

CITY OF MATTOON, ILLINOIS  
FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED APRIL 30, 2021

CITY OF MATTOON, ILLINOIS  
 FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
 For the Year Ended April 30, 2021

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FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
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*Certified Public Accountants*  
1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61988

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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## 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 89-91 and 94-97, pension plans' Schedule of Employer Contributions on pages 92-93 and 98-99, post-employment healthcare benefit program's Schedule of Changes in Total OPEB Liability and Related Ratios on pages 100-102, and budgetary comparison information on page 103, 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 combining and individual nonmajor fund financial statements and schedules, the combining Statement of Internal Service Funds financial statements, and the combining and individual component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the combining Statement of Internal Service Funds financial statements, and the combining and individual component unit financial statements, and schedule of expenditures of federal awards 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 combining and individual nonmajor fund financial statements and schedules, the combining and individual component unit statements, and schedule of expenditures of federal awards 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 December 6, 2021, 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 solely to 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, Winkler & Co. LLP*

Mattoon, Illinois  
December 6, 2021

## 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, 2021. 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 \$129,835,415 and total liabilities and deferred inflows of resources of \$172,075,470, resulting in a net position of (\$42,240,055) as of April 30, 2021. Total assets and deferred outflows of resources increased from April 30, 2020 by \$2,347,736, total liabilities and deferred inflows of resources decreased from April 30, 2020 by \$7,630,535, and the net position increased from April 30, 2020 by \$9,978,271. Of the net position as of April 30, 2021, \$68,146,869 represents the City’s investment in capital assets, net of related debt, \$3,149,974 is held for restricted purposes, and (\$113,536,898) 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 increased by approximately \$2.3 million, from \$9.3 million to \$11.6 million. The City’s unrestricted cash position in the business-type activities decreased by approximately \$1.2 million, from \$7.3 million to \$6.1 million.

- The following table shows the changes in major revenue sources from fiscal year 2020 to 2021.

**City of Mattoon, Illinois  
Changes in Major Revenue Sources  
April 30, 2021**

<u>Source</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
Intergovernmental Shared Revenues	\$ 12,609,591	\$ 10,829,522	\$ 1,780,069
Property Tax Revenues	5,579,808	5,484,268	95,540
Telecommunications taxes	506,455	504,250	2,205
Utility Tax Revenues	1,344,202	1,350,914	(6,712)
Water Fund Charges for Services	3,575,996	3,689,863	(113,867)
Sewer Fund Charges for Services	4,166,265	4,301,293	(135,028)
Charges for Services	1,405,479	1,331,692	73,787
Table Totals	<u>\$ 29,187,796</u>	<u>\$ 27,491,802</u>	<u>\$ 1,695,994</u>

Revenues were relatively flat except for shared revenues from the State. Operating and Capital grant revenues also increased significantly including federal monies received from the Local CURES fund as reimbursement for public safety salaries. Property tax increases in general are

restricted due to the Property Tax Extension Limitation Law (PTELL). Further, all of those resources are committed to the Police and Fire Pension Funds as well as the Mattoon Public Library. Utility taxes, charges for water, and charges for sewer all show decreases for the year.

- 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 132 through 133 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 \$43.6 million as of April 30, 2021. The negative net position for governmental activities has decreased and the positive net position for business-type activities has increased. The negative net position for governmental activities 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current & Other Assets	\$24,249,128	\$18,756,577	\$9,809,728	\$8,862,915	\$34,058,856	\$27,619,492
Deferred Outflows of Resources	18,871,857	25,912,440	1,723,307	1,909,147	20,595,164	27,821,587
Capital Assets (net)	<u>32,873,176</u>	<u>30,710,000</u>	<u>40,231,866</u>	<u>39,250,073</u>	<u>73,105,042</u>	<u>69,960,073</u>
Total Assets and Deferred Outflows of Resources	<u>\$75,994,161</u>	<u>\$75,379,017</u>	<u>\$51,764,901</u>	<u>\$50,022,135</u>	<u>\$127,759,062</u>	<u>\$125,401,152</u>
Current Liabilities	\$2,118,867	\$1,441,408	\$1,130,346	\$858,422	\$3,249,213	\$2,299,830
Deferred Inflows of Resources	24,559,714	8,659,652	2,783,714	1,519,937	27,343,428	10,179,589
Non-current Liabilities	<u>126,461,081</u>	<u>146,409,273</u>	<u>14,283,563</u>	<u>19,487,216</u>	<u>140,744,644</u>	<u>165,896,489</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$153,139,662</u>	<u>\$156,510,333</u>	<u>\$18,197,623</u>	<u>\$21,865,575</u>	<u>\$171,337,285</u>	<u>\$178,375,908</u>
Net Investment in Capital Assets	\$32,803,357	\$30,551,872	\$33,781,347	\$31,958,946	\$66,584,704	\$62,510,818
Restricted	3,145,083	2,525,130	-	-	3,145,083	2,525,130
Unrestricted	<u>(113,093,941)</u>	<u>(114,208,318)</u>	<u>(214,069)</u>	<u>(3,802,386)</u>	<u>(113,308,010)</u>	<u>(118,010,704)</u>
Total Net Position	<u>(\$77,145,501)</u>	<u>(\$81,131,316)</u>	<u>\$33,567,278</u>	<u>\$28,156,560</u>	<u>(\$43,578,223)</u>	<u>(\$52,974,756)</u>
Total Net Position as a % of Total Liabilities and Deferred Inflows of Resources	(50.4%)	(51.8%)	184.5%	128.8%	(25.4%)	(29.7%)
Unrestricted Net Position as a % of Total Liabilities and Deferred Inflows of Resources	(73.9%)	(73.0%)	(1.2%)	(17.4%)	(66.1%)	(66.2%)

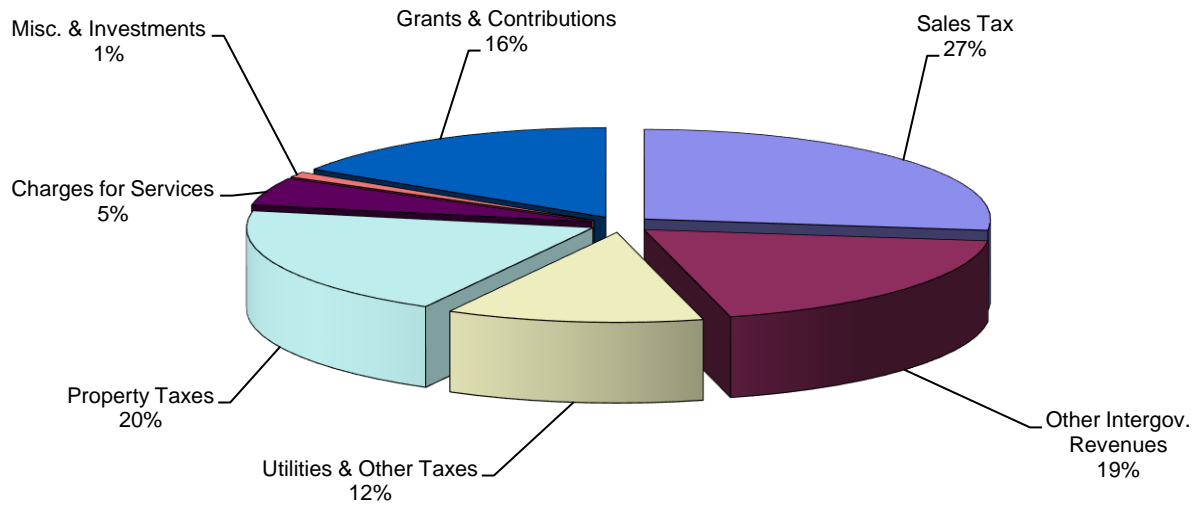
As of April 30, 2021, the governmental activities have a negative unrestricted net position of \$113,093,941. The business-type activities have a negative unrestricted net position of \$214,069. Both are largely due to unfunded net pension and health care liabilities for City workers.

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	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$1,405,479	\$1,331,692	\$7,742,261	\$7,991,156	\$9,147,740	\$9,322,848
Operating Grants & Contr.	1,276,930	375,262	0	0	1,276,930	375,262
Capital Grants & Contr.	3,186,122	240,237	0	0	3,186,122	240,237
General Revenues						
Property Taxes	5,579,808	5,484,268	0	0	5,579,808	5,484,268
Sales Taxes	7,404,615	6,688,183	0	0	7,404,615	6,688,183
Utility Taxes	1,344,202	1,350,914	0	0	1,344,202	1,350,914
Telecommunication Taxes	506,455	504,250	0	0	506,455	504,250
Other Taxes	1,285,021	1,267,296	0	0	1,285,021	1,267,296
Other Intergovern. Rev.	5,204,976	4,141,339	0	0	5,204,976	4,141,339
Investment Income	21,431	114,397	24,548	30,832	45,979	145,229
Miscellaneous Income	31,244	95,918	0	0	31,244	95,918
Gain (Loss) on Sale of Assets	113,047	6,261	11,673	35,047	124,720	41,308
<b>Total Revenue</b>	<b>27,359,330</b>	<b>21,600,017</b>	<b>7,778,482</b>	<b>8,057,035</b>	<b>35,137,812</b>	<b>29,657,052</b>
<b>Expenses</b>						
Program Expenses						
General Government	3,840,763	2,865,490	0	0	3,840,763	2,865,490
Public Safety	12,073,627	23,178,525	0	0	12,073,627	23,178,525
Public Works	4,260,843	3,195,845	0	0	4,260,843	3,195,845
Health and Welfare	809,263	217,157	0	0	809,263	217,157
Culture and Recreation	1,622,198	1,989,423	0	0	1,622,198	1,989,423
Economic Development	591,918	475,461	0	0	591,918	475,461
Interest on Long-Term Debt	174,903	194,472	0	0	174,903	194,472
Water	0	0	1,319,519	3,877,657	1,319,519	3,877,657
Sewer	0	0	1,048,245	4,027,214	1,048,245	4,027,214
<b>Total Expenses</b>	<b>23,373,515</b>	<b>32,116,373</b>	<b>2,367,764</b>	<b>7,904,871</b>	<b>25,741,279</b>	<b>40,021,244</b>
Increase (decrease) in net position						
before transfers	3,985,815	(10,516,356)	5,410,718	152,164	9,396,533	(10,364,192)
Transfers	0	0	0	0	0	0
<b>Changes in Net Position</b>	<b>3,985,815</b>	<b>(10,516,356)</b>	<b>5,410,718</b>	<b>152,164</b>	<b>9,396,533</b>	<b>(10,364,192)</b>
Net Position - May 1	(81,131,316)	(70,614,960)	28,156,560	28,004,396	(52,974,756)	(42,610,564)
Net Position - April 30	(\$77,145,501)	(\$81,131,316)	\$33,567,278	\$28,156,560	(\$43,578,223)	(\$52,974,756)

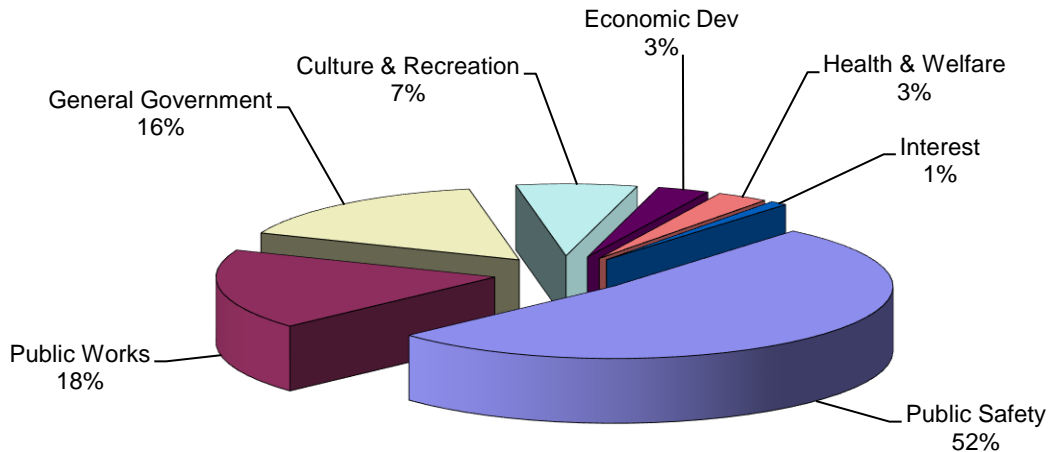
The following chart illustrates how governmental activities are funded. Sales taxes provided twenty-seven percent (27%) of the governmental activities revenue. Other intergovernmental revenues (state shared taxes) provided nineteen percent (19%) of the governmental activities revenue. Property taxes provided twenty percent (20%) of the governmental activities revenue. Utility taxes and other taxes provided twelve percent (12%) of the governmental activities revenue. Taxes, in one form or another, comprised seventy-eight percent (78%) of the governmental activities revenue. The remaining twenty-two percent (22%) came from charges for services, five percent (5%), miscellaneous and investment revenue, one percent (1%), and grants and contributions, sixteen percent (16%).

### Governmental Activities Revenue



The following chart illustrates the expenses of the governmental activities. Public safety (fire and police protection) comprised fifty-two percent (52%) of the total expenses of the governmental activities. Public works comprised eighteen percent (18%) of the total expenses of the governmental activities. General government comprised sixteen percent (16%) of the total expenses of the governmental activities. The remaining fourteen percent (14%) came from expenses for culture and recreation, seven percent (7%), economic development, three percent (3%), interest, one percent (1%), and health & welfare, three percent (3%).

## 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, 2021, the City of Mattoon's *Balance Sheet - Governmental Funds* reported combined ending fund balances of \$13,399,242, an increase of \$3,056,668 from April 30, 2020. Of the ending fund balances total, \$149,106 is considered nonspendable, \$3,178,051 is restricted, \$806,028 is committed, \$1,172,907 is assigned, and \$8,093,150 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-two percent (92%) of revenues. Approximately sixty-eight percent (68%) of the General Fund expenditures of \$18.4 million are allocated to the public safety sector. Another sixteen percent (16%) of the General Fund expenditures are derived from the functions of general government. Approximately six percent (6%) of the General Fund's expenditures are derived from the public works operations.

The General Fund has a fund balance of \$9,804,940, an increase of \$2,399,050 over the balance as of April 30, 2020. 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 \$1,037,841, the Midtown TIF District Fund had a fund balance of \$918,279, and the Broadway East TIF District Fund had a fund balance of \$487,929. 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 \$571,483. 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 \$285,813. 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, 2021 of \$292,957. The total accumulated fund balances of all of the Nonmajor Governmental Funds increased by \$657,618 during the year ended April 30, 2021.

## 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, 2021 was \$33,567,278, an increase of \$5,410,718 from the previous year.

For the year ended April 30, 2021, operating revenues in the Water Fund totaled \$3,575,996 (a decrease of \$113,867 from fiscal year 2020), operating expenses totaled \$1,318,661 (a decrease of \$2,557,495 from fiscal year 2020) producing operating income of \$2,257,335 (an increase of \$2,443,628 from fiscal year 2020). Non-operating revenues and expenses netted to an increase in net position of \$22,982, leaving an increase to net position in the Water Fund of \$2,280,317. The largest factor in the decrease in operating expenses was the \$1,710,621 positive OPEB actuarial adjustment. No water rate increases occurred during fiscal year 2021, however rates are scheduled to increase on June 1, 2021.

For the year ended April 30, 2021, revenues in the Sewer Fund totaled \$4,166,265 (a decrease of \$135,028 from fiscal year 2020), operating expenses totaled \$916,677 (a decrease of \$2,959,117 from fiscal year 2020) producing operating income of \$3,249,588 (an increase of \$2,824,089 from fiscal year 2020). Non-operating revenues and expenses netted to a decrease in net position of \$119,187, leaving an increase to net position in the Sewer Fund of \$3,130,401. Again, the largest factor in the decrease in operating expenses was the \$2,518,200 positive OPEB actuarial adjustment. Similar to the Water Fund, the Sewer Fund had a series of rate increases with fiscal year 2016 being the final year. Rates are scheduled to increase on June 1, 2021.

## 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 103. The final fiscal year 2021 General Fund budget authorized expenditures and other financing uses of \$19,317,846 funded by anticipated revenues and other financing sources of \$18,958,901 leaving the amount of expenditures and other financing uses over revenues and other financing sources of \$358,945. The actual amount of expenditures and other financing uses over revenues and other financing sources was \$2,399,050, a positive budget to actual variance of \$2,757,995.

The largest variance in General Fund revenues was from intergovernmental revenues. Intergovernmental revenues exceeded the budgeted amount by \$2,644,696. Revenue estimates were overly conservative in anticipation of the economic impact of COVID-19. Taxes, investment income and miscellaneous revenues were under budget and charges for services, fines and forfeitures, and licenses and permits were over budget. General Fund expenditures had an overall variance of \$153,269 mainly due to a positive variance in Public Safety, Public Works, and Culture and Recreation.

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 116.

## 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, 2021. As summarized in the table below, the City's investment in capital assets for governmental and business-type activities as of April 30, 2021 totaled \$182.2 million. Forty-six percent (46%) 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 fifty-four percent (54%) of the total, with the most significant portion being the infrastructure (roads, bridges, and sidewalks) of the City.

Total accumulated depreciation was \$109.1 million, or sixty percent (60%) of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is \$73.1 million.

### City of Mattoon, Illinois Capital Assets, Net of Accumulated Depreciation April 30, 2021

Classification	Governmental Activities	Business-type Activities	Total
Land	\$ 3,567,026	\$ 587,155	\$ 4,154,181
Buildings and Improvements	13,588,356	13,250,379	26,838,735
Equipment, furniture and vehicles	6,510,434	5,018,421	11,528,855
Improvements other than buildings	6,126,527	304,252	6,430,779
Infrastructure	66,459,975	-	66,459,975
Treat. collect. and distrib. systems	-	63,721,323	63,721,323
Construction in Progress	1,651,095	1,396,113	3,047,208
Subtotal	<u>97,903,413</u>	<u>84,277,643</u>	<u>182,181,056</u>
Less Accumulated Depreciation	<u>(65,030,237)</u>	<u>(44,045,777)</u>	<u>(109,076,014)</u>
Total	<u>\$ 32,873,176</u>	<u>\$ 40,231,866</u>	<u>\$ 73,105,042</u>

## Long-Term Liabilities

On April 30, 2021, the City of Mattoon had \$140,744,644 of long-term liabilities outstanding, a decrease of \$25,151,845 from April 30, 2020, as summarized in the following table:

**City of Mattoon, Illinois**  
**General Obligation Bonds, Notes Outstanding and Other Long-Term Liabilities**  
**April 30, 2021**

<b>Classification</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
General Obligation Bonds	\$ 5,590,000	\$ 1,452,358	\$ 7,042,358
Notes Payable	414,101	4,998,161	5,412,262
Capital Leases	45,262	-	45,262
Compensated Absences	1,100,811	329,417	1,430,228
Net Pension Liability	75,944,147	-	75,944,147
Post-Employment Healthcare	43,366,760	7,503,627	50,870,387
Total	<u>\$ 126,461,081</u>	<u>\$ 14,283,563</u>	<u>\$140,744,644</u>

The liability for General Obligation Bonds decreased \$1,136,943 due to principal payments on the bonds. The Notes Payable liability decreased \$534,001. The liability for capital leases decreased by \$60,918.

The Net Pension Liability decreased \$19,206,149 from the prior year. The liability for Compensated Absences increased \$29,643 and the Net OPEB Liability decreased \$4,243,477 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](http://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 19<sup>th</sup> 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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mattoon Public Library
<b>Assets:</b>				
Cash and cash equivalents	\$ 11,618,299	\$ 6,067,839	\$ 17,686,138	\$ 152,463
Investments, at fair value	-	-	-	150,804
Receivables	10,208,212	1,102,988	11,311,200	1,000
Internal balances	10,571	(10,571)	-	-
Due from primary government	-	-	-	1,977
Due from component units	22,692	-	22,692	-
Prepaid items	254,494	6,250	260,744	-
Advances to component units	8,023	-	8,023	-
<b>Restricted assets:</b>				
Cash and cash equivalents	460,143	538,847	998,990	-
Certificates of deposit	9,624	-	9,624	-
<b>Noncurrent assets:</b>				
Cemetery development	60,652	-	60,652	-
Long-term receivables	70,681	-	70,681	-
Net pension asset - IMRF	1,525,737	2,104,375	3,630,112	96,902
<b>Capital assets, net of depreciation</b>				
Land	3,567,026	587,155	4,154,181	-
Buildings and building improvements	9,032,224	6,468,189	15,500,413	1,611,841
Improvements other than buildings	4,366,650	113,176	4,479,826	-
Treatments, collection and distribution systems	-	30,962,189	30,962,189	-
Infrastructure	13,688,404	-	13,688,404	-
Equipment, furniture and vehicles	567,777	705,044	1,272,821	-
Construction in progress	1,651,095	1,396,113	3,047,208	-
<b>Total assets</b>	<b>57,122,304</b>	<b>50,041,594</b>	<b>107,163,898</b>	<b>2,014,987</b>
<b>Deferred outflows of resources:</b>				
Pension items - IMRF	119,897	165,368	285,265	7,615
Pension items - Police Pension Fund	7,134,474	-	7,134,474	-
Pension items - Firefighters' Pension Fund	6,584,415	-	6,584,415	-
Post-employment healthcare benefits	5,033,071	1,557,939	6,591,010	53,751
<b>Total deferred outflows of resources</b>	<b>18,871,857</b>	<b>1,723,307</b>	<b>20,595,164</b>	<b>61,366</b>
<b>Combined assets and deferred outflows of resources</b>	<b>\$ 75,994,161</b>	<b>\$ 51,764,901</b>	<b>\$ 127,759,062</b>	<b>\$ 2,076,353</b>

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

CITY OF MATTOON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mattoon Public Library
<b>Liabilities:</b>				
Accounts payable	\$ 1,716,485	\$ 813,117	\$ 2,529,602	\$ 11,612
Payroll liabilities payable	173,531	79,451	252,982	15,428
Accrued interest expense	73,106	37,767	110,873	1,245
Due to primary government	-	-	-	22,692
Due to component units	90,539	-	90,539	-
Unearned revenue	56,893	-	56,893	-
Other payables from restricted assets	8,313	200,011	208,324	-
Advances from primary government	-	-	-	8,023
<b>Noncurrent liabilities:</b>				
Due within one year	907,812	901,880	1,809,692	9,467
Due in more than one year	125,553,269	13,381,683	138,934,952	269,930
<b>Total liabilities</b>	<b>128,579,948</b>	<b>15,413,909</b>	<b>143,993,857</b>	<b>338,397</b>
<b>Deferred inflows of resources:</b>				
Pension items - IMRF	1,598,059	2,204,129	3,802,188	101,496
Pension items - Police Pension Fund	4,565,591	-	4,565,591	-
Pension items - Firefighters' Pension Fund	11,148,173	-	11,148,173	-
Post-employment healthcare benefits	1,271,900	579,585	1,851,485	298,292
Current refunding - unamortized premiums	41,377	-	41,377	-
Property taxes	5,934,614	-	5,934,614	-
<b>Total deferred inflows of resources</b>	<b>24,559,714</b>	<b>2,783,714</b>	<b>27,343,428</b>	<b>399,788</b>
<b>Combined liabilities and deferred inflows of resources</b>	<b>153,139,662</b>	<b>18,197,623</b>	<b>171,337,285</b>	<b>738,185</b>
<b>Net position:</b>				
Net investment in capital assets	32,803,357	33,781,347	66,584,704	1,562,165
Restricted for:				
Public safety	72,411	-	72,411	-
Highways and streets	1,037,841	-	1,037,841	-
Culture and recreation	213,256	-	213,256	4,891
Economic development	1,512,473	-	1,512,473	-
Cemetery maintenance	309,102	-	309,102	-
Unrestricted	(113,093,941)	(214,069)	(113,308,010)	(228,888)
<b>Total net position</b>	<b>\$ (77,145,501)</b>	<b>\$ 33,567,278</b>	<b>\$ (43,578,223)</b>	<b>\$ 1,338,168</b>

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

CITY OF MATTOON, ILLINOIS  
STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2021

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	\$ 3,840,763	\$ 296,949	\$ -	\$ -	\$ (3,543,814)	\$ -	\$ (3,543,814)	
Public safety	12,073,627	384,354	1,126,714	519,523	(10,043,036)	-	(10,043,036)	
Public works	4,260,843	174,699	12,653	2,666,599	(1,406,892)	-	(1,406,892)	
Health and welfare	809,263	110,338	-	-	(698,925)	-	(698,925)	
Culture and recreation	1,622,198	439,139	124,817	-	(1,058,242)	-	(1,058,242)	
Economic development	591,918	-	12,746	-	(579,172)	-	(579,172)	
Interest on long-term debt	174,903	-	-	-	(174,903)	-	(174,903)	
Total governmental activities	<u>23,373,515</u>	<u>1,405,479</u>	<u>1,276,930</u>	<u>3,186,122</u>	<u>(17,504,984)</u>	<u>-</u>	<u>(17,504,984)</u>	
Business-type activities:								
Water	1,319,519	3,575,996	-	-	-	2,256,477	2,256,477	
Sewer	1,048,245	4,166,265	-	-	-	3,118,020	3,118,020	
Total business-type activities	<u>2,367,764</u>	<u>7,742,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,374,497</u>	<u>5,374,497</u>	
Total primary government	<u>\$ 25,741,279</u>	<u>\$ 9,147,740</u>	<u>\$ 1,276,930</u>	<u>\$ 3,186,122</u>	<u>(17,504,984)</u>	<u>5,374,497</u>	<u>(12,130,487)</u>	
Component Unit:								
Mattoon Public Library	<u>\$ 58,659</u>	<u>\$ 7,020</u>	<u>\$ 116,626</u>	<u>\$ -</u>				<u>\$ 64,987</u>
General Revenues:								
Property taxes					4,524,065	-	4,524,065	-
TIF property tax increment					1,055,743	-	1,055,743	-
Telecommunications taxes					506,455	-	506,455	-
Utility taxes					1,344,202	-	1,344,202	-
Business district taxes					518,825	-	518,825	-
Other taxes					766,196	-	766,196	-
Payments from primary government					-	-	-	499,894
Sales taxes					7,404,615	-	7,404,615	-
Income and use taxes					3,319,315	-	3,319,315	-
Other intergovernmental revenues					1,885,661	-	1,885,661	-
Investment income					21,431	24,548	45,979	16,857
Miscellaneous income					31,244	-	31,244	-
Gain on disposal of capital assets, net					113,047	11,673	124,720	-
Total general revenues and transfers					<u>21,490,799</u>	<u>36,221</u>	<u>21,527,020</u>	<u>516,751</u>
Change in net position					<u>3,985,815</u>	<u>5,410,718</u>	<u>9,396,533</u>	<u>581,738</u>
Net position - beginning					<u>(81,131,316)</u>	<u>28,156,560</u>	<u>(52,974,756)</u>	<u>756,430</u>
Net position - ending					<u>\$ (77,145,501)</u>	<u>\$ 33,567,278</u>	<u>\$ (43,578,223)</u>	<u>\$ 1,338,168</u>



CITY OF MATTOON, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 7,138,734	\$ 4,107,928	\$ 11,246,662
Receivables, net of allowance for uncollectibles	8,405,333	1,787,380	10,192,713
Due from other funds	110,629	143,940	254,569
Due from component units	17,084	-	17,084
Prepaid items	9,750	-	9,750
Long-term receivables	70,681	-	70,681
Advances to component unit	8,023	-	8,023
Cemetery development	60,652	-	60,652
Restricted assets:			
Cash and cash equivalents	453,934	-	453,934
Certificates of deposit	9,624	-	9,624
Total assets	<u>\$ 16,284,444</u>	<u>\$ 6,039,248</u>	<u>\$ 22,323,692</u>
<b>Liabilities:</b>			
Accounts payable	\$ 297,627	\$ 1,120,370	\$ 1,417,997
Payroll liabilities payable	169,791	3,740	173,531
Due to other funds	241,073	111,900	352,973
Due to component units	88,562	-	88,562
Unearned revenue	56,893	-	56,893
Total liabilities	<u>853,946</u>	<u>1,236,010</u>	<u>2,089,956</u>
Deferred inflows of resources	<u>5,625,558</u>	<u>1,208,936</u>	<u>6,834,494</u>
<b>Fund Balance:</b>			
Nonspendable	149,106	-	149,106
Restricted	-	3,178,051	3,178,051
Committed	234,545	571,483	806,028
Assigned	1,172,907	-	1,172,907
Unassigned	8,248,382	(155,232)	8,093,150
Total fund balance	<u>9,804,940</u>	<u>3,594,302</u>	<u>13,399,242</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 16,284,444</u>	<u>\$ 6,039,248</u>	<u>\$ 22,323,692</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, 2021

Total fund balances - governmental funds	\$ 13,399,242
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.	32,873,176
Receivables not available to pay for current-period expenditures and, therefore, not reported in the funds.	899,880
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.	288,134
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>(125,049,827)</u>
Net position of governmental activities	<u>\$ (77,145,501)</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, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 6,979,123	\$ 1,790,453	\$ 8,769,576
Licenses and permits	269,775	-	269,775
Intergovernmental revenues	12,806,259	3,813,326	16,619,585
Charges for services	1,030,516	-	1,030,516
Fines and forfeitures	146,076	-	146,076
Investment income	17,248	4,333	21,581
Contributions and miscellaneous revenues	223,283	140,927	364,210
Total revenues	<u>21,472,280</u>	<u>5,749,039</u>	<u>27,221,319</u>
Expenditures:			
Current:			
General government	2,897,204	-	2,897,204
Public safety	12,559,454	-	12,559,454
Public works	1,090,316	728,766	1,819,082
Health and welfare	176,564	-	176,564
Culture and recreation	1,365,415	208,108	1,573,523
Economic development	51,752	540,166	591,918
Capital outlay	126,356	3,618,081	3,744,437
Debt service:			
Principal	152,067	615,317	767,384
Interest and fiscal charges	5,449	185,855	191,304
Total expenditures	<u>18,424,577</u>	<u>5,896,293</u>	<u>24,320,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,047,703</u>	<u>(147,254)</u>	<u>2,900,449</u>
Other financing sources (uses):			
Transfers in	-	804,872	804,872
Transfers out	(804,872)	-	(804,872)
Proceeds from sale of assets	156,219	-	156,219
Total other financing sources (uses)	<u>(648,653)</u>	<u>804,872</u>	<u>156,219</u>
Net change in fund balances	2,399,050	657,618	3,056,668
Fund balance - beginning	<u>7,405,890</u>	<u>2,936,684</u>	<u>10,342,574</u>
Fund balance - ending	<u>\$ 9,804,940</u>	<u>\$ 3,594,302</u>	<u>\$ 13,399,242</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, 2021

Net change in fund balances	\$ 3,056,668
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.	2,206,348
The net effect of various miscellaneous transactions involving capital assets (e.g. sales and donations) is to decrease net position.	(43,172)
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.	24,964
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.	774,221
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>(2,033,214)</u>
Change in net position of governmental activities	<u>\$ 3,985,815</u>

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

CITY OF MATTOON, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

April 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>	<u>Internal Service Funds</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 1,818,831	\$ 4,249,008	\$ 6,067,839	\$ 371,637
Receivables, net of allowance	482,205	620,783	1,102,988	15,499
Due from other funds	17,691	35,144	52,835	270,282
Due from component units	-	-	-	5,608
Prepaid items	-	6,250	6,250	244,744
Restricted assets:				
Cash and cash equivalents	131,660	407,187	538,847	6,209
 Total current assets	 <u>2,450,387</u>	 <u>5,318,372</u>	 <u>7,768,759</u>	 <u>913,979</u>
Noncurrent assets:				
Net pension asset	1,079,595	1,024,780	2,104,375	-
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	15,607,127	48,114,196	63,721,323	-
Equipment, furniture and vehicles	2,744,513	2,273,908	5,018,421	-
Construction in progress	421,138	974,975	1,396,113	-
Less: accumulated depreciation	(16,333,918)	(27,711,859)	(44,045,777)	-
 Total noncurrent assets	 <u>16,330,952</u>	 <u>26,005,289</u>	 <u>42,336,241</u>	 <u>-</u>
 Total assets	 <u>18,781,339</u>	 <u>31,323,661</u>	 <u>50,105,000</u>	 <u>913,979</u>
Deferred outflows of resources:				
Deferred items - IMRF	84,838	80,530	165,368	-
Deferred items - OPEB	498,042	1,059,897	1,557,939	-
 Total deferred outflows of resources	 <u>582,880</u>	 <u>1,140,427</u>	 <u>1,723,307</u>	 <u>-</u>
 Combined assets and deferred outflows of resources	 <u>\$ 19,364,219</u>	 <u>\$ 32,464,088</u>	 <u>\$ 51,828,307</u>	 <u>\$ 913,979</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, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	\$ 348,706	\$ 464,411	\$ 813,117	\$ 298,488
Payroll liabilities payable	43,578	35,873	79,451	-
Accrued interest	-	37,767	37,767	-
Due to other funds	31,017	32,389	63,406	161,307
Due to component unit	-	-	-	1,977
Compensated absences payable - current	37,752	28,131	65,883	-
General obligation bonds - current	-	555,000	555,000	-
Notes payable - current	-	280,997	280,997	-
Other payables from restricted assets	200,011	-	200,011	8,313
Total current liabilities	<u>661,064</u>	<u>1,434,568</u>	<u>2,095,632</u>	<u>470,085</u>
Noncurrent liabilities:				
Long-term debt payable:				
General obligation bonds payable, net of unamortized discounts and premiums	-	897,358	897,358	-
Notes payable	-	4,717,164	4,717,164	-
Compensated absences payable	151,010	112,524	263,534	-
Net other post-employment healthcare benefits liability	<u>4,165,887</u>	<u>3,337,740</u>	<u>7,503,627</u>	<u>-</u>
Total noncurrent liabilities	<u>4,316,897</u>	<u>9,064,786</u>	<u>13,381,683</u>	<u>-</u>
Total liabilities	<u>4,977,961</u>	<u>10,499,354</u>	<u>15,477,315</u>	<u>470,085</u>
Deferred inflows of resources:				
Deferred items - IMRF	1,130,771	1,073,358	2,204,129	-
Deferred items - OPEB	<u>114,156</u>	<u>465,429</u>	<u>579,585</u>	<u>-</u>
Total deferred inflows of resources	<u>1,244,927</u>	<u>1,538,787</u>	<u>2,783,714</u>	<u>-</u>
Combined liabilities and deferred inflows of resources	<u>6,222,888</u>	<u>12,038,141</u>	<u>18,261,029</u>	<u>470,085</u>
Net position:				
Net investment in capital assets	15,251,357	18,529,990	33,781,347	-
Unrestricted	<u>(2,110,026)</u>	<u>1,895,957</u>	<u>(214,069)</u>	<u>443,894</u>
Total net position	<u>\$ 13,141,331</u>	<u>\$ 20,425,947</u>	<u>\$ 33,567,278</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, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Operating revenues:				
Charges for services	\$ 3,575,996	\$ 4,166,265	\$ 7,742,261	\$ -
Fund charges and employee contributions	-	-	-	5,994,671
Miscellaneous operating revenues	-	-	-	121,225
Total operating revenues	<u>3,575,996</u>	<u>4,166,265</u>	<u>7,742,261</u>	<u>6,115,896</u>
Operating expenses:				
Reservoirs and sources of supply	33,764	-	33,764	-
Water treatment plant	756,857	-	756,857	-
Water distribution	571,096	-	571,096	-
Sewer collection system	-	640,511	640,511	-
Sewer lift stations	-	55,352	55,352	-
Wastewater treatment plant	-	816,127	816,127	-
Accounting and collection	442,813	320,330	763,143	-
Administrative and general	542,289	650,917	1,193,206	596,579
OPEB actuarial adjustment	(1,710,621)	(2,518,200)	(4,228,821)	-
Insurance	-	-	-	1,513,761
Health claims and uninsured judgments	-	-	-	4,005,560
Depreciation	682,463	951,640	1,634,103	-
Total operating expenses	<u>1,318,661</u>	<u>916,677</u>	<u>2,235,338</u>	<u>6,115,900</u>
Operating income	<u>2,257,335</u>	<u>3,249,588</u>	<u>5,506,923</u>	<u>(4)</u>
Nonoperating revenues (expenses):				
Investment income	12,167	12,381	24,548	4
Interest expense	(858)	(131,568)	(132,426)	-
Gain on sale of assets	11,673	-	11,673	-
Total nonoperating revenues (expenses)	<u>22,982</u>	<u>(119,187)</u>	<u>(96,205)</u>	<u>4</u>
Change in net position	2,280,317	3,130,401	5,410,718	-
Total net position - beginning	<u>10,861,014</u>	<u>17,295,546</u>	<u>28,156,560</u>	<u>443,894</u>
Total net position - ending	<u>\$ 13,141,331</u>	<u>\$ 20,425,947</u>	<u>\$ 33,567,278</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, 2021

	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	\$ 3,579,750	\$ 4,121,222	\$ 7,700,972	\$ -
Receipts from interfund services provided	-	-	-	4,813,300
Receipts from component units	-	-	-	95,527
Receipts from employees and retirees	-	-	-	1,253,097
Payments to employees	(1,205,514)	(1,122,435)	(2,327,949)	-
Payments to suppliers	(966,406)	(768,684)	(1,735,090)	(2,179,158)
Payments to claimants	-	-	-	(3,968,129)
Payments for interfund services used	(545,517)	(668,678)	(1,214,195)	-
Other receipts	-	-	-	107,355
Net cash provided by operating activities	<u>862,313</u>	<u>1,561,425</u>	<u>2,423,738</u>	<u>121,992</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(1,120,821)	(1,495,075)	(2,615,896)	-
Principal payments on debt	(73,460)	(874,076)	(947,536)	-
Interest and fiscal charges	(1,543)	(156,543)	(158,086)	-
Proceeds from sale of assets	11,673	-	11,673	-
Net cash (used) for capital and related financing activities	<u>(1,184,151)</u>	<u>(2,525,694)</u>	<u>(3,709,845)</u>	<u>-</u>
Cash flows from investing activities:				
Investment income received (net of expense)	12,167	12,381	24,548	4
Net cash provided by investing activities	<u>12,167</u>	<u>12,381</u>	<u>24,548</u>	<u>4</u>
Net increase (decrease) in cash	(309,671)	(951,888)	(1,261,559)	121,996
Cash, restricted and unrestricted - beginning	<u>2,260,162</u>	<u>5,608,083</u>	<u>7,868,245</u>	<u>255,850</u>
Cash, restricted and unrestricted - ending	<u>\$ 1,950,491</u>	<u>\$ 4,656,195</u>	<u>\$ 6,606,686</u>	<u>\$ 377,846</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, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 2,257,335	\$ 3,249,588	\$ 5,506,923	\$ (4)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	682,463	951,640	1,634,103	-
(Increase) decrease in assets:				
(Increase) in receivables	(7,785)	(44,795)	(52,580)	(7,892)
(Increase) decrease in due from other funds	(17,691)	(35,144)	(52,835)	974
Decrease in due from component units	-	-	-	336
(Increase) in prepaid items	-	-	-	(83,051)
(Increase) in net pension asset	(1,079,595)	(1,024,780)	(2,104,375)	-
Decrease (increase) in deferred outflows of resources:				
Decrease in deferred items - IMRF	159,583	151,480	311,063	-
(Increase) decrease in deferred items - OPEB	233,713	(358,936)	(125,223)	-
Increase (decrease) in liabilities:				
Increase in accounts payable	2,192	329,107	331,299	47,772
(Decrease) in payroll liabilities payable	(27,176)	(34,952)	(62,128)	-
Increase (decrease) in due to other funds	2,897	(1,479)	1,418	161,307
(Decrease) increase in due to component units	(317)	(316)	(633)	1,977
Increase in compensated absences payable	23,724	2,771	26,495	-
(Decrease) in other post-employment benefits liability	(1,797,466)	(2,374,654)	(4,172,120)	-
(Decrease) in net pension liability -IMRF	(47,993)	(45,557)	(93,550)	-
Increase in other payables	12,102	-	12,102	573
Increase (decrease) in deferred inflows of resources:				
Increase in deferred items - IMRF	613,194	582,061	1,195,255	-
Increase (decrease) in deferred items - OPEB	(146,867)	215,391	68,524	-
Net cash provided by operating activities	<u>\$ 862,313</u>	<u>\$ 1,561,425</u>	<u>\$ 2,423,738</u>	<u>\$ 121,992</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, 2021

	<u>Pension Component Units</u>
<b>Assets:</b>	
Cash	\$ 1,811,648
Interest receivable	67,672
Prepaid expenses	2,493
Due from primary government	<u>88,562</u>
Total assets other than investments	<u>1,970,375</u>
<b>Investments, at fair value:</b>	
Certificate of deposit	2,205,925
Corporate and municipal bonds	8,265,885
Insurance contracts	30,127,300
Annuities	577,587
Stocks	<u>1,949,412</u>
Total investments	<u>43,126,109</u>
Total assets	<u>45,096,484</u>
<b>Liabilities:</b>	
Accounts payable	14,471
Pensions payable	<u>250,122</u>
Total liabilities	<u>264,593</u>
<b>Net Position:</b>	
Held in trust for pension benefits	<u><u>\$ 44,831,891</u></u>

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, 2021

	<u>Pension Component Units</u>
Additions:	
Contributions:	
Employer	\$ 4,363,843
Plan members	<u>518,927</u>
Total contributions	<u>4,882,770</u>
Investment income:	
Interest income	223,351
Dividend income	48,075
Net increase in fair value of investments	<u>11,173,389</u>
Net investment income	<u>11,444,815</u>
Total additions	<u>16,327,585</u>
Deductions:	
Benefits and refunds of contributions	5,460,358
Administrative expenses	<u>72,677</u>
Total deductions	<u>5,533,035</u>
Change in net position	10,794,550
Net position held in trust - beginning	<u>34,037,341</u>
Net position held in trust - ending	<u><u>\$ 44,831,891</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, 2021

**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. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Separate financial statements are not issued for the individual Police and Firefighter Pensions component units listed below.

The Police and Firefighter Pension Plans are reported as fiduciary component units in accordance with GASB Statement No. 84, Fiduciary Activities. The data is included in the City's fiduciary fund financial statements because the fund is fiscally dependent on the City and provides services entirely to the City's current and former employees. The Police and Firefighter Pension Plans do not issue separate component unit reports.

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.

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, 2021

**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, 2021

**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, 2021

**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, 2021

**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 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, 2021

**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 2019 tax extension to the City on June 25, 2020, July 30, 2020, September 25, 2020, and November 25, 2020. The City Council adopted the 2020 tax levy (receivable in calendar year 2021) on December 1, 2020. The 2020 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 2022 expenditures. Property tax revenues recorded in these financial statements are from the 2019 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, 2021

**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, 2021

**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, 2021

**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, 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, 2021

**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 and I-57 East TIF District Fund present 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 \$3,145,083 of which \$1,251,097 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 21, 2020 and was amended on April 21, 2021.

CITY OF MATTOON, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 For the Year Ended April 30, 2021

**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	\$ (5,590,000)
Plus: bond premium (to be amortized as interest expense)	(41,377)
Accrued interest payable	(73,106)
Capital leases payable	(45,262)
Notes payable	(414,101)
Compensated absences payable	(1,100,811)
Net pension asset - IMRF	1,525,737
Net pension liability - police pension	(41,312,901)
Net pension liability - firefighter pension	(34,631,246)
Net OPEB liability	<u>(43,366,760)</u>
Net adjustment to reduce "total fund balances, governmental funds" to arrive at "net position of governmental activities"	<u>\$ (125,049,827)</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	\$ 119,897
Deferred outflows - Mattoon Police Pension Trust Fund	7,134,474
Deferred outflows - Mattoon Firefighters Pension Trust Fund	6,584,415
Deferred outflows - OPEB	5,033,071
Deferred inflows - IMRF	(1,598,059)
Deferred inflows - Mattoon Police Pension Trust Fund	(4,565,591)
Deferred inflows - Mattoon Firefighters' Pension Trust Fund	(11,148,173)
Deferred inflows - OPEB	<u>(1,271,900)</u>
	<u>\$ 288,134</u>

CITY OF MATTOON, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 For the Year Ended April 30, 2021

**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	\$ 3,744,437
Depreciation	<u>(1,538,089)</u>
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	<u>\$ 2,206,348</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	\$ 113,047
Proceeds from sale of assets	<u>(156,219)</u>
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	<u>\$ (43,172)</u>



CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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	\$ 580,000
Capital leases	60,918
Notes payable	126,466
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"	\$ 774,221

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	\$ (3,148)
Accrued interest	9,564
Change in net OPEB liability	71,357
Change in the net pension liability:	
IMRF	\$ 1,593,563
Mattoon Police Pension Trust Fund	3,762,646
Mattoon Firefighters Police Pension Trust Fund	15,282,127
	20,638,336
Change in deferred inflows and outflows of resources:	
IMRF	(1,092,124)
Mattoon Police Pension Trust Fund	(5,648,125)
Mattoon Firefighters Police Pension Trust Fund	(13,989,726)
OPEB	(2,019,348)
	(22,749,323)
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	\$ (2,033,214)

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**3 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

At April 30, 2021, the carrying amount of the primary government's deposits was \$12,345,628 and the bank balance was \$12,374,556. The governmental component unit (Mattoon Public Library) had deposits with a carrying amount of \$152,248 and bank balances totaling \$170,171. The fiduciary component units had deposits with a carrying amount of \$1,811,648 and bank balances totaling \$1,803,423. The primary government and governmental component unit (Mattoon Public Library) had cash on hand of \$700 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, 2021, 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 \$4,518,265, with \$4,018,265 uninsured by FDIC, but fully collateralized by securities pledged by the financial institution. The City's cash balance at First Mid Bank & Trust totaled \$7,844,668, with \$7,594,668 uninsured by FDIC, but fully collateralized by securities pledged by the financial institution.

**B. INVESTMENTS**

At April 30, 2021, 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	\$ 6,348,424	AAAm	Demand *

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

At April 30, 2021, the City's governmental component unit (Mattoon Public Library) had the following investments:

Investment Type	Fair Value	Average Credit Rating	Weighted Avg. Maturity (Years)
Investment pool - Southeastern Illinois Community Foundation	\$ 59,453	N/A	N/A
Certificate of deposit - First National Bank	91,351	N/A	N/A
	<u>\$ 150,804</u>		

At April 30, 2021, 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	\$ 577,587	N/A	N/A
Common stock	1	1,949,412	N/A	N/A
Certificates of deposit	2	2,205,925	N/A	N/A
Corporate and municipal bonds	2	8,265,885	A+/AA3	5.19
Insurance contracts		30,127,300	A+/A2	N/A
Total		<u>\$ 43,126,109</u>		

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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, 2021

**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 (26.59%), and Venerable Insurance and Annuity Company annuities (38.81%).

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	\$ 12,345,628	\$ 152,248	\$ 1,811,648
Investments, at fair value	6,348,424	150,804	43,126,109
Cash on hand	700	215	-
	<u>\$ 18,694,752</u>	<u>\$ 303,267</u>	<u>\$ 44,937,757</u>
Cash, certificates of deposit and investments per statements:			
Cash and cash equivalents	\$ 17,686,138	\$ 152,463	\$ 1,811,648
Investments, at fair value	-	150,804	43,126,109
Restricted assets:			
Cash and cash equivalents	998,990	-	-
Certificates of deposit	9,624	-	-
	<u>\$ 18,694,752</u>	<u>\$ 303,267</u>	<u>\$ 44,937,757</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**4 RECEIVABLES**

Receivables balances as of April 30, 2021, for the primary government were as follows:

	Governmental Activities			
	Governmental Funds		Proprietary Funds	
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Property taxes	\$ 4,803,600	\$ -	\$ -	\$ 4,803,600
TIF property tax increment	-	1,131,015	-	1,131,015
Business district taxes	-	153,069	-	153,069
Utility taxes	116,063	-	-	116,063
Telecommunications taxes	103,754	-	-	103,754
Income and use taxes	752,172	-	-	752,172
Sales taxes	2,032,662	-	-	2,032,662
Personal property replacement taxes	200,729	-	-	200,729
Motor fuel taxes	-	121,754	-	121,754
Other taxes	82,238	69,159	-	151,397
Grants	5,400	12,746	-	18,146
Other receivables	308,715	299,637	15,499	623,851
<b>Total</b>	<b>\$ 8,405,333</b>	<b>\$ 1,787,380</b>	<b>\$ 15,499</b>	<b>\$ 10,208,212</b>

	Business-Type Activities		
	Proprietary Funds		
	Water Fund	Sewer Fund	Total
Customer receivables	\$ 494,096	\$ 640,573	\$ 1,134,669
Less: allowance for uncollectible accounts	(11,891)	(19,790)	(31,681)
<b>Total</b>	<b>\$ 482,205</b>	<b>\$ 620,783</b>	<b>\$ 1,102,988</b>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**5 SCHEDULE OF PAYABLES AND RECEIVABLES WITHIN THE REPORTING ENTITY**

Payables and receivables between funds consisted of the following at April 30, 2021:

<u>Due to/from Other funds</u>		
Fund	Receivable	Payable
Governmental Funds:		
General Fund	\$ 110,629	\$ 241,073
Nonmajor Governmental Funds		
Capital Projects Fund	143,842	-
Hotel and Motel Tax Fund	-	1,271
I-57 East TIF	98	110,629
Total nonmajor governmental funds	<u>143,940</u>	<u>111,900</u>
Total governmental funds	<u>254,569</u>	<u>352,973</u>
Proprietary Funds:		
Enterprise Funds:		
Water Fund	17,691	31,017
Sewer Fund	<u>35,144</u>	<u>32,389</u>
Total Enterprise Funds	<u>52,835</u>	<u>63,406</u>
Internal Service Funds:		
Health Insurance Fund	270,282	-
Insurance and Tort Judgment Fund	<u>-</u>	<u>161,307</u>
Total Internal Service Funds	<u>270,282</u>	<u>161,307</u>
Total Proprietary Funds	<u>323,117</u>	<u>224,713</u>
Due To/From Other Funds	<u>\$ 577,686</u>	<u>\$ 577,686</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 payable/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 overpayment/underpayment of charges for services. The amount receivable to the General Fund from the I-57 East TIF District Fund was for cash flow needs.

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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, 2021:

Due between primary government and component units

Fund	Receivable	Payable
Primary Government:		
Governmental Fund:		
General Fund	\$ 17,084	\$ 88,562
Proprietary Funds:		
Enterprise Funds:		
Water Fund	-	-
Sewer Fund	-	-
Total Enterprise Funds	-	-
Internal Service Funds:		
Health Insurance Fund	5,608	-
Insurance and Tort Judgment Fund	-	1,977
Total Internal Service Funds	5,608	1,977
Total Primary Government	22,692	90,539
Component Units:		
Governmental Component Unit:		
Mattoon Public Library	1,977	22,692
Fiduciary Component Units:		
Mattoon Firefighters Pension Fund	44,281	-
Mattoon Police Pension Fund	44,281	-
Total Fiduciary Component Units	88,562	-
Total Component Units	90,539	22,692
Due between primary government and component units	\$ 113,231	\$ 113,231

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 payable/receivable to the Health Insurance Fund and the Insurance and Tort Judgment Fund from the Mattoon Public Library is for overpayment/underpayment 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	\$ 8,023	-
Component Units:		
Governmental Component Unit:		
Mattoon Public Library	-	8,023
Advance between primary government and component units	\$ 8,023	\$ 8,023

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, 2021

**6 CAPITAL ASSETS**

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

	Balance April 30, 2020	Additions	Deletions	Balance April 30, 2021
Primary government:				
Government activities:				
Capital assets not being depreciated:				
Land	\$ 3,607,026	\$ -	\$ 40,000	\$ 3,567,026
Construction in progress	516,772	1,476,744	342,421	1,651,095
Total capital assets not being depreciated	<u>4,123,798</u>	<u>1,476,744</u>	<u>382,421</u>	<u>5,218,121</u>
Capital assets being depreciated:				
Building and improvements	13,609,989	-	21,633	13,588,356
Less: Accumulated depreciation	<u>(4,306,449)</u>	<u>(271,316)</u>	<u>(21,633)</u>	<u>(4,556,132)</u>
Buildings and improvements, net	<u>9,303,540</u>	<u>(271,316)</u>	<u>-</u>	<u>9,032,224</u>
Infrastructure	63,978,609	2,481,366	-	66,459,975
Less: Accumulated depreciation	<u>(52,016,444)</u>	<u>(755,127)</u>	<u>-</u>	<u>(52,771,571)</u>
Infrastructure, net	<u>11,962,165</u>	<u>1,726,239</u>	<u>-</u>	<u>13,688,404</u>
Improvements other than building	6,126,527	-	-	6,126,527
Less: Accumulated depreciation	<u>(1,517,977)</u>	<u>(241,900)</u>	<u>-</u>	<u>(1,759,877)</u>
Improvements other than building, net	<u>4,608,550</u>	<u>(241,900)</u>	<u>-</u>	<u>4,366,650</u>
Equipment, furniture and vehicles	6,777,361	128,748	395,675	6,510,434
Less: Accumulated depreciation	<u>(6,065,414)</u>	<u>(269,745)</u>	<u>(392,502)</u>	<u>(5,942,657)</u>
Equipment, furniture and vehicles, net	<u>711,947</u>	<u>(140,997)</u>	<u>3,173</u>	<u>567,777</u>
Total capital assets being depreciated, net	<u>26,586,202</u>	<u>1,072,026</u>	<u>3,173</u>	<u>27,655,055</u>
Total governmental activities, capital assets, net	<u>\$ 30,710,000</u>	<u>\$ 2,548,770</u>	<u>\$ 385,594</u>	<u>\$ 32,873,176</u>



CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**6 CAPITAL ASSETS (Continued)**

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

	Balance April 30, 2020	Additions	Deletions	Balance April 30, 2021
Primary government (continued):				
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 587,155	\$ -	\$ -	\$ 587,155
Construction in progress	10,035,336	780,644	9,419,867	1,396,113
Total capital assets not being depreciated	10,622,491	780,644	9,419,867	1,983,268
Capital assets being depreciated:				
Building and improvements	13,250,379	-	-	13,250,379
Less: Accumulated depreciation	(6,552,289)	(229,901)	-	(6,782,190)
Buildings and improvements, net	6,698,090	(229,901)	-	6,468,189
Improvements other than building	304,252	-	-	304,252
Less: Accumulated depreciation	(185,117)	(5,959)	-	(191,076)
Improvements other than building, net	119,135	(5,959)	-	113,176
Treatment, collection, and distribution systems	52,466,204	11,255,119	-	63,721,323
Less: Accumulated depreciation	(31,656,615)	(1,102,519)	-	(32,759,134)
Treatment, collection, and distribution systems, net	20,809,589	10,152,600	-	30,962,189
Equipment, furniture and vehicles	5,018,421	-	-	5,018,421
Less: Accumulated depreciation	(4,017,653)	(295,724)	-	(4,313,377)
Equipment, furniture and vehicles, net	1,000,768	(295,724)	-	705,044
Total capital assets being depreciated, net	28,627,582	9,621,016	-	38,248,598
Total business-type activities, capital assets, net	\$ 39,250,073	\$ 10,401,660	\$ 9,419,867	\$ 40,231,866

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**6 CAPITAL ASSETS (Continued)**

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

Governmental activities:

General government	\$ 176,942
Public safety	293,779
Public works	936,450
Culture and recreation	114,016
Health and welfare	16,902
	<u>1,538,089</u>
Governmental activities, depreciation expense	<u>\$ 1,538,089</u>

Business-type activities:

Water	\$ 682,463
Sewer	951,640
	<u>1,634,103</u>
Business-type activities, depreciation expense	<u>\$ 1,634,103</u>

Analysis of changes in component unit capital assets:

Component unit (Mattoon Public Library):	Balance April 30, 2020	Additions	Deletions	Balance April 30, 2021
Governmental activities:				
Capital assets being depreciated:				
Building and improvements	\$ 3,011,239	\$ -	\$ -	\$ 3,011,239
Less: Accumulated depreciation	(1,339,173)	(60,225)	-	(1,399,398)
Buildings and improvements, net	<u>1,672,066</u>	<u>(60,225)</u>	<u>-</u>	<u>1,611,841</u>
Equipment, furniture and vehicles	137,262	-	-	137,262
Less: Accumulated depreciation	(137,035)	(227)	-	(137,262)
Equipment, furniture and vehicles, net	<u>227</u>	<u>(227)</u>	<u>-</u>	<u>-</u>
Component unit, capital assets, net	<u>\$ 1,672,293</u>	<u>\$ (60,452)</u>	<u>\$ -</u>	<u>\$ 1,611,841</u>

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

Governmental activities:	
Mattoon Public Library	<u>\$ 60,452</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**7 CONSTRUCTION IN PROGRESS**

The City has active construction projects in progress as of April 30, 2021. The projects include CSO Phase 1 Piping Construction, Rechlorination for Sarah Bush, Coles Centre Improvements, WWTP Improvements and Various Street Improvements. Also, Construction of a Pavilion at Lake Mattoon continued. 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 2022 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, 2021, 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	\$ 116,736	\$ 586,805
Wolf Park	13,738	53,000
Coles Centre	1,490,002	60,001
Dewitt Avenue Resurface - Design	30,619	51,866
Total governmental activities	<u>\$ 1,651,095</u>	<u>\$ 751,672</u>
Business-type activities:		
Sarah Bush Rechlorination	\$ 402,463	\$ 33,369
Lake Pavilion	15,000	-
Lake Mattoon RWPS - Design	3,675	142,775
CSO Phase 1 Piping Design & Const	136,107	6,898,598
WWTP Disinfection Study/Design/Construction	754,554	215,760
WWTP Digester Rehab/Nutrient Removal	84,314	103,046
Total business-type activities	<u>\$ 1,396,113</u>	<u>\$ 7,393,548</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, 2020	\$ 39,473
Less: cost of crypts sold	<u>-</u>
Mausoleum carrying value, April 30, 2021	39,473
Land held for future expansion, estimated carrying value, April 30, 2021	<u>21,179</u>
Total	<u>\$ 60,652</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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, 2021, the accumulated amortization on these refundings totaled \$57,328 and \$14,418, respectively. Amortization of current refunding of unamortized bond premiums for the year ended April 30, 2021, 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 Sewer Fund has 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, 2021

**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%	\$ 3,265,000
Series 2017B (Taxable)	December 2028	3.31%	<u>2,325,000</u>
Total governmental activities bonds			<u>\$ 5,590,000</u>
		<u>Interest Rates</u>	<u>Amount</u>
Business-type activities - refunding:			
Series 2014 Refunding Bonds	December 2023	2.00% - 3.00%	\$ 1,410,000
			<u>\$ 1,410,000</u>

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>
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	710,000	80,547	-	-
2027-2031	2,305,000	124,713	-	-
2032-2036	-	-	-	-
Total	<u>\$ 5,590,000</u>	<u>\$ 702,510</u>	<u>\$ 1,410,000</u>	<u>\$ 76,500</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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, 2021, were as follows:

Years Ending April 30,	Governmental Activities
2022	\$ 46,433
Total minimum lease payments	46,433
Less: amount representing interest	(1,171)
Present value of minimum lease payments	\$ 45,262

**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 South Rt 45 TIF Fund, proceeds used to fund business development along South Rt 45	November 2029	4.875%	\$ 414,101
Total governmental activities notes			\$ 414,101

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**14 NOTES PAYABLE (Continued)**

Business-type activities:

	Maturity Date	Interest Rates	Amount
Illinois Environmental Protection Agency note, serviced by the Sewer Fund, proceeds used for sewer system improvements	August 2036	1.860%	\$ 4,998,161
Total business-type activities notes			\$ 4,998,161

Notes payable debt service requirements to maturity are as follows:

Year Ending April 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	45,228	12,358	302,596	70,066
2027-2031	208,063	26,299	1,599,932	263,369
2032-2036	-	-	1,755,121	108,190
2037-2040	-	-	184,624	1,717
Total	\$ 414,101	\$ 108,193	\$ 4,998,161	\$ 778,102

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**15 CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the primary government for the year ended April 30, 2021, was as follows:

	Balance April 30, 2020	Additions	Reductions	Balance April 30, 2021	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 6,170,000	\$ -	\$ 580,000	\$ 5,590,000	\$ 605,000
Capital leases	106,180	-	60,918	45,262	45,262
Notes payable	540,567	-	126,466	414,101	37,388
Compensated absences	1,097,663	3,148	-	1,100,811	220,162
Net pension liability - IMRF	67,826	-	67,826	-	-
Net pension liability - police pension fund	45,075,547	-	3,762,646	41,312,901	-
Net pension liability - firefighters' pension fund	49,913,373	-	15,282,127	34,631,246	-
Net OPEB liability	43,438,117	-	71,357	43,366,760	-
	<u>\$ 146,409,273</u>	<u>\$ 3,148</u>	<u>\$ 19,951,340</u>	<u>\$ 126,461,081</u>	<u>\$ 907,812</u>
Business-type activities:					
General obligation bonds	\$ 1,950,000	\$ -	\$ 540,000	\$ 1,410,000	\$ 555,000
Add amounts:					
For issuance premiums	59,301	-	16,943	42,358	-
Total general obligation bonds	2,009,301	-	556,943	1,452,358	555,000
Notes payable	5,405,696	-	407,535	4,998,161	280,997
Compensated absences	302,922	26,495	-	329,417	65,883
Net pension liability - IMRF	93,550	-	93,550	-	-
Net OPEB liability	11,675,747	-	4,172,120	7,503,627	-
	<u>\$ 19,487,216</u>	<u>\$ 26,495</u>	<u>\$ 5,230,148</u>	<u>\$ 14,283,563</u>	<u>\$ 901,880</u>
Component unit (Mattoon Public Library):					
Governmental activities:					
Notes payable	\$ 35,000	\$ -	\$ 5,000	\$ 30,000	\$ 5,000
Compensated absences	20,972	1,365	-	22,337	4,467
Net pension liability - IMRF	4,308	-	4,308	-	-
Net OPEB liability	1,116,003	-	888,943	227,060	-
	<u>\$ 1,176,283</u>	<u>\$ 1,365</u>	<u>\$ 898,251</u>	<u>\$ 279,397</u>	<u>\$ 9,467</u>



CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**16 DEFERRED INFLOWS OF RESOURCES**

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

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Property taxes	\$ 4,803,600	\$ 1,131,014
Sales and other related taxes	821,958	77,922
Totals	<u>\$ 5,625,558</u>	<u>\$ 1,208,936</u>

**17 TAXES**

Tax revenues during the year ended April 30, 2021, were as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Property taxes, including mobile home taxes	\$ 4,524,065	\$ -
TIF property tax increment	49,669	1,006,073
Telecommunication taxes	517,140	-
Utility taxes	1,344,202	-
Business district taxes	-	495,858
Road and bridge taxes	166,743	-
Hotel taxes	-	288,522
Cable TV franchise taxes	186,423	-
Gas and electric franchise taxes	190,881	-
Totals	<u>\$ 6,979,123</u>	<u>\$ 1,790,453</u>

**18 INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues during the year ended April 30, 2021, were as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Income and use taxes	\$ 3,263,265	\$ -
Sales taxes	7,210,820	-
Personal property replacement taxes	715,576	-
Video gaming tax	442,811	-
Pull tabs and jar games tax	4,215	-
Motor fuel taxes	-	681,400
Foreign fire insurance taxes	41,659	-
Grants and contributions	1,127,913	3,131,926
Totals	<u>\$ 12,806,259</u>	<u>\$ 3,813,326</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

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

	For Tax Levy Year		
	2020	2019	2018
Assessed valuation	\$ 209,661,877	\$ 199,924,401	\$ 200,959,518
Rate per \$100, excluding road and bridge rate	2.23361	2.28442	2.22178
Taxes extended, excluding road and bridge taxes	4,683,029	4,567,113	4,464,878
Add: City's share of road and bridge taxes extended	174,170	168,097	150,723
Total taxes extended	<u>\$ 4,857,199</u>	<u>\$ 4,735,210</u>	<u>\$ 4,615,601</u>
Taxes available to City after abatements and losses in collection (2020 estimated)	<u>\$ 4,803,600</u>	<u>\$ 4,685,980</u>	<u>\$ 4,549,347</u>
Percentage of extension available to City (2020 estimated)	<u>98.90%</u>	<u>98.96%</u>	<u>98.56%</u>

	For Tax Levy Year		
	2020	2019	2018
Distribution of taxes available (2020 estimated):			
General fund:			
General government	\$ -	\$ 172,314	\$ 167,923
Fire protection	-	103,405	100,768
Police protection	-	103,405	100,768
Street, including road & bridge	172,200	166,743	149,187
Park	-	51,691	50,382
Mattoon Public Library	456,600	455,006	465,013
Firefighters pension fund	2,219,900	1,918,660	1,842,070
Police Pension Fund	1,954,900	1,714,756	1,673,236
	<u>\$ 4,803,600</u>	<u>\$ 4,685,980</u>	<u>\$ 4,549,347</u>

The City Council has abated the 2018, 2019, and 2020 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, 2021

**20 SCHEDULE OF OPERATING TRANSFER WITHIN THE REPORTING ENTITY**

Operating transfer between funds during the year ended April 30, 2021, was as follows:

Transfers In	Transfers Out	Amount
Capital Projects Fund	General Fund	\$ 804,872

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](http://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, 2021

**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*

115 retirees and beneficiaries are included in the 137 accounts below. Some participants have more than one account due to ERI or benefit type. As of December 31, 2020, the following employee accounts were covered by the benefit terms:

	City Participants	Library Participants
Retirees and Beneficiaries accounts currently receiving benefits	137	5
Inactive Plan Members entitled to but not yet receiving benefits	24	1
Active Plan Members	55	8
Total	216	14

*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 2020 was 10.67%. For the fiscal year ended April 30, 2021, \$413,347 was contributed to the plan (\$394,281 for the City and \$19,066 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, 2020. 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, 2020:

- 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 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%.
- 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, 2021

**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 2020 valuation according to an experience study from years 2017 to 2019.
- For Non-Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85% - 6.95%
Cash Equivalents	1%	0.70%
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, 2021

**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 2.00%, 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)
<b>City:</b>			
Balances at December 31, 2019	\$ 37,717,010	\$ 37,555,634	\$ 161,376
Changes for the year:			
Service Cost	400,784	-	400,784
Interest on the Total Pension Liability	2,670,956	-	2,670,956
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(276,506)	-	(276,506)
Changes of Assumptions	(288,517)	-	(288,517)
Contributions - Employer	-	385,188	(385,188)
Contributions - Employees	-	162,451	(162,451)
Net Investment Income	-	5,482,244	(5,482,244)
Benefit Payments, including Refunds			
of Employee Contributions	(2,243,660)	(2,243,660)	-
Other (Net Transfer)	-	268,322	(268,322)
Net Changes	263,057	4,054,545	(3,791,488)
Balances at December 31, 2020	\$ 37,980,067	\$ 41,610,179	\$ (3,630,112)
<b>Library:</b>			
Balances at December 31, 2019	\$ 1,631,357	\$ 1,627,049	\$ 4,308
Changes for the year:			
Service Cost	17,285	-	17,285
Interest on the Total Pension Liability	115,191	-	115,191
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(11,926)	-	(11,926)
Changes of Assumptions	-	-	-
Contributions - Employer	-	17,739	(17,739)
Contributions - Employees	-	7,481	(7,481)
Net Investment Income	-	187,369	(187,369)
Benefit Payments, including Refunds			
of Employee Contributions	(11,928)	(11,928)	-
Other (Net Transfer)	-	9,171	(9,171)
Net Changes	108,622	209,832	(101,210)
Balances at December 31, 2020	\$ 1,739,979	\$ 1,836,881	\$ (96,902)

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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)
<b>Total:</b>			
Balances at December 31, 2019	\$ 39,348,367	\$ 39,182,683	\$ 165,684
Changes for the year:			
Service Cost	418,069	-	418,069
Interest on the Total Pension Liability	2,786,147	-	2,786,147
Differences Between Expected and Actual Experience of the Total Pension Liability	(288,432)	-	(288,432)
Changes of Assumptions	(288,517)	-	(288,517)
Contributions - Employer	-	402,927	(402,927)
Contributions - Employees	-	169,932	(169,932)
Net Investment Income	-	5,669,613	(5,669,613)
Benefit Payments, including Refunds of Employee Contributions	(2,255,588)	(2,255,588)	-
Other (Net Transfer)	-	277,493	(277,493)
Net Changes	371,679	4,264,377	(3,892,698)
Balances at December 31, 2020	<u>\$ 39,720,046</u>	<u>\$ 43,447,060</u>	<u>\$ (3,727,014)</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%)
<b>City:</b>			
Net Pension Liability (Asset)	\$ 717,739	\$ (3,630,112)	\$ (7,162,862)
<b>Library:</b>			
Net Pension Liability (Asset)	19,159	(96,902)	(191,205)
<b>Total:</b>			
Net Pension Liability (Asset)	<u>\$ 736,898</u>	<u>\$ (3,727,014)</u>	<u>\$ (7,354,067)</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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, 2021, the City recognized pension income of \$798,766 and the Library recognized pension income of \$12,781 for a total pension income of \$811,547. At April 30, 2021, 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
<b>City:</b>		
Deferred amounts to be recognized in pension		
Expense in future periods:		
Differences between expected and actual experience	\$ 154,909	\$ 171,352
Changes in assumptions	-	171,403
Net difference between projected and actual earnings on pension plan investments	-	3,459,432
Total deferred amounts to be recognized in pension expense in future periods	154,909	3,802,187
Pension contributions made subsequent to the measurement date	130,356	-
Total deferred amounts related to pensions	\$ 285,265	\$ 3,802,187
<b>Library:</b>		
Deferred amounts to be recognized in pension		
Expense in future periods:		
Differences between expected and actual experience	\$ 331	\$ 4,574
Changes in assumptions	-	4,575
Net difference between projected and actual earnings on pension plan investments	-	92,347
Total deferred amounts to be recognized in pension expense in future periods	331	101,496
Pension contributions made subsequent to the measurement date	7,284	-
Total deferred amounts related to pensions	\$ 7,615	\$ 101,496



CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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
<b>Total:</b>		
Deferred amounts to be recognized in pension Expense in future periods:		
Differences between expected and actual experience	\$ 155,240	\$ 175,926
Changes in assumptions	-	175,978
Net difference between projected and actual earnings on pension plan investments	-	3,551,779
Total deferred amounts to be recognized in pension expense in future periods	155,240	3,903,683
Pension contributions made subsequent to the measurement date	137,640	-
Total deferred amounts related to pensions	\$ 292,880	\$ 3,903,683

\$137,640 (\$130,356 for City and \$7,284 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, 2022.

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
2021	\$ (1,182,865)	\$ (32,809)	\$ (1,215,674)
2022	(532,187)	(14,761)	(546,948)
2023	(1,371,811)	(38,050)	(1,409,861)
2024	(560,415)	(15,545)	(575,960)
2025	-	-	-
Thereafter	-	-	-
Total	\$ (3,647,278)	\$ (101,165)	\$ (3,748,443)

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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	48	59
Inactive plan members entitled to but not yet receiving benefits	6	8
Active plan members	36	22
	90	89

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, 2021

**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, 2021

**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, 2021, the City's contribution was 74.92% of covered Police payroll and 138.98% 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, 2021

**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%
Emerging market equity	8.00%	8.00%
Commodities	N/A	4.70%

Rate of Return -- For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 35.99% and 30.84% 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 2021 financial statements under GASB Statement 67 and 68 is April 30, 2020 (May 1, 2020). The Measurement Date used for the same reporting is April 30, 2021. 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, 2020	April 30, 2020
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	5.12%	6.43%
Long Term Expected Rate of return on plan assets	6.75%	6.75%
High Quality 20 year tax-exempt G.O. Bond rate	2.27%	2.27%
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, 2021

**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 2.56% to 2.27%.

DISCOUNT RATE

The single discount rate used to measure the total pension liability was 5.12% for the Police Pension Fund and 6.43% for the Firefighters' Pension Fund in the current year. In the prior year, the discount rate used to measure the total pension liability was 5.07% for the Police Pension Fund and 4.74% 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 2.27%, and the resulting single discount rate is 5.12% for the Police Pension Fund and 6.43% for the Firefighters' Pension Fund.

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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 5.12% and 6.43%, 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 4.12%</u>	<u>Current Discount Rate - 5.12%</u>	<u>1% Increase 6.12%</u>
Police Pension Fund	\$ 52,723,751	\$ 41,312,901	\$ 32,315,620
<u>Employer Net Pension Liability</u>	<u>1% Decrease 5.43%</u>	<u>Current Discount Rate - 6.43%</u>	<u>1% Increase 7.43%</u>
Firefighters' Pension Fund	\$ 41,999,020	\$ 34,631,246	\$ 28,613,199

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, 2020	\$ 63,411,569	\$ 18,336,022	\$ 45,075,547
Changes for the year:			
Service cost	1,022,089	-	1,022,089
Interest	3,224,676	-	3,224,676
Actuarial experience	1,748,552	-	1,748,552
Assumptions changes	(820,539)	-	(820,539)
Contributions - employer	-	2,046,794	(2,046,794)
Contributions - members	-	270,775	(270,775)
Contributions - other	-	94,960	(94,960)
Net investment income	-	6,585,104	(6,585,104)
Benefit payments, including refunds	(2,487,172)	(2,487,172)	-
Administrative expense	-	(60,209)	60,209
Net changes	<u>2,687,606</u>	<u>6,450,252</u>	<u>(3,762,646)</u>
Balances at April 30, 2021	<u>\$ 66,099,175</u>	<u>\$ 24,786,274</u>	<u>\$ 41,312,901</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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, 2020	\$ 65,614,692	\$ 15,701,319	\$ 49,913,373
Changes for the year:			
Service cost	787,806	-	787,806
Interest	3,116,033	-	3,116,033
Actuarial experience	1,579,409	-	1,579,409
Assumptions changes	(13,447,891)	-	(13,447,891)
Contributions - employer	-	2,317,049	(2,317,049)
Contributions - employee	-	153,192	(153,192)
Net investment income	-	4,859,711	(4,859,711)
Benefit payments, including refunds	(2,973,186)	(2,973,186)	-
Administrative expense	-	(12,468)	12,468
Net changes	(10,937,829)	4,344,298	(15,282,127)
Balances at April 30, 2021	\$ 54,676,863	\$ 20,045,617	\$ 34,631,246

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

For the year ended April 30, 2021, the City recognized pension expense of \$3,932,273 for the Police Pension fund and \$1,024,647 for the Firefighters' Pension Fund. At April 30, 2021, 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	\$ 2,219,791	\$ -
Changes of assumptions	4,914,683	1,516,924
Net difference between projected and actual earnings on pension plan investments	-	3,048,667
Contributions subsequent to the measurement date	-	-
Total	\$ 7,134,474	\$ 4,565,591



CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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:

2022	\$ 377,881
2023	726,446
2024	789,689
2025	310,433
2026	364,434
Thereafter	-
	<u>\$ 2,568,883</u>

Firefighters' Pension Fund

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,609,104	\$ -
Changes of assumptions	4,975,311	9,009,643
Net difference between projected and actual earnings on pension plan investments	-	2,138,530
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 6,584,415</u>	<u>\$ 11,148,173</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:

2022	\$ (1,536,767)
2023	(1,927,436)
2024	(336,103)
2025	(763,452)
2026	-
Thereafter	-
	<u>\$ (4,563,758)</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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 50% 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, 2021

**23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)**

EMPLOYEES COVERED BY BENEFIT TERMS

As of April 30, 2021, the following employees were covered by the benefit terms:

	City	Library
Active participants	108	4
Disabled participants	10	-
Retired participants	132	-
	250	4

TOTAL OPEB LIABILITY

The City's total OPEB liability of \$51,097,447 (\$50,870,387 for the City and \$227,060 for the Library) was measured as of April 30, 2021, and was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the April 30, 2021 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	2.91%
End of year	2.12%
Salary Progression	3.50%
Claim Costs:	
Single Coverage	\$740
Family Coverage	\$2,136
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	50% of cost
Hired after April 30, 2007	100% of cost
Mortality Rate	RP2014 Blue Collar base rates projected to 2021 using scale MP2020

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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
	2021	7.0%
	2022	6.75%
	2023	6.5%
	2024	6.25%
	2025 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. This discount rate was 2.12% as of April 30, 2021. Similarly, a discount rate of 2.91% was used as of May 1, 2020.

CHANGES IN TOTAL OPEB LIABILITY

	Net OPEB Liability (Asset)
<b>City:</b>	
Balance at April 30, 2020	\$ 55,113,864
Changes for the year:	
Service cost	523,659
Interest	1,578,317
Benefit changes	(5,204,416)
Differences between expected and actual experience	1,646,737
Changes in assumptions	(1,035,526)
Benefit payments	(1,752,248)
Net change in total OPEB liability	(4,243,477)
Balance at April 30, 2021	\$ 50,870,387

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)**

CHANGES IN TOTAL OPEB LIABILITY (Continued)

	<u>Net OPEB Liability (Asset)</u>
<b>Library:</b>	
Balance at April 30, 2020	<u>\$ 1,116,003</u>
Changes for the year:	
Service cost	3,637
Interest	32,092
Benefit changes	-
Differences between expected and actual experience	(548,752)
Changes in assumptions	(349,540)
Benefit payments	<u>(26,380)</u>
Net change in total OPEB liability	<u>(888,943)</u>
Balance at April 30, 2021	<u><u>\$ 227,060</u></u>
 <b>Total:</b>	
Balance at April 30, 2020	<u>\$ 56,229,867</u>
Changes for the year:	
Service cost	527,296
Interest	1,610,409
Benefit changes	(5,204,416)
Differences between expected and actual experience	1,097,985
Changes in assumptions	(1,385,066)
Benefit payments	<u>(1,778,628)</u>
Net change in total OPEB liability	<u>(5,132,420)</u>
Balance at April 30, 2021	<u><u>\$ 51,097,447</u></u>

Changes in assumptions reflect a change in the mortality assumption to RP2014 base rates with blue collar adjustment projected to 2021 using scale MP2020. 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, 2021

**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 1.12%	Current Discount Rate - 2.12%	1% Increase 3.12%
<b>City:</b>			
Total OPEB liability	\$ 61,939,355	\$ 50,870,387	\$ 42,366,640
<b>Library:</b>			
Total OPEB liability	276,466	227,060	189,104
<b>Total:</b>			
Total OPEB liability	<u>\$ 62,215,821</u>	<u>\$ 51,097,447</u>	<u>\$ 42,555,744</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 6.0% Decreasing to 3.0%	Current Discount 7.0% Decreasing to 4.0%	1% Increase 8.0 % Decreasing to 5.0%
<b>City:</b>			
Total OPEB liability	\$ 42,103,095	\$ 50,870,387	\$ 62,315,122
<b>Library:</b>			
Total OPEB liability	187,927	227,060	278,144
<b>Total:</b>			
Total OPEB liability	<u>\$ 42,291,022</u>	<u>\$ 51,097,447</u>	<u>\$ 62,593,266</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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, 2021, the City recognized OPEB income of \$528,582 and the Library recognized OPEB income of \$549,690 for a total OPEB income of \$1,078,272. At April 30, 2021, 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>
<b>City:</b>		
Differences between expected and actual experience	\$ 2,988,751	\$ (1,851,485)
Changes in assumptions	3,602,259	-
Total	<u>\$ 6,591,010</u>	<u>\$ (1,851,485)</u>
<b>Library:</b>		
Differences between expected and actual experience	\$ 24,374	\$ (298,292)
Changes in assumptions	29,377	-
Total	<u>\$ 53,751</u>	<u>\$ (298,292)</u>
<b>Total:</b>		
Differences between expected and actual experience	\$ 3,013,125	\$ (2,149,777)
Changes in assumptions	3,631,636	-
Total	<u>\$ 6,644,761</u>	<u>\$ (2,149,777)</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>
2022	\$ 2,059,266	\$ (70,827)	\$ 1,988,439
2023	1,878,509	(68,307)	1,810,202
2024	796,453	(72,045)	724,408
2025	5,297	(33,362)	(28,065)
2026	-	-	-
Thereafter	-	-	-
	<u>\$ 4,739,525</u>	<u>\$ (244,541)</u>	<u>\$ 4,494,984</u>

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

## **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, 2021, the contribution for active employees was \$146 per month for those with no dependents or \$354 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 167 employees and retirees participating in the group health plan. Of this number, 105 were active employees and 62 were retirees. 48 of the participants had single coverage, 119 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 \$4,005,560 in the fiscal year that ended April 30, 2021, which includes \$185,853 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 14 participants. Of those, 2 are active with single coverage, 2 are active with single +1 coverage, 1 is active with family coverage, 1 is a retiree with single coverage, 3 are single with +1 coverage, and 5 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, 2021, the City had 78 retirees and 31 dependents on the policy, each having individual policies.



CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**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.

Insurer for all exposure categories was Illinois Counties Risk Management Trust (ICRMT).

<u>Exposure</u>	<u>Limits of Coverage</u>	<u>Expiration</u>
Workers Compensation	\$2.5 million each accident \$2.5 million each employee \$2.5 million policy limit	1/1/2022
Property & Casualty	Replacement Cost \$68,826,760 Blanket Building \$1,000,000 Extra Expense and Business Income Property- \$5,000 deductible Extra Expense and Business Income- \$5,000 deductible	12/1/2021
General Liability <sup>1</sup>	\$1 million each occurrence \$3 million aggregate	12/1/2021
Fiduciary Liability	\$500,000 per claim \$500,000 in the aggregate	12/1/2021
Public Officials Liability	\$1 million each occurrence \$10 million aggregate \$5,000 deductible	12/1/2021
Employment Practices Liability	\$1 million each occurrence \$10 million aggregate \$10,000 per claim - back wages \$5,000 deductible for each wrongful act \$5,000 deductible for back wages	12/1/2021
Automobile Physical Damage	Actual cash value \$1,000 deductible	12/1/2021
Automobile Liability	\$1 million	12/1/2021
Law Enforcement Liability	\$1 million each occurrence \$3 million aggregate \$5,000 deductible	12/1/2021
Crime	Limit - \$500,000	12/1/2021

CITY OF MATTOON, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 For the Year Ended April 30, 2021

**25 INSURANCE (Continued)**

Exposure	Limits of Coverage	Expiration
Inland Marine	\$2,766,795 \$1,000 deductible each	12/1/2021
Excess Liability <sup>2</sup>	\$10 million each occurrence \$10 million aggregate	12/1/2021

<sup>1</sup> 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.

<sup>2</sup> The excess liability policy provides additional 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, 2021, 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.

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.

**27 DEFICIT FUND BALANCE**

The I-57 East TIF District Fund had a deficit fund balance of \$155,232.

CITY OF MATTOON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended April 30, 2021

**28 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, 2021, the City abated property taxes totaling \$58,394.

**29 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, 2021, the balance due to the General Fund from the Library for this transaction was \$22,692.

**30 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 and 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 without significant impact.

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 and had no impact.

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 2020

	Primary Government					
	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability (Asset):</b>						
Service Cost	\$ 400,784	\$ 394,829	\$ 375,029	\$ 391,138	\$ 415,188	\$ 398,340
Interest on the Total Pension Liability	2,670,956	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	(276,506)	602,900	226,101	(20,831)	(193,808)	156,410
Changes of Assumptions	(288,517)	-	961,681	(1,056,495)	(79,362)	78,807
Benefit Payments, including Refunds of Employee Contributions	(2,243,660)	(1,975,251)	(1,959,805)	(1,879,002)	(1,819,353)	(1,809,316)
Net Change in Total Pension Liability	263,057	1,570,725	2,099,746	(49,019)	795,332	1,180,322
Total Pension Liability - Beginning	37,717,010	36,146,285	34,046,539	34,095,558	33,300,226	32,119,904
Total Pension Liability - Ending (A)	37,980,067	37,717,010	36,146,285	34,046,539	34,095,558	33,300,226
<b>Plan Fiduciary Net Position:</b>						
Contributions - Employer	385,188	267,213	409,202	408,510	412,723	444,509
Contributions - Employees	162,451	181,085	162,956	169,030	160,523	169,230
Net Investment Income	5,482,244	6,277,660	(2,102,209)	5,810,421	2,116,932	155,215
Benefit Payments, including Refunds of Employee Contributions	(2,243,660)	(1,975,251)	(1,959,805)	(1,879,002)	(1,819,353)	(1,809,316)
Other (Net Transfer)	268,322	141,807	706,777	(670,287)	247,662	(111,443)
Net Change in Plan Fiduciary Net Position	4,054,545	4,892,514	(2,783,079)	3,838,672	1,118,487	(1,151,805)
Plan Fiduciary Net Position - Beginning	37,555,634	32,663,120	35,446,199	31,607,527	30,489,040	31,640,845
Plan Fiduciary Net Position - Ending (B)	41,610,179	37,555,634	32,663,120	35,446,199	31,607,527	30,489,040
Net Pension Liability (Asset) - Ending (A)-(B)	<u>\$ (3,630,112)</u>	<u>\$ 161,376</u>	<u>\$ 3,483,165</u>	<u>\$ (1,399,660)</u>	<u>\$ 2,488,031</u>	<u>\$ 2,811,186</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.56%	99.57%	90.36%	104.11%	92.70%	91.56%
Covered Payroll	\$ 3,610,008	\$ 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	-100.56%	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 2020

	Mattoon Public Library					
	2020	2019	2018	2017	2016	2015
Total Pension Liability (Asset):						
Service Cost	\$ 17,285	\$ 19,359	\$ 18,001	\$ 14,523	\$ 15,416	\$ 17,464
Interest on the Total Pension Liability	115,191	124,949	104,626	93,423	72,940	103,294
Differences Between Expected and Actual						
Experience of the Total Pension Liability	(11,926)	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	(11,928)	(96,852)	(94,067)	(69,766)	(67,551)	(79,323)
Net Change in Total Pension Liability	108,622	77,018	85,571	(1,820)	10,662	51,747
Total Pension Liability - Beginning	1,631,357	1,554,339	1,468,768	1,470,588	1,459,926	1,408,179
Total Pension Liability - Ending (A)	1,739,979	1,631,357	1,554,339	1,468,768	1,470,588	1,459,926
Plan Fiduciary Net Position:						
Contributions - Employer	17,739	14,548	19,641	15,168	15,324	19,488
Contributions - Employees	7,481	8,811	7,822	6,276	5,960	7,419
Net Investment Income	187,369	307,814	(100,903)	215,736	78,600	6,805
Benefit Payments, including Refunds of						
Employee Contributions	(11,928)	(96,852)	(94,067)	(69,766)	(67,551)	(79,323)
Other (Net Transfer)	9,171	5,575	33,924	(24,887)	9,195	(4,886)
Net Change in Plan Fiduciary Net Position	209,832	239,896	(133,583)	142,527	41,528	(50,497)
Plan Fiduciary Net Position - Beginning	1,627,049	1,387,153	1,520,736	1,378,209	1,336,681	1,387,178
Plan Fiduciary Net Position - Ending (B)	1,836,881	1,627,049	1,387,153	1,520,736	1,378,209	1,336,681
Net Pension Liability (Asset) - Ending (A)-(B)	\$ (96,902)	\$ 4,308	\$ 167,186	\$ (51,968)	\$ 92,379	\$ 123,245
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.57%	99.74%	89.24%	103.54%	93.72%	91.56%
Covered Payroll	\$ 166,248	\$ 195,802	\$ 173,792	\$ 134,201	\$ 137,216	\$ 164,843
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	-58.29%	2.20%	96.20%	-38.72%	67.32%	74.77%

## Notes to Schedule:

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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 2020

	Total Government					
	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability (Asset):</b>						
Service Cost	\$ 418,069	\$ 414,188	\$ 393,030	\$ 405,661	\$ 430,604	\$ 415,804
Interest on the Total Pension Liability	2,786,147	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	(288,432)	632,462	236,953	(21,604)	(201,004)	163,267
Changes of Assumptions	(288,517)	-	1,007,840	(1,095,722)	(82,309)	82,262
Benefit Payments, including Refunds of Employee Contributions	(2,255,588)	(2,072,103)	(2,053,872)	(1,948,768)	(1,886,904)	(1,888,639)
Net Change in Total Pension Liability	371,679	1,647,743	2,185,317	(50,839)	805,994	1,232,069
Total Pension Liability - Beginning	39,348,367	37,700,624	35,515,307	35,566,146	34,760,152	33,528,083
Total Pension Liability - Ending (A)	39,720,046	39,348,367	37,700,624	35,515,307	35,566,146	34,760,152
<b>Plan Fiduciary Net Position:</b>						
Contributions - Employer	402,927	281,761	428,843	423,678	428,047	463,997
Contributions - Employees	169,932	189,896	170,778	175,306	166,483	176,649
Net Investment Income	5,669,613	6,585,474	(2,203,112)	6,026,157	2,195,532	162,020
Benefit Payments, including Refunds of Employee Contributions	(2,255,588)	(2,072,103)	(2,053,872)	(1,948,768)	(1,886,904)	(1,888,639)
Other (Net Transfer)	277,493	147,382	740,701	(695,174)	256,857	(116,329)
Net Change in Plan Fiduciary Net Position	4,264,377	5,132,410	(2,916,662)	3,981,199	1,160,015	(1,202,302)
Plan Fiduciary Net Position - Beginning	39,182,683	34,050,273	36,966,935	32,985,736	31,825,721	33,028,023
Plan Fiduciary Net Position - Ending (B)	43,447,060	39,182,683	34,050,273	36,966,935	32,985,736	31,825,721
Net Pension Liability (Asset) - Ending (A)-(B)	<u>\$ (3,727,014)</u>	<u>\$ 165,684</u>	<u>\$ 3,650,351</u>	<u>\$ (1,451,628)</u>	<u>\$ 2,580,410</u>	<u>\$ 2,934,431</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.38%	99.58%	90.32%	104.09%	92.74%	91.56%
Covered Payroll	\$ 3,776,256	\$ 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	-98.70%	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

Year Ended April 30, 2021

Primary Government

Fiscal Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 419,023	\$ 419,023	\$ -	\$ 3,567,810	11.74%
2017	410,350	410,350	-	3,572,028	11.49%
2018	412,792	412,791	1	3,653,010	11.30%
2019	364,054	364,054	-	3,599,169	10.11%
2020	326,249	317,679	8,570	3,780,045	8.40%
2021	394,281	394,281	-	3,696,377	10.67%

Mattoon Public Library

Fiscal Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 18,520	\$ 18,520	\$ -	\$ 157,689	11.74%
2017	14,549	14,549	-	126,610	11.49%
2018	17,291	17,291	-	153,021	11.30%
2019	18,227	18,227	-	183,902	9.91%
2020	15,601	15,601	-	185,625	8.40%
2021	19,066	19,066	-	178,750	10.67%

Total Government

Fiscal Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 437,543	\$ 437,543	\$ -	\$ 3,725,499	11.74%
2017	424,899	424,899	-	3,698,638	11.49%
2018	430,083	430,082	1	3,806,031	11.30%
2019	382,281	382,281	-	3,783,071	10.11%
2020	341,850	333,280	8,570	3,965,670	8.40%
2021	413,347	413,347	-	3,875,127	10.67%

See accompanying notes to required supplementary information.



CITY OF MATTOON, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS (Continued)

Calendar Year 2020

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 year in which contributions are reported.
Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amort. Period	23-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	7.25%
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. Calendar year 2020 contribution rates were based on valuation assumptions used in the December 31, 2018 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, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 1,022,089	\$ 955,630	\$ 947,802	\$ 1,003,042	\$ 952,466	\$ 819,041	\$ 570,535
Interest	3,224,676	2,974,331	2,819,376	2,709,658	2,696,963	1,966,213	2,473,846
Actuarial experience	1,748,552	336,305	1,249,126	12,122	154,740	726,953	-
Assumption changes	(820,539)	7,200,583	(373,142)	(1,843,857)	(1,474,935)	11,558,737	-
Changes of benefit terms	-	119,577	-	-	-	-	-
Benefit payments, including refunds	(2,487,172)	(2,386,466)	(2,279,516)	(2,124,673)	(2,055,641)	(1,984,166)	(1,925,291)
Net Change in Total Pension Liability	2,687,606	9,199,960	2,363,646	(243,708)	273,593	13,086,778	1,119,090
Total Pension Liability - Beginning	63,411,569	54,211,609	51,847,963	52,091,671	51,818,078	38,731,300	37,612,210
Total Pension Liability - Ending (A)	66,099,175	63,411,569	54,211,609	51,847,963	52,091,671	51,818,078	38,731,300
Plan Fiduciary Net Position							
Contributions - Employer	2,046,794	2,004,489	1,813,641	1,639,440	1,437,453	1,403,051	1,422,547
Contributions - Members	270,775	259,922	264,633	253,608	249,841	253,098	227,982
Contributions - Other	94,960	-	-	-	-	-	-
Net Investment Income	6,585,104	(699,913)	951,830	1,545,172	1,656,958	(715,510)	956,536
Benefit Payments and Refunds	(2,487,172)	(2,386,466)	(2,279,516)	(2,124,673)	(2,055,641)	(1,984,166)	(1,925,291)
Administrative Expense	(60,209)	(57,587)	(69,948)	(64,129)	(53,591)	(51,834)	(56,136)
Net Change in Plan Fiduciary Net Position	6,450,252	(879,555)	680,640	1,249,418	1,235,020	(1,095,361)	625,638
Plan Fiduciary Net Position - Beginning	18,336,022	19,215,577	18,534,937	17,285,519	16,050,499	17,145,860	16,520,222
Plan Fiduciary Net Position - Ending (B)	24,786,274	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)	\$ 41,312,901	\$ 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, 2021

	<u>2021</u>	<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	37.50%	28.92%	35.45%	35.75%	33.18%	30.97%	44.27%
Covered-Employee Payroll	\$ 2,731,827	\$ 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	1512.28%	1718.58%	1310.53%	1308.76%	1259.55%	1441.26%	922.67%
Annual money-weighted rate of return, net of investment expense	35.99%	-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, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 787,806	\$ 657,766	\$ 667,678	\$ 753,373	\$ 712,881	\$ 672,938	\$ 714,453
Interest	3,116,033	2,959,959	2,868,521	2,820,446	2,806,228	2,455,405	2,375,442
Actuarial experience	1,579,409	576,907	1,115,180	79,060	634,737	741,876	-
Changes in assumptions	(13,447,891)	9,425,651	479,619	399,338	(1,442,384)	3,111,763	-
Changes of benefit terms	-	107,343	-	-	-	-	-
Benefit payments, including refunds	(2,973,186)	(2,891,069)	(2,788,313)	(2,545,025)	(2,377,256)	(2,225,941)	(2,158,444)
Net Change in Total Pension Liability	(10,937,829)	10,836,557	2,342,685	1,507,192	334,206	4,756,041	931,451
Total Pension Liability - Beginning	65,614,692	54,778,135	52,435,450	50,928,258	50,594,052	45,838,011	44,906,560
Total Pension Liability - Ending (A)	54,676,863	65,614,692	54,778,135	52,435,450	50,928,258	50,594,052	45,838,011
Plan Fiduciary Net Position							
Contributions - Employer	2,317,049	2,173,792	2,029,881	1,829,282	1,533,379	1,367,692	1,356,510
Contributions - Member	153,192	156,657	170,122	200,317	204,327	202,743	202,721
Net Investment Income	4,859,711	(622,537)	1,309,076	1,210,206	1,544,569	(735,261)	623,230
Benefit Payments and Refunds	(2,973,186)	(2,891,069)	(2,788,313)	(2,545,025)	(2,377,256)	(2,225,941)	(2,158,444)
Administrative Expense	(12,468)	(11,342)	(12,048)	(17,837)	(18,475)	(28,896)	(16,823)
Net Change in Plan Fiduciary Net Position	4,344,298	(1,194,499)	708,718	676,943	886,544	(1,419,663)	7,194
Plan Fiduciary Net Position - Beginning	15,701,319	16,895,818	16,187,100	15,510,157	14,623,613	16,043,276	16,036,082
Plan Fiduciary Net Position - Ending (B)	20,045,617	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>\$ 34,631,246</u>	<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, 2021

	<u>2021</u>	<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	36.66%	23.93%	30.84%	30.87%	30.45%	28.90%	35.00%
Covered-Employee Payroll	\$ 1,667,126	\$ 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	2077.30%	3016.09%	2147.71%	1795.21%	1445.53%	1697.07%	1451.08%
Annual money-weighted rate of return, net of investment expense	30.84%	-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, 2021

SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE PENSION

	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,146,354	\$ 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>2,046,794</u>	<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>\$ 99,560</u>	<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	\$ 2,731,827	\$ 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	74.92%	75.04%	67.92%	64.41%	52.02%	56.54%	60.81%

NOTE: The 2015 - 2021 actuarially determined contribution (ADC) shown is from the May 1, 2013 - 2019 actuary's reports completed by Lauterbach and Amen, LLP for the tax levy recommendation for the December, 2013 - 2019 tax levy, respectively.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - FIREFIGHTERS' PENSION

Actuarially Determined Contribution	\$ 2,676,750	\$ 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>2,317,049</u>	<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>\$ 359,701</u>	<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	\$ 1,667,126	\$ 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	138.98%	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 - 2021 ADC is from May 1, 2014 - 2019 actuary's reports completed by Lauterbach and Amen, LLP for the tax levy recommendation for the December, 2014 - 2019 tax levy, respectively.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

SCHEDULES OF EMPLOYER CONTRIBUTIONS (Continued)

April 30, 2021

Notes to Required Supplementary Information:

	Police	Firefighter
Actuarial Valuation Date	May 1, 2019	May 1, 2019
Actuarial Cost Method	Projected unit credit	Projected unit credit
Amortization Method	Level % of pay	Level % of pay
Remaining Amortization Period	90% Funded over 21 years	90% Funded over 21 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, 2021

Primary Government			
Total OPEB Liability	2021	2020	2019
Service Cost	\$ 523,659	\$ 460,352	\$ 486,798
Interest	1,578,317	1,748,342	1,713,178
Benefit changes	(5,204,416)	-	-
Differences between expected and actual experience	1,646,737	-	120,422
Changes in assumptions	(1,035,526)	7,560,556	1,399,024
Benefit payments	(1,752,248)	(1,571,593)	(1,461,725)
Net Change in Total OPEB Liability	(4,243,477)	8,197,657	2,257,697
Total OPEB Liability - Beginning	55,113,864	46,916,207	44,658,510
Total OPEB Liability - Ending (A)	<u>\$ 50,870,387</u>	<u>\$ 55,113,864</u>	<u>\$ 46,916,207</u>
Covered-Employee Payroll	\$ 6,898,916	\$ 7,536,660	\$ 7,281,797
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	737.37%	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, 2021

Mattoon Public Library

Total OPEB Liability	2021	2020	2019
Service Cost	\$ 3,637	\$ 14,464	\$ 20,517
Interest	32,092	36,531	39,322
Benefit changes	-	-	-
Differences between expected and actual experience	(548,752)	-	(80,572)
Changes in assumptions	(349,540)	126,834	26,069
Benefit payments	(26,380)	(51,395)	(48,031)
Net Change in Total OPEB Liability	(888,943)	126,434	(42,695)
Total OPEB Liability - Beginning	1,116,003	989,569	1,032,264
Total OPEB Liability - Ending (A)	\$ 227,060	\$ 1,116,003	\$ 989,569
Covered-Employee Payroll	\$ 286,962	\$ 213,563	\$ 206,341
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	79.13%	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, 2021

Total Government			
Total OPEB Liability	2021	2020	2019
Service Cost	\$ 527,296	\$ 474,816	\$ 507,315
Interest	1,610,409	1,784,873	1,752,500
Benefit changes	(5,204,416)	-	-
Differences between expected and actual experience	1,097,985	-	39,850
Changes in assumptions	(1,385,066)	7,687,390	1,425,093
Benefit payments	(1,778,628)	(1,622,988)	(1,509,756)
Net Change in Total OPEB Liability	(5,132,420)	8,324,091	2,215,002
Total OPEB Liability - Beginning	56,229,867	47,905,776	45,690,774
Total OPEB Liability - Ending (A)	<u>\$ 51,097,447</u>	<u>\$ 56,229,867</u>	<u>\$ 47,905,776</u>
Covered-Employee Payroll	\$ 7,185,878	\$ 7,750,223	\$ 7,488,138
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	711.08%	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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 7,016,977	\$ 7,016,977	\$ 6,979,123	\$ (37,854)
Licenses and permits	248,300	248,300	269,775	21,475
Intergovernmental revenues	10,161,563	10,161,563	12,806,259	2,644,696
Charges for services	961,778	961,778	1,030,516	68,738
Fines and forfeitures	119,000	119,000	146,076	27,076
Investment income	102,610	102,610	17,248	(85,362)
Contributions & miscellaneous revenues	338,673	338,673	223,283	(115,390)
<b>Total revenues</b>	<b>18,948,901</b>	<b>18,948,901</b>	<b>21,472,280</b>	<b>2,523,379</b>
<b>Expenditures:</b>				
<b>Current</b>				
General government	2,477,041	2,477,041	2,897,204	(420,163)
Public safety	12,708,474	12,708,474	12,559,454	149,020
Public works	1,269,712	1,269,712	1,090,316	179,396
Health and welfare	183,898	183,898	176,564	7,334
Culture and recreation	1,512,507	1,512,507	1,365,415	147,092
Economic development	68,356	68,356	51,752	16,604
Capital outlay	129,452	129,452	126,356	3,096
<b>Debt service</b>				
Principal	226,130	226,130	152,067	74,063
Interest and fiscal charges	2,276	2,276	5,449	(3,173)
<b>Total expenditures</b>	<b>18,577,846</b>	<b>18,577,846</b>	<b>18,424,577</b>	<b>153,269</b>
<b>Excess of revenues over expenditures</b>	<b>371,055</b>	<b>371,055</b>	<b>3,047,703</b>	<b>2,676,648</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	(740,000)	(740,000)	(804,872)	(64,872)
Proceeds from sale of assets	10,000	10,000	156,219	146,219
<b>Total other financing sources (uses)</b>	<b>(730,000)</b>	<b>(730,000)</b>	<b>(648,653)</b>	<b>81,347</b>
<b>Net change in fund balance</b>	<b>\$ (358,945)</b>	<b>\$ (358,945)</b>	<b>2,399,050</b>	<b>\$ 2,757,995</b>
Fund balance -beginning			7,405,890	
Fund balance - ending			<u>\$ 9,804,940</u>	

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended April 30, 2021

**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 105 and 106 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	\$ 409,092
Capital Projects Fund	495,192
South Route 45 TIF District Fund	344
Broadway East Business District Fund	393

## CITY OF MATTOON, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended April 30, 2021

**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, 2021

	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	\$ 7,016,977	\$ 6,979,123	\$ (37,854)	\$ -	\$ -	\$ -
Licenses and permits	248,300	269,775	21,475	-	-	-
Intergovernmental revenues	10,161,563	12,806,259	2,644,696	-	-	-
Charges for services	961,778	1,030,516	68,738	-	-	-
Fines and forfeitures	119,000	146,076	27,076	-	-	-
Investment income	101,410	12,607	(88,803)	-	-	-
Contributions & miscellaneous revenues	188,517	138,176	(50,341)	133,000	85,107	(47,893)
Total revenues	<u>18,797,545</u>	<u>21,382,532</u>	<u>2,584,987</u>	<u>133,000</u>	<u>85,107</u>	<u>(47,893)</u>
Expenditures:						
Current						
General government	2,477,041	2,897,204	(420,163)	-	-	-
Public safety	12,708,474	12,559,454	149,020	-	-	-
Public works	1,269,712	1,090,316	179,396	-	-	-
Health and welfare	183,898	176,564	7,334	-	-	-
Culture and recreation	1,369,482	1,331,322	38,160	143,025	34,093	108,932
Economic development	50,000	50,000	-	-	-	-
Capital outlay	129,452	126,356	3,096	-	-	-
Debt service						
Principal	226,130	152,067	74,063	-	-	-
Interest and fiscal charges	2,276	5,449	(3,173)	-	-	-
Total expenditures	<u>18,416,465</u>	<u>18,388,732</u>	<u>27,733</u>	<u>143,025</u>	<u>34,093</u>	<u>108,932</u>
Excess of revenues over expenditures	<u>381,080</u>	<u>2,993,800</u>	<u>2,612,720</u>	<u>(10,025)</u>	<u>51,014</u>	<u>61,039</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(740,000)	(804,872)	(64,872)	-	-	-
Proceeds from sale of assets	10,000	156,219	146,219	-	-	-
Total other financing sources (uses):	<u>(730,000)</u>	<u>(648,653)</u>	<u>81,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (348,920)</u>	<u>2,345,147</u>	<u>\$ 2,694,067</u>	<u>\$ (10,025)</u>	<u>51,014</u>	<u>\$ 61,039</u>
Fund balance -beginning		<u>6,316,798</u>			<u>3,598</u>	
Fund balance - ending		<u>\$ 8,661,945</u>			<u>\$ 54,612</u>	

## CITY OF MATTOON, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended April 30, 2021

**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, 2021

	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	\$ -	\$ -	\$ -	\$ 7,016,977	\$ 6,979,123	\$ (37,854)
Licenses and permits	-	-	-	248,300	269,775	21,475
Intergovernmental revenues	-	-	-	10,161,563	12,806,259	2,644,696
Charges for services	-	-	-	961,778	1,030,516	68,738
Fines and forfeitures	-	-	-	119,000	146,076	27,076
Investment income	1,200	4,641	3,441	102,610	17,248	(85,362)
Contributions & miscellaneous revenues	17,156	-	(17,156)	338,673	223,283	(115,390)
Total revenues	<u>18,356</u>	<u>4,641</u>	<u>(13,715)</u>	<u>18,948,901</u>	<u>21,472,280</u>	<u>2,523,379</u>
Expenditures:						
Current						
General government	-	-	-	2,477,041	2,897,204	(420,163)
Public safety	-	-	-	12,708,474	12,559,454	149,020
Public works	-	-	-	1,269,712	1,090,316	179,396
Health and welfare	-	-	-	183,898	176,564	7,334
Culture and recreation	-	-	-	1,512,507	1,365,415	147,092
Economic development	18,356	1,752	16,604	68,356	51,752	16,604
Capital outlay	-	-	-	129,452	126,356	3,096
Debt service						
Principal	-	-	-	226,130	152,067	74,063
Interest and fiscal charges	-	-	-	2,276	5,449	(3,173)
Total expenditures	<u>18,356</u>	<u>1,752</u>	<u>16,604</u>	<u>18,577,846</u>	<u>18,424,577</u>	<u>153,269</u>
Excess of revenues over expenditures	-	2,889	2,889	371,055	3,047,703	2,676,648
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(740,000)	(804,872)	(64,872)
Proceeds from sale of assets	-	-	-	10,000	156,219	146,219
Total other financing sources (uses):	-	-	-	<u>(730,000)</u>	<u>(648,653)</u>	<u>81,347</u>
Net change in fund balance	<u>\$ -</u>	<u>2,889</u>	<u>\$ 2,889</u>	<u>\$ (358,945)</u>	<u>2,399,050</u>	<u>\$ 2,757,995</u>
Fund balance -beginning		1,085,494			7,405,890	
Fund balance - ending		<u>\$ 1,088,383</u>			<u>\$ 9,804,940</u>	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF MATTOON, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2021

	Motor Fuel Tax Fund	Hotel and Motel Tax Fund	Home Rehabilitation Grant Fund
Assets:			
Cash and cash equivalents	\$ 1,616,900	\$ 305,316	\$ 37
Receivables	331,253	69,159	12,746
Due from other funds	-	98	-
Total assets	\$ 1,948,153	\$ 374,573	\$ 12,783
Liabilities:			
Accounts payable	\$ 910,312	\$ 2,446	\$ 12,746
Payroll liabilities payable	-	3,740	-
Due to other funds	-	1,271	-
Total liabilities	910,312	7,457	12,746
Deferred inflows of resources:			
Unavailable revenue	-	23,391	-
Fund Balance:			
Nonspendable	-	-	-
Restricted	1,037,841	343,725	37
Committed	-	-	-
Unassigned	-	-	-
Total fund balance	1,037,841	343,725	37
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,948,153	\$ 374,573	\$ 12,783



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

April 30, 2021

	Midtown TIF District Fund	Capital Projects Fund	I-57 East TIF District Fund
Assets:			
Cash and cash equivalents	\$ 958,716	\$ 437,721	\$ -
Receivables	846,104	13,500	108,503
Due from other funds	-	143,842	-
Total assets	\$ 1,804,820	\$ 595,063	\$ 108,503
Liabilities:			
Accounts payable	\$ 40,437	\$ 23,580	\$ 121,244
Payroll liabilities payable	-	-	-
Due to other funds	-	-	110,629
Total liabilities	40,437	23,580	231,873
Deferred inflows of resources:			
Unavailable revenue	846,104	-	31,862
Fund Balance:			
Nonspendable	-	-	-
Restricted	918,279	-	-
Committed	-	571,483	-
Unassigned	-	-	(155,232)
Total fund balance	918,279	571,483	(155,232)
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,804,820	\$ 595,063	\$ 108,503

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

April 30, 2021

	South Rt 45 TIF District Fund	South Rt 45 Business District Fund	Broadway East TIF District Fund
Assets:			
Cash and cash equivalents	\$ 5,407	\$ 66,497	\$ 487,929
Receivables	68,184	13,625	184,865
Due from other funds	-	-	-
Total assets	\$ 73,591	\$ 80,122	\$ 672,794
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	-	-
Due to other funds	-	-	-
Total liabilities	-	-	-
Deferred inflows of resources:			
Unavailable revenue	68,184	6,991	184,865
Fund Balance:			
Nonspendable	-	-	-
Restricted	5,407	73,131	487,929
Committed	-	-	-
Unassigned	-	-	-
Total fund balance	5,407	73,131	487,929
Total liabilities, deferred inflows of resources, and fund balance	\$ 73,591	\$ 80,122	\$ 672,794

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

April 30, 2021

	Broadway East Business District Fund	I-57 East Business District Fund	Totals
<b>Assets:</b>			
Cash and cash equivalents	\$ 203,896	\$ 25,509	\$ 4,107,928
Receivables	138,844	597	1,787,380
Due from other funds	-	-	143,940
	<u>342,740</u>	<u>26,106</u>	<u>6,039,248</u>
<b>Total assets</b>	<b>\$ 342,740</b>	<b>\$ 26,106</b>	<b>\$ 6,039,248</b>
<b>Liabilities:</b>			
Accounts payable	\$ 9,605	\$ -	\$ 1,120,370
Payroll liabilities payable	-	-	3,740
Due to other funds	-	-	111,900
	<u>9,605</u>	<u>-</u>	<u>1,236,010</u>
<b>Total liabilities</b>	<b>9,605</b>	<b>-</b>	<b>1,236,010</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	47,322	217	1,208,936
	<u>47,322</u>	<u>217</u>	<u>1,208,936</u>
<b>Fund Balance:</b>			
Nonspendable	-	-	-
Restricted	285,813	25,889	3,178,051
Committed	-	-	571,483
Unassigned	-	-	(155,232)
	<u>285,813</u>	<u>25,889</u>	<u>3,594,302</u>
<b>Total fund balance</b>	<b>285,813</b>	<b>25,889</b>	<b>3,594,302</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 342,740</b>	<b>\$ 26,106</b>	<b>\$ 6,039,248</b>

CITY OF MATTOON, ILLINOIS

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

For the Year Ended April 30, 2021

	Motor Fuel Tax Fund	Hotel and Motel Tax Fund	Home Rehabilitation Grant Fund
Revenues:			
Taxes	\$ -	\$ 288,522	\$ -
Intergovernmental revenues	2,309,285	-	12,746
Investment income	1,849	-	-
Contributions and miscellaneous revenues	-	300	-
Total revenues	<u>2,311,134</u>	<u>288,822</u>	<u>12,746</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	561,673	-	-
Culture and recreation	-	208,108	-
Economic development	-	-	12,746
Capital outlay	1,431,885	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,993,558</u>	<u>208,108</u>	<u>12,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>317,576</u>	<u>80,714</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	317,576	80,714	-
Fund balance - beginning	<u>720,265</u>	<u>263,011</u>	<u>37</u>
Fund balance - ending	<u>\$ 1,037,841</u>	<u>\$ 343,725</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, 2021

	Midtown TIF District Fund	Capital Projects Fund	I-57 East TIF District Fund
Revenues:			
Taxes	\$ 744,708	\$ -	\$ 31,147
Intergovernmental revenues	-	439,928	1,051,367
Investment income	1,414	575	9
Contributions and miscellaneous revenues	-	140,627	-
Total revenues	<u>746,122</u>	<u>581,130</u>	<u>1,082,523</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	167,093	-
Culture and recreation	-	-	-
Economic development	438,248	-	6,217
Capital outlay	77,928	740,100	1,368,168
Debt service			
Principal	-	345,000	-
Interest and fiscal charges	-	79,315	-
Total expenditures	<u>516,176</u>	<u>1,331,508</u>	<u>1,374,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>229,946</u>	<u>(750,378)</u>	<u>(291,862)</u>
Other financing sources (uses):			
Transfer in	-	804,872	-
Transfer out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>804,872</u>	<u>-</u>
Net change in fund balances	229,946	54,494	(291,862)
Fund balance - beginning	<u>688,333</u>	<u>516,989</u>	<u>136,630</u>
Fund balance - ending	<u>\$ 918,279</u>	<u>\$ 571,483</u>	<u>\$ (155,232)</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, 2021

	South Rt 45 TIF District Fund	South Rt 45 Business District Fund	Broadway East TIF District Fund
Revenues:			
Taxes	\$ 65,018	\$ 34,713	\$ 165,200
Intergovernmental revenues	-	-	-
Investment income	18	-	46
Contributions and miscellaneous revenues	-	-	-
Total revenues	<u>65,036</u>	<u>34,713</u>	<u>165,246</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Economic development	19,057	-	33,040
Capital outlay	-	-	-
Debt service			
Principal	35,317	-	-
Interest and fiscal charges	22,269	-	-
Total expenditures	<u>76,643</u>	<u>-</u>	<u>33,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,607)</u>	<u>34,713</u>	<u>132,206</u>
Other financing sources (uses):			
Transfer in	6,000	-	-
Transfer out	-	(6,000)	-
Total other financing sources (uses)	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
Net change in fund balances	(5,607)	28,713	132,206
Fund balance - beginning	<u>11,014</u>	<u>44,418</u>	<u>355,723</u>
Fund balance - ending	<u>\$ 5,407</u>	<u>\$ 73,131</u>	<u>\$ 487,929</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, 2021

	Broadway East Business District Fund	I-57 East Business District Fund	Totals
Revenues:			
Taxes	\$ 459,045	\$ 2,100	\$ 1,790,453
Intergovernmental revenues	-	-	3,813,326
Investment income	422	-	4,333
Contributions and miscellaneous revenues	-	-	140,927
Total revenues	<u>459,467</u>	<u>2,100</u>	<u>5,749,039</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	-	728,766
Culture and recreation	-	-	208,108
Economic development	30,858	-	540,166
Capital outlay	-	-	3,618,081
Debt service			
Principal	235,000	-	615,317
Interest and fiscal charges	84,271	-	185,855
Total expenditures	<u>350,129</u>	<u>-</u>	<u>5,896,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>109,338</u>	<u>2,100</u>	<u>(147,254)</u>
Other financing sources (uses):			
Transfer in	-	-	810,872
Transfer out	-	-	(6,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>804,872</u>
Net change in fund balances	109,338	2,100	657,618
Fund balance - beginning	<u>176,475</u>	<u>23,789</u>	<u>2,936,684</u>
Fund balance - ending	<u>\$ 285,813</u>	<u>\$ 25,889</u>	<u>\$ 3,594,302</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 740,000	\$ 740,000	\$ 2,309,285	\$ 1,569,285
Investment income	10,000	10,000	1,849	(8,151)
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>2,311,134</u>	<u>1,561,134</u>
Expenditures:				
Current				
Public works	564,600	564,600	561,673	2,927
Capital outlay	<u>1,019,866</u>	<u>1,019,866</u>	<u>1,431,885</u>	<u>(412,019)</u>
Total expenditures	<u>1,584,466</u>	<u>1,584,466</u>	<u>1,993,558</u>	<u>(409,092)</u>
Net change in fund balance	<u>\$ (834,466)</u>	<u>\$ (834,466)</u>	317,576	<u>\$ 1,152,042</u>
Fund balance - beginning			<u>720,265</u>	
Fund balance - ending			<u>\$ 1,037,841</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 330,000	\$ 330,000	\$ 288,522	\$ (41,478)
Contributions and miscellaneous revenues	-	-	300	300
Total revenues	<u>330,000</u>	<u>330,000</u>	<u>288,822</u>	<u>(41,178)</u>
Expenditures:				
Current				
Culture and recreation	316,429	316,429	208,108	108,321
Capital outlay	-	-	-	-
Total Expenditures	<u>316,429</u>	<u>316,429</u>	<u>208,108</u>	<u>108,321</u>
Net change in fund balance	<u>\$ 13,571</u>	<u>\$ 13,571</u>	80,714	<u>\$ 67,143</u>
Fund balance - beginning			<u>263,011</u>	
Fund balance - ending			<u>\$ 343,725</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 12,746</u>	<u>\$ (487,254)</u>
Expenditures:				
Current				
Economic development	<u>500,000</u>	<u>500,000</u>	<u>12,746</u>	<u>487,254</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			<u>37</u>	
Fund balance - ending			<u>\$ 37</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 768,000	\$ 768,000	\$ 744,708	\$ (23,292)
Investment income	1,500	1,500	1,414	(86)
Contributions and miscellaneous revenues	-	-	-	-
Total revenues	<u>769,500</u>	<u>769,500</u>	<u>746,122</u>	<u>(23,378)</u>
Expenditures:				
Current				
Economic development	487,621	487,621	438,248	49,373
Capital outlay	<u>690,000</u>	<u>690,000</u>	<u>77,928</u>	<u>612,072</u>
Total expenditures	<u>1,177,621</u>	<u>1,177,621</u>	<u>516,176</u>	<u>661,445</u>
Net change in fund balance	<u>\$ (408,121)</u>	<u>\$ (408,121)</u>	229,946	<u>\$ 638,067</u>
Fund balance - beginning			<u>688,333</u>	
Fund balance - ending			<u>\$ 918,279</u>	

CITY OF MATTOON, ILLINOIS

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

For the Year Ended April 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 439,928	\$ 439,928
Investment income	500	500	575	75
Contributions & miscellaneous revenues	139,712	139,712	140,627	915
<b>Total revenues</b>	<b>140,212</b>	<b>140,212</b>	<b>581,130</b>	<b>440,918</b>
<b>Expenditures:</b>				
Current				
Public safety	-	-	-	-
Public works	5,000	5,000	167,093	(162,093)
Capital outlay	406,535	406,535	740,100	(333,565)
Debt service				
Principal	340,000	340,000	345,000	(5,000)
Interest and fiscal charges	84,781	84,781	79,315	5,466
Debt issuance & fiscal agent	-	-	-	-
<b>Total expenditures</b>	<b>836,316</b>	<b>836,316</b>	<b>1,331,508</b>	<b>(495,192)</b>
(Deficiency) of revenues under expenditures	(696,104)	(696,104)	(750,378)	(54,274)
<b>Other financing sources:</b>				
Transfers in	734,000	734,000	804,872	70,872
<b>Net change in fund balance</b>	<b>\$ 37,896</b>	<b>\$ 37,896</b>	<b>54,494</b>	<b>\$ 16,598</b>
Fund balance - beginning (restated)			516,989	
Fund balance - ending			<u>\$ 571,483</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 35,000	\$ 35,000	\$ 31,147	\$ (3,853)
Intergovernmental revenues	2,052,447	2,052,447	1,051,367	(1,001,080)
Investment income	60	60	9	(51)
Total revenue	<u>2,087,507</u>	<u>2,087,507</u>	<u>1,082,523</u>	<u>(1,004,984)</u>
Expenditures:				
Current				
Economic development	7,000	7,000	6,217	783
Capital outlay	<u>1,910,227</u>	<u>1,910,227</u>	<u>1,368,168</u>	<u>542,059</u>
Total expenditures	<u>1,917,227</u>	<u>1,917,227</u>	<u>1,374,385</u>	<u>542,842</u>
Net change in fund balance	<u>\$ 2,080,507</u>	<u>\$ 2,080,507</u>	(291,862)	<u>\$ (2,372,369)</u>
Fund balance - beginning			<u>136,630</u>	
Fund balance - ending			<u>\$ (155,232)</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 63,300	\$ 63,300	\$ 65,018	\$ 1,718
Investment income	120	120	18	(102)
Total revenues	<u>63,420</u>	<u>63,420</u>	<u>65,036</u>	<u>1,616</u>
Expenditures:				
Current				
Economic development	18,713	18,713	19,057	(344)
Debt service				
Principal	35,717	35,717	35,317	400
Interest and fiscal charges	<u>21,869</u>	<u>21,869</u>	<u>22,269</u>	<u>(400)</u>
Total expenditures	<u>76,299</u>	<u>76,299</u>	<u>76,643</u>	<u>(344)</u>
(Deficiency) of revenues under expenditures	<u>(12,879)</u>	<u>(12,879)</u>	<u>(11,607)</u>	<u>1,272</u>
Other financing sources:				
Transfers in	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (6,879)</u>	<u>\$ (6,879)</u>	<u>(5,607)</u>	<u>\$ 1,272</u>
Fund balance - beginning			<u>11,014</u>	
Fund balance - ending			<u>\$ 5,407</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 21,500	\$ 21,500	\$ 34,713	\$ 13,213
Investment income	-	-	-	-
Total revenues	<u>21,500</u>	<u>21,500</u>	<u>34,713</u>	<u>13,213</u>
Other financing sources:				
Transfers out	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	-
Net change in fund balance	<u><u>\$ 15,500</u></u>	<u><u>\$ 15,500</u></u>	28,713	<u><u>\$ 13,213</u></u>
Fund balance - beginning			<u>44,418</u>	
Fund balance - ending			<u><u>\$ 73,131</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 162,200	\$ 162,200	\$ 165,200	\$ 3,000
Investment income	304	304	46	(258)
Total revenue	<u>162,504</u>	<u>162,504</u>	<u>165,246</u>	<u>2,742</u>
Expenditures:				
Current				
Economic development	<u>247,573</u>	<u>247,573</u>	<u>33,040</u>	<u>214,533</u>
Net change in fund balance	<u>\$ (85,069)</u>	<u>\$ (85,069)</u>	132,206	<u>\$ 217,275</u>
Fund balance - beginning			<u>355,723</u>	
Fund balance - ending			<u>\$ 487,929</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 390,600	\$ 390,600	\$ 459,045	\$ 68,445
Investment income	450	450	422	(28)
Total revenue	<u>391,050</u>	<u>391,050</u>	<u>459,467</u>	<u>68,417</u>
Expenditures:				
Current				
Economic development	30,000	30,000	30,858	(858)
Debt service				
Principal	235,000	235,000	235,000	-
Interest and fiscal charges	<u>84,736</u>	<u>84,736</u>	<u>84,271</u>	<u>465</u>
Total expenditures	<u>349,736</u>	<u>349,736</u>	<u>350,129</u>	<u>(393)</u>
Net change in fund balance	<u>\$ 41,314</u>	<u>\$ 41,314</u>	109,338	<u>\$ 68,024</u>
Fund balance - beginning			<u>176,475</u>	
Fund balance - ending			<u>\$ 285,813</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 16,391	\$ 16,391	\$ 2,100	\$ (14,291)
Expenditures:				
Current				
Economic development	13,791	13,791	-	13,791
Net change in fund balance	\$ 2,600	\$ 2,600	2,100	\$ (500)
Fund balance - beginning			23,789	
Fund balance - ending			\$ 25,889	

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

April 30, 2021

	Health Insurance Fund	Insurance and Tort Judgment Fund	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ -	\$ 371,637	\$ 371,637
Accounts receivable	917	14,582	15,499
Due from other funds	270,282	-	270,282
Due from component units	5,608	-	5,608
Prepaid items	-	244,744	244,744
Restricted assets:			
Cash and cash equivalents	6,209	-	6,209
Total current assets	283,016	630,963	913,979
Liabilities:			
Current liabilities:			
Accounts payable	274,703	23,785	298,488
Due to other funds	-	161,307	161,307
Due to component units	-	1,977	1,977
Payable from restricted assets			
Other payables	8,313	-	8,313
Total current liabilities	283,016	187,069	470,085
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, 2021

	Health Insurance Fund	Insurance and Tort Judgment Fund	Total
Operating revenues:			
Fund charges and employee contributions	\$ 5,233,173	\$ 761,498	\$ 5,994,671
Miscellaneous operating revenue	242	120,983	121,225
Total operating revenue	<u>5,233,415</u>	<u>882,481</u>	<u>6,115,896</u>
Operating expenses:			
Administrative and general	590,111	6,468	596,579
Insurance	637,748	876,013	1,513,761
Health claims and uninsured judgments	4,005,560	-	4,005,560
Total operating expenses	<u>5,233,419</u>	<u>882,481</u>	<u>6,115,900</u>
Operating loss	(4)	-	(4)
Non-operating revenues:			
Investment income	4	-	4
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, 2021

	Health Insurance Fund	Insurance and Tort Judgment Fund	Totals
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 3,849,082	\$ 964,218	\$ 4,813,300
Receipts from component units	83,795	11,732	95,527
Receipts from employees and retirees	1,253,097	-	1,253,097
Payments to suppliers	(1,217,361)	(961,797)	(2,179,158)
Payments to claimants	(3,968,129)	-	(3,968,129)
Other (payments) receipts	(3,077)	110,432	107,355
	<u>(2,593)</u>	<u>124,585</u>	<u>121,992</u>
Net cash provided (used) by operating activities			
Cash flows from investing activities:			
Investment income	4	-	4
	<u>4</u>	<u>-</u>	<u>4</u>
Net cash provided by investing activities			
Net increase (decrease) in cash	(2,589)	124,585	121,996
Cash, restricted and unrestricted - beginning	8,798	247,052	255,850
	<u>8,798</u>	<u>247,052</u>	<u>255,850</u>
Cash, restricted and unrestricted - ending	<u>\$ 6,209</u>	<u>\$ 371,637</u>	<u>\$ 377,846</u>
Reconciliation of operating (loss) to net cash (used) provided by operating activities:			
Operating (loss)	\$ (4)	\$ -	\$ (4)
Adjustments to reconcile operating (loss) to net cash provided by operating activities			
Decrease (increase) in receivables	2,658	(10,550)	(7,892)
(Increase) decrease in due from other funds	(49,658)	50,632	974
(Increase) decrease in due from component units	(199)	535	336
(Increase) in prepaid items	-	(83,051)	(83,051)
Increase in accounts payable	44,037	3,735	47,772
Increase in due to other funds	-	161,307	161,307
Increase in due to component units	-	1,977	1,977
Increase in other payables	573	-	573
	<u>573</u>	<u>-</u>	<u>573</u>
Net cash provided (used) by operating activities	<u>\$ (2,593)</u>	<u>\$ 124,585</u>	<u>\$ 121,992</u>

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

April 30, 2021

Assets:	
Cash and cash equivalents	\$ 152,463
Investments, at fair value	150,804
Accounts receivable	1,000
Due from primary government	1,977
	156,244
Total assets	\$ 306,244
Liabilities:	
Accounts payable	\$ 11,612
Payroll liabilities	15,428
Due to primary government	22,692
Advances from primary government	8,023
	57,755
Total liabilities	57,755
Fund Balance:	
Restricted	4,891
Unassigned	243,598
	248,489
Total fund balances	248,489
Total liabilities and fund balance	\$ 306,244

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, 2021

Revenues:	
Payments from primary government	\$ 499,894
Charges for services	6,157
Fines and forfeitures	863
Investment income	16,857
Operating contributions	<u>116,626</u>
Total revenues	<u>640,397</u>
Expenditures:	
Current	
Culture and recreation	603,389
Debt service	
Principal	5,000
Interest	<u>1,089</u>
Total expenditures	<u>609,478</u>
Excess of revenues over expenditures	30,919
Fund balance - beginning	<u>217,570</u>
Fund balance - ending	<u><u>\$ 248,489</u></u>

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

April 30, 2021

	Mattoon Police Pension Fund	Mattoon Firefighters Pension Fund	Totals
<b>Assets:</b>			
Cash	\$ 921,860	\$ 889,788	\$ 1,811,648
Interest receivable	46,286	21,386	67,672
Prepaid expenses	2,493	-	2,493
Due from primary government	44,281	44,281	88,562
Total assets other than investments	<u>1,014,920</u>	<u>955,455</u>	<u>1,970,375</u>
Investments at fair value			
Certificates of deposit	-	2,205,925	2,205,925
Corporate and municipal bonds	6,201,617	2,064,268	8,265,885
Insurance contracts	17,584,208	12,543,092	30,127,300
Annuities	-	577,587	577,587
Stocks	-	1,949,412	1,949,412
Total investments	<u>23,785,825</u>	<u>19,340,284</u>	<u>43,126,109</u>
Total assets	<u>24,800,745</u>	<u>20,295,739</u>	<u>45,096,484</u>
<b>Liabilities:</b>			
Accounts payable	14,471	-	14,471
Pensions payable	-	250,122	250,122
Total liabilities	<u>14,471</u>	<u>250,122</u>	<u>264,593</u>
<b>Net position:</b>			
Held in trust for pension benefits	<u>\$ 24,786,274</u>	<u>\$ 20,045,617</u>	<u>\$ 44,831,891</u>



CITY OF MATTOON, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY COMPONENT UNITS

For the Year Ended April 30, 2021

	Mattoon Police Pension Fund	Mattoon Firefighters Pension Fund	Totals
Additions:			
Contributions:			
Employer	\$ 2,046,794	\$ 2,317,049	\$ 4,363,843
Plan members	365,735	153,192	518,927
Total contributions	<u>2,412,529</u>	<u>2,470,241</u>	<u>4,882,770</u>
Investment income:			
Interest income	138,073	85,278	223,351
Dividend income	2,826	45,249	48,075
Net increase in fair value of investments	<u>6,444,205</u>	<u>4,729,184</u>	<u>11,173,389</u>
Net investment income	<u>6,585,104</u>	<u>4,859,711</u>	<u>11,444,815</u>
Total additions	<u>8,997,633</u>	<u>7,329,952</u>	<u>16,327,585</u>
Deductions:			
Benefits and refunds of contributions	2,487,172	2,973,186	5,460,358
Administrative expenses	60,209	12,468	72,677
Total deductions	<u>2,547,381</u>	<u>2,985,654</u>	<u>5,533,035</u>
Change in net position	6,450,252	4,344,298	10,794,550
Net position held in trust - beginning	<u>18,336,022</u>	<u>15,701,319</u>	<u>34,037,341</u>
Net position held in trust - ending	<u>\$ 24,786,274</u>	<u>\$ 20,045,617</u>	<u>\$ 44,831,891</u>

ACCOMPANYING INFORMATION SECTION

CITY OF MATTOON, ILLINOIS

LEGAL DEBT MARGIN  
(UNAUDITED)

April 30, 2021

Assessed valuation, 2020 levy		<u>\$ 209,661,877</u>
Statutory debt limitation: (8.625% of assessed valuation)		\$ 18,083,337
Total debt:		
General obligation bonds	\$ (7,000,000)	
Capital leases	(45,262)	
Notes payable	<u>(5,412,262)</u>	
Total debt		(12,457,524)
Less debt exempt from statutory debt limitation computation:		
General obligation bonds	7,000,000	
Notes payable - IEPA loans	<u>4,998,161</u>	
Total debt exempt from statutory debt limitation		<u>11,998,161</u>
Legal debt margin		<u>\$ 17,623,974</u>

COMPLIANCE SECTION

DOEHRING, WINDERS & CO. LLP  
*Certified Public Accountants*  
1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61938

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, 2021, 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 December 6, 2021.

**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) as a basis for designing 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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001, that we consider to be a material weakness.

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 statements. 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 response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City of Mattoon's responses was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.

*Doehring, Winkler & Co. LLP*

Mattoon, Illinois  
December 6, 2021

FEDERAL FINANCIAL COMPLIANCE

# DOEHRING, WINDERS & CO. LLP

*Certified Public Accountants*

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61938

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
City of Mattoon, Illinois  
Mattoon, Illinois

### **Report on Compliance for Major Federal Program**

We have audited the City of Mattoon, Illinois' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.



## Opinion on Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2021.

## Report on Internal Control Over Compliance

Management of the City of Mattoon, Illinois (City) is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Doehring, Winick & Co. LLP*

Mattoon, Illinois  
December 6, 2021

CITY OF MATTOON, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended April 30, 2021

Program	CFDA Number	Contract Number	Disbursements
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through Illinois Dept of Commerce and Economic Opportunity:</i>			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	19-243009	\$ 12,746
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	13-244036	25,000
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	13-244037	20,920
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	13-244082	25,000
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	13-244083	25,000
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	13-244084	25,000
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	13-244085	25,000
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	13-244086	25,000
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	13-244300	5,000
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	16-241002	<u>480,000</u>
Total U.S. Department of Housing and Urban Development			<u>668,666 (m)</u>
<u>U.S. Department of Justice</u>			
Bureau of Justice Assistance - Bullet Proof Vest	16.607	2018BUBX18092188	800
Bureau of Justice Assistance - Bullet Proof Vest	16.607	2019BUBX19096438	689
Bureau of Justice Assistance - Bullet Proof Vest	16.607	2020BUBX20020238	<u>105</u>
Total Bureau of Justice Assistance - BPV Partnership			<u>1,594</u>
School Violence Prevention Program	16.710	2018SVWX0063	<u>68,235</u>
<i>Passed through Illinois Criminal Justice Info Authority:</i>			
Edward Byrne Memorial Justice Assistance Grant	16.738	417703	27,885
Edward Byrne Memorial Justice Assistance Grant	16.738	418003	<u>87,879</u>
Total Edward Byrne Memorial Justice Assistance Grant			<u>115,764</u>
Total U.S. Department of Justice			<u>185,593</u>

CITY OF MATTOON, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended April 30, 2021

Program	CFDA Number	Contract Number	Disbursements
<u>National Highway Traffic Safety Administration</u>			
<i>Passed through Illinois Department of Transportation:</i>			
State and Community Highway Safety	20.600	AL23625053	1,344
Total National Highway Traffic Safety Administration			1,344
<u>Department of the Treasury</u>			
Treasury Forfeiture Fund	21.016	SI-GL-004-09	2,711
<i>Passed through Illinois Dept of Commerce and Economic Opportunity:</i>			
COVID-19 Coronavirus Relief Fund (CRF)	21.019	20-494603	660,544
Total Department of the Treasury			663,255
<u>U.S. Department of Homeland Security</u>			
<i>Passed through Illinois Emergency Management Agency:</i>			
Public Assistance Grant - COVID-19 Response	97.036	140825	11,756
<i>Passed through Mutual Aid Box Alarm System:</i>			
Homeland Security Grant Program	97.067	A1	793
Total U.S. Department of Homeland Security			12,549
Total expenditures of federal awards			\$ 1,531,407

(m) - major program

CITY OF MATTOON, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended April 30, 2021

**1 GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of The City of Mattoon, Illinois for the year ended April 30, 2021. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

There were no federal awards expended in the form of noncash assistance, and there were no insurance programs in effect during the year or loans/loan guarantees outstanding at year end. No federal awards were provided to subrecipients. The City has not elected to use the 10% de minimis indirect cost rate.

**2 BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

CITY OF MATTOON, ILLINOIS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended April 30, 2021

**Section I - Summary of Auditor's Results**

**Financial Statements in accordance with GAAP**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? No
- Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee No

CITY OF MATTOON, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended April 30, 2021

**FINDINGS AND QUESTIONED COSTS FOR FINANCIAL REPORTING**

**FINDING NO. 2021-001 - Controls Over Financial Statement Preparation  
(Repeat of 2020-001, 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.

**Corrective Action Plan:**

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 QUESTIONED COSTS (Continued)

For the Year Ended April 30, 2021

**FINDINGS AND QUESTIONED COSTS FOR FEDERAL GRANTS**

None to report.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

None to report.