\$ 766,720	\$ (26,280)
Investment income	1,000	1,000	2,983	1,983
Contributions and miscellaneous revenues	32,500	32,500		
Total revenues	<u>826,500</u>	<u>826,500</u>	<u>769,703</u>	<u>(24,297)</u>
Expenditures:				
Current				
Economic development	433,166	433,166	327,132	106,034
Capital outlay	723,500	723,500	582,712	140,788
Total expenditures	<u>1,156,666</u>	<u>1,156,666</u>	<u>909,844</u>	<u>246,822</u>
Net change in fund balance	<u>\$ (330,166)</u>	<u>\$ (330,166)</u>	(140,141)	<u>\$ 190,025</u>
Fund balance - beginning (restated)			<u>828,474</u>	
Fund balance - ending			<u>\$ 688,333</u>	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET TO ACTUAL
 NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 500	\$ 500	\$ 665	\$ 165
Contributions & miscellaneous revenues	45,000	45,000	12,677	(32,323)
Total revenues	45,500	45,500	13,342	(32,158)
Expenditures:				
Current				
Public safety	-	-	-	-
Public works	5,000	5,000	140,284	(135,284)
Capital outlay	672,500	672,500	295,693	376,807
Debt service				
Principal	330,000	330,000	330,000	-
Interest and fiscal charges	87,074	87,074	86,269	805
Debt issuance & fiscal agent	1,000	1,000	-	1,000
Total expenditures	1,095,574	1,095,574	852,246	243,328
(Deficiency) of revenues under expenditures	(1,050,074)	(1,050,074)	(838,904)	211,170
Other financing sources:				
Transfers in	730,000	730,000	746,351	16,351
Net change in fund balance	\$ (320,074)	\$ (320,074)	(92,553)	\$ 227,521
Fund balance - beginning (restated)			609,542	
Fund balance - ending			\$ 516,989	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 I-57 EAST TIF DISTRICT FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 35,500	\$ 35,500	\$ 30,574	\$ (4,926)
Investment income	60	60	57	(3)
Total revenue	<u>35,560</u>	<u>35,560</u>	<u>30,631</u>	<u>(4,929)</u>
Expenditures:				
Current				
Economic development	7,100	7,100	13,944	(6,844)
Capital outlay	-	-	121,806	(121,806)
Total expenditures	<u>7,100</u>	<u>7,100</u>	<u>135,750</u>	<u>(128,650)</u>
Net change in fund balance	<u>\$ 28,460</u>	<u>\$ 28,460</u>	(105,119)	<u>\$ (133,579)</u>
Fund balance - beginning			<u>241,749</u>	
Fund balance - ending			<u>\$ 136,630</u>	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 SOUTH RT 45 TIF DISTRICT FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 54,600	\$ 54,600	\$ 63,252	\$ 8,652
Investment income	100	100	119	19
Total revenues	<u>54,700</u>	<u>54,700</u>	<u>63,371</u>	<u>8,671</u>
Expenditures:				
Current				
Economic development	16,974	16,974	18,704	(1,730)
Debt service				
Principal	34,114	34,114	35,448	(1,334)
Interest and fiscal charges	<u>23,472</u>	<u>23,472</u>	<u>22,139</u>	<u>1,333</u>
Total expenditures	<u>74,560</u>	<u>74,560</u>	<u>76,291</u>	<u>(1,731)</u>
(Deficiency) of revenues under expenditures	<u>(19,860)</u>	<u>(19,860)</u>	<u>(12,920)</u>	<u>6,940</u>
Other financing sources:				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 140</u>	<u>\$ 140</u>	<u>7,080</u>	<u>\$ 6,940</u>
Fund balance - beginning			<u>3,934</u>	
Fund balance - ending			<u>\$ 11,014</u>	

CITY OF MATTOON, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL FUND
 SOUTH RT 45 BUSINESS DISTRICT FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 25,400	\$ 25,400	\$ 22,979	\$ (2,421)
Investment income	-	-	-	-
Total revenues	<u>25,400</u>	<u>25,400</u>	<u>22,979</u>	<u>(2,421)</u>
Other financing sources:				
Transfers out	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u><u>\$ 5,400</u></u>	<u><u>\$ 5,400</u></u>	2,979	<u><u>\$ (2,421)</u></u>
Fund balance - beginning			<u>41,439</u>	
Fund balance - ending			<u><u>\$ 44,418</u></u>	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 BROADWAY EAST TIF DISTRICT FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 51,300	\$ 51,300	\$ 162,153	\$ 110,853
Investment income	90	90	304	214
Total revenue	<u>51,390</u>	<u>51,390</u>	<u>162,457</u>	<u>111,067</u>
Expenditures:				
Current				
Economic development	<u>14,660</u>	<u>14,660</u>	<u>37,802</u>	<u>(23,142)</u>
Net change in fund balance	<u>\$ 36,730</u>	<u>\$ 36,730</u>	124,655	<u>\$ 87,925</u>
Fund balance - beginning			<u>231,068</u>	
Fund balance - ending			<u>\$ 355,723</u>	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 BROADWAY EAST BUSINESS DISTRICT FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 380,610	\$ 380,610	\$ 396,261	\$ 15,651
Investment income	650	650	484	(166)
Total revenue	<u>381,260</u>	<u>381,260</u>	<u>396,745</u>	<u>15,485</u>
Expenditures:				
Current				
Economic development	35,000	35,000	26,163	8,837
Debt service				
Principal	220,000	220,000	220,000	-
Interest and fiscal charges	<u>92,018</u>	<u>92,018</u>	<u>91,245</u>	<u>773</u>
Total expenditures	<u>347,018</u>	<u>347,018</u>	<u>337,408</u>	<u>9,610</u>
Net change in fund balance	<u>\$ 34,242</u>	<u>\$ 34,242</u>	59,337	<u>\$ 25,095</u>
Fund balance - beginning			<u>117,138</u>	
Fund balance - ending			<u>\$ 176,475</u>	

CITY OF MATTOON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 NONMAJOR SPECIAL REVENUE FUND
 I-57 EAST BUSINESS DISTRICT FUND

For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	<u>\$ 2,800</u>	<u>\$ 2,800</u>	\$ 2,480	<u>\$ (320)</u>
Fund balance - beginning			<u>21,309</u>	
Fund balance - ending			<u>\$ 23,789</u>	

CITY OF MATTOON, ILLINOIS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS

April 30, 2020

	Health Insurance Fund	Insurance and Tort Judgment Fund	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,001	\$ 247,052	\$ 250,053
Accounts receivable	3,575	4,032	7,607
Due from other funds	220,624	50,632	271,256
Due from component units	5,409	535	5,944
Prepaid items	-	161,693	161,693
Restricted assets:			
Cash and cash equivalents	5,797	-	5,797
Total current assets	238,406	463,944	702,350
Liabilities:			
Current liabilities:			
Accounts payable	230,666	20,050	250,716
Due to other funds	-	-	-
Due to component units	-	-	-
Payable from restricted assets			
Other payables	7,740	-	7,740
Total current liabilities	238,406	20,050	258,456
Net Position:			
Unrestricted	\$ -	\$ 443,894	\$ 443,894

CITY OF MATTOON, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2020

	Health Insurance Fund	Insurance and Tort Judgment Fund	Total
Operating revenues:			
Fund charges and employee contributions	\$ 4,665,981	\$ 998,976	\$ 5,664,957
Miscellaneous operating revenue	1,303	156,029	157,332
Total operating revenue	<u>4,667,284</u>	<u>1,155,005</u>	<u>5,822,289</u>
Operating expenses:			
Administrative and general	598,808	77,538	676,346
Insurance	549,236	1,077,467	1,626,703
Health claims and uninsured judgments	3,519,255	-	3,519,255
Total operating expenses	<u>4,667,299</u>	<u>1,155,005</u>	<u>5,822,304</u>
Operating loss	(15)	-	(15)
Non-operating revenues:			
Investment income	15	-	15
Change in net position	-	-	-
Net position - beginning	<u>-</u>	<u>443,894</u>	<u>443,894</u>
Net position - ending	<u>\$ -</u>	<u>\$ 443,894</u>	<u>\$ 443,894</u>

CITY OF MATTOON, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2020

	Health Insurance Fund	Insurance and Tort Judgment Fund	Totals
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 3,508,981	\$ 801,030	\$ 4,310,011
Receipts from component units	85,390	8,631	94,021
Receipts from employees and retirees	1,121,068	-	1,121,068
Payments to suppliers	(1,145,098)	(1,153,316)	(2,298,414)
Payments to claimants	(3,646,126)	-	(3,646,126)
Other (payments) receipts	(1,642)	155,231	153,589
	<u>(77,427)</u>	<u>(188,424)</u>	<u>(265,851)</u>
Net cash (used) by operating activities			
Cash flows from investing activities:			
Investment income	15	-	15
	<u>15</u>	<u>-</u>	<u>15</u>
Net cash provided by investing activities			
Net (decrease) in cash	(77,412)	(188,424)	(265,836)
Cash, restricted and unrestricted - beginning	86,210	435,476	521,686
Cash, restricted and unrestricted - ending	<u>\$ 8,798</u>	<u>\$ 247,052</u>	<u>\$ 255,850</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:			
Operating (loss)	\$ (15)	\$ -	\$ (15)
Adjustments to reconcile operating (loss) to net cash provided by operating activities			
Decrease (increase) in receivables	322	(798)	(476)
Decrease (increase) in due from other funds	48,441	(50,632)	(2,191)
Decrease (increase) in due from component units	694	(535)	159
(Increase) in prepaid items	-	(9,937)	(9,937)
Increase (decrease) in accounts payable	(124,450)	11,626	(112,824)
(Decrease) in due to other funds	-	(136,861)	(136,861)
(Decrease) in due to component units	-	(1,287)	(1,287)
(Decrease) in other payables	(2,419)	-	(2,419)
Net cash (used) by operating activities	<u>\$ (77,427)</u>	<u>\$ (188,424)</u>	<u>\$ (265,851)</u>

CITY OF MATTOON, ILLINOIS
BALANCE SHEET
GOVERNMENTAL COMPONENT UNIT (MATTOON PUBLIC LIBRARY)

April 30, 2020

Assets:	
Cash and cash equivalents	\$ 144,585
Investments, at fair value	134,006
Due from primary government	<u>950</u>
Total assets	<u><u>\$ 279,541</u></u>
Liabilities:	
Accounts payable	\$ 5,800
Payroll liabilities	14,720
Due to primary government	25,597
Advances from primary government	<u>15,854</u>
Total liabilities	<u>61,971</u>
Fund Balance:	
Restricted	23,591
Unassigned	<u>193,979</u>
Total fund balances	<u>217,570</u>
Total liabilities and fund balance	<u><u>\$ 279,541</u></u>

CITY OF MATTOON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL COMPONENT UNIT (MATTOON PUBLIC LIBRARY)

For the Year Ended April 30, 2020

Revenues:	
Payments from primary government	\$ 513,384
Charges for services	8,881
Fines and forfeitures	6,021
Investment income	1,103
Operating contributions	<u>115,729</u>
Total revenues	<u>645,118</u>
Expenditures:	
Current	
Culture and recreation	620,966
Debt service	
Principal	5,000
Interest	<u>2,179</u>
Total expenditures	<u>628,145</u>
Excess of revenues over expenditures	16,973
Fund balance - beginning	<u>200,597</u>
Fund balance - ending	<u><u>\$ 217,570</u></u>

CITY OF MATTOON, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY COMPONENT UNITS

April 30, 2020

	Mattoon Police Pension Fund	Mattoon Firefighters Pension Fund	Totals
Assets:			
Cash	\$ 494,485	\$ 598,671	\$ 1,093,156
Interest receivable	31,354	27,741	59,095
Prepaid expenses	2,479	-	2,479
Due from primary government	36,287	36,287	72,574
Total assets other than investments	<u>564,605</u>	<u>662,699</u>	<u>1,227,304</u>
Investments at fair value			
Certificates of deposit	-	1,905,696	1,905,696
U.S. government obligations	519,948	451,929	971,877
Corporate and municipal bonds	3,195,404	1,675,202	4,870,606
Insurance contracts	13,621,193	8,799,050	22,420,243
Annuities	-	569,332	569,332
Stocks	440,252	1,886,611	2,326,863
Total investments	<u>17,776,797</u>	<u>15,287,820</u>	<u>33,064,617</u>
Total assets	<u>18,341,402</u>	<u>15,950,519</u>	<u>34,291,921</u>
Liabilities:			
Accounts payable	5,380	-	5,380
Pensions payable	-	249,200	249,200
Total liabilities	<u>5,380</u>	<u>249,200</u>	<u>254,580</u>
Net position:			
Held in trust for pension benefits	<u>\$ 18,336,022</u>	<u>\$ 15,701,319</u>	<u>\$ 34,037,341</u>

CITY OF MATTOON, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY COMPONENT UNITS

For the Year Ended April 30, 2020

	Mattoon Police Pension Fund	Mattoon Firefighters Pension Fund	Totals
Additions:			
Contributions:			
Employer	\$ 2,004,489	\$ 2,173,792	\$ 4,178,281
Plan members	259,922	156,657	416,579
Total contributions	<u>2,264,411</u>	<u>2,330,449</u>	<u>4,594,860</u>
Investment income:			
Interest income	122,274	135,439	257,713
Dividend income	10,999	36,032	47,031
Net (decrease) in fair value of investments	<u>(833,186)</u>	<u>(794,007)</u>	<u>(1,627,193)</u>
Net investment income	<u>(699,913)</u>	<u>(622,536)</u>	<u>(1,322,449)</u>
Total additions	<u>1,564,498</u>	<u>1,707,913</u>	<u>3,272,411</u>
Deductions:			
Benefits and refunds of contributions	2,386,466	2,891,069	5,277,535
Administrative expenses	<u>57,587</u>	<u>11,342</u>	<u>68,929</u>
Total deductions	<u>2,444,053</u>	<u>2,902,411</u>	<u>5,346,464</u>
Change in net position	(879,555)	(1,194,498)	(2,074,053)
Net position held in trust - beginning	<u>19,215,577</u>	<u>16,895,817</u>	<u>36,111,394</u>
Net position held in trust - ending	<u>\$ 18,336,022</u>	<u>\$ 15,701,319</u>	<u>\$ 34,037,341</u>

ACCOMPANYING INFORMATION SECTION

CITY OF MATTOON, ILLINOIS

LEGAL DEBT MARGIN
(UNAUDITED)

April 30, 2020

Assessed valuation, 2019 levy		<u>\$ 199,924,401</u>
Statutory debt limitation: (8.625% of assessed valuation)		\$ 17,243,480
Total debt:		
General obligation bonds	\$ (8,120,000)	
Capital leases	(106,180)	
Notes payable	<u>(5,946,263)</u>	
Total debt		(14,172,443)
Less debt exempt from statutory debt limitation computation:		
General obligation bonds	8,120,000	
Notes payable - IEPA loans	<u>5,274,003</u>	
Total debt exempt from statutory debt limitation		<u>13,394,003</u>
Legal debt margin		<u>\$ 16,465,040</u>

COMPLIANCE SECTION

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61988

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the City Council
City of Mattoon, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mattoon, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Mattoon's basic financial statements, and have issued our report thereon dated October 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Mattoon's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mattoon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mattoon's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses to be a material weakness (2020-001).

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses to be a significant deficiency (2020-002).

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mattoon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Mattoon's Responses to Findings

The City of Mattoon's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City of Mattoon's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Mattoon's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Mattoon's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dochring, Winders & Co. LLP

Mattoon, Illinois
October 21, 2020

CITY OF MATTOON, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended April 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
• Noncompliance material to financial statements noted?	No

CITY OF MATTOON, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES (Continued)
For the Year Ended April 30, 2020

**FINDING NO. 2020-001 - Controls Over Financial Statement Preparation
(Repeat of 2019-001, 2018-01, 2017-001, 2016-01, 2015-01, 2014-01)**

Criteria/specific requirement

A system of internal controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP) is necessary to prepare GAAP based financial statements including all disclosures.

Condition:

As is common with organizations its size, the City does not currently prepare its own financial statements, complete with notes, in accordance with accounting principles generally accepted in the United States of America. Statements on Auditing Standards do not provide exceptions to financial reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive.

During the audit and preparation of the City of Mattoon's financial statements, we noted the City of Mattoon's accounting records required material year-end adjusting journal entries to conform to generally accepted accounting principles. In addition, significant year-end adjusting journal entries were required to convert the City of Mattoon's individual fund financial statements to government-wide financial statements. Proposed adjusting entries were reviewed, approved and accepted by the City of Mattoon's management.

Effect:

The City of Mattoon management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

The City has limited resources to prepare GAAP based financial statements including all disclosures.

Recommendation:

We recommend that the City continually monitor the cost/benefit analysis of preparing its own financial statements, complete with notes, in conformity with accounting principles generally accepted in the United States of America.

Management's Response:

The City meets all audit reporting requirements including those under GASB and will continue to do so in the future. Currently, the City Treasurer and other personnel review and approve the annual financial statements. Current Staffing levels, as such, do not allow for GAAP based statements, including all disclosures, to be performed in house. As additional resources become available, the City will review the cost/benefit involved with preparing the financial statements.

CITY OF MATTOON, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES (Continued)
For the Year Ended April 30, 2020

**FINDING NO. 2020-002 - Inadequate Controls over Capital Assets
(Repeat of 2019-002, 2018-02, 2017-002, 2016-02, 2015-02, 2014-02, 2013-04, 2012-05,
and 2011-04)**

Criteria/specific requirement

Internal controls should be in place to provide reasonable assurance that capital assets, including capital assets recorded prior to the implementation of GASB No. 34, are properly tracked and recorded.

Condition:

No internal record of the City's capital assets, including capital assets recorded prior to the implementation of GASB No. 34, is reconciled to the fixed asset totals in the financial statements. A Mobile Equipment Fund is being used as a funding mechanism for future capital purchases and is used for budgeting and to record capital purchases. When assets are disposed, original cost information is not always readily identifiable. Some reclassification is necessary to accurately classify capital outlay expenditures.

Effect:

Assets sold, traded in, or otherwise disposed could cause the government-wide capital outlay balances and related depreciation to be overstated. The financial statements could be misstated due to incorrect classification of capital outlay expenditures.

Cause:

There are no internal procedures in place to reconcile capital assets recorded prior to the implementation of GASB No. 34. The current listing of capital assets could be misstated by any unrecorded capital outlay or dispositions of assets where the items is not identified and removed. A complete physical inventory inspection has not been performed to adequately reconcile these capital assets.

Recommendation:

The City should reconcile capital outlay acquired prior to implementation to GASB No. 34 and thereafter to insure all capital outlay assets have been accurately accounted for in the financial statements. The City should implement a system to ensure that capital asset information is maintained to identify asset description, date purchased, cost, and other information necessary to properly account for these assets. The asset listing should be periodically reconciled with a physical inventory inspection.

Management's Response:

A central data base of all capital assets will be developed when resources become available. In addition, the City will seek to perform a physical inventory of all assets in order to reconcile to the fixed assets recorded in the financial statements.