

CITY OF MATTOON, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2022

CITY OF MATTOON, ILLINOIS
 FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
 For the Year Ended April 30, 2022

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MATTOON, ILLINOIS 61988

INDEPENDENT AUDITOR'S REPORT

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

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mattoon, Illinois, as of and for the year ended April 30, 2022, 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.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mattoon, as of April 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Mattoon and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mattoon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Mattoon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mattoon's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-16, pension plans' Schedules of Changes in the Employer's Net Pension Liability and Related Ratios on pages 90-92 and 95-98, pension plans' Schedule of Employer Contributions on pages 93-94 and 99-100, post-employment healthcare benefit program's Schedule of Changes in Total OPEB Liability and Related Ratios on pages 101-103, and budgetary comparison information on page 104, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200; *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information consists of the computation of legal debt margin included in the annual report. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, 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 the effectiveness of the City of Mattoon's 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, Winslow & Co. LLP

Mattoon, Illinois
December 16, 2022

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, 2022. 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 \$140,343,448 and total liabilities and deferred inflows of resources of \$169,303,943, resulting in a net position of (\$28,960,495) as of April 30, 2022. Total assets and deferred outflows of resources increased from April 30, 2021 by \$10,508,033, total liabilities and deferred inflows of resources decreased from April 30, 2021 by \$2,771,527, and the net position increased from April 30, 2021 by \$13,279,560. Of the net position as of April 30, 2022, \$71,672,169 represents the City's investment in capital assets, net of related debt, \$3,444,921 is held for restricted purposes, and (\$104,077,585) 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 \$2.8 million, from \$11.6 million to \$14.4 million. This includes federal monies received from Coronavirus State and Local Fiscal Recovery Funds that have not yet been spent. The City's unrestricted cash position in the business-type activities decreased by approximately \$1.2 million, from \$6.1 million to \$4.9 million.

- The following table shows the changes in major revenue sources from fiscal year 2021 to 2022.

**City of Mattoon, Illinois
Changes in Major Revenue Sources
April 30, 2022**

<u>Source</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Intergovernmental Shared Revenues	\$ 14,555,696	\$ 12,609,591	\$ 1,946,105
Property Tax Revenues	5,846,294	5,579,808	266,486
Telecommunications taxes	382,125	506,455	(124,330)
Utility Tax Revenues	1,493,488	1,344,202	149,286
Water Fund Charges for Services	3,737,737	3,575,996	161,741
Sewer Fund Charges for Services	4,276,051	4,166,265	109,786
Charges for Services	1,351,904	1,405,479	(53,575)
Table Totals	<u>\$ 31,643,295</u>	<u>\$ 29,187,796</u>	<u>\$ 2,455,499</u>

Revenues were relatively consistent except for shared revenues from the State. 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. Telecommunications taxes and charges for services both 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 Sewer Fund.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Additional Supplementary Information

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The *Statement of Net Position* for the City of Mattoon is summarized in the following table. As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$30.2 million as of April 30, 2022. 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.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current & Other Assets	\$29,196,605	\$24,249,128	\$11,018,554	\$9,809,728	\$40,215,159	\$34,058,856
Deferred Outflows of Resources	17,856,289	18,871,857	1,899,986	1,723,307	19,756,275	20,595,164
Capital Assets (net)	33,161,782	32,873,176	45,035,532	40,231,866	78,197,314	73,105,042
Total Assets and Deferred Outflows of Resources	\$80,214,676	\$75,994,161	\$57,954,072	\$51,764,901	\$138,168,748	\$127,759,062
Current Liabilities	\$2,850,961	\$2,118,867	\$994,969	\$1,130,346	\$3,845,930	\$3,249,213
Deferred Inflows of Resources	36,639,991	24,559,714	6,357,051	2,783,714	42,997,042	27,343,428
Non-current Liabilities	108,134,136	126,461,081	13,366,622	14,283,563	121,500,758	140,744,644
Total Liabilities and Deferred Inflows of Resources	\$147,625,088	\$153,139,662	\$20,718,642	\$18,197,623	\$168,343,730	\$171,337,285
Net Investment in Capital Assets	\$33,141,844	\$32,803,357	\$37,010,618	\$33,781,347	\$70,152,462	\$66,584,704
Restricted	3,435,059	3,145,083	-	-	3,435,059	3,145,083
Unrestricted	(103,987,315)	(113,093,941)	224,812	(214,069)	(103,762,503)	(113,308,010)
Total Net Position	(\$67,410,412)	(\$77,145,501)	\$37,235,430	\$33,567,278	(\$30,174,982)	(\$43,578,223)
Total Net Position as a % of Total Liabilities and Deferred Inflows of Resources	(45.7%)	(50.4%)	179.7%	184.5%	(17.9%)	(25.4%)
Unrestricted Net Position as a % of Total Liabilities and Deferred Inflows of Resources	(70.4%)	(73.9%)	1.1%	(1.2%)	(61.6%)	(66.1%)

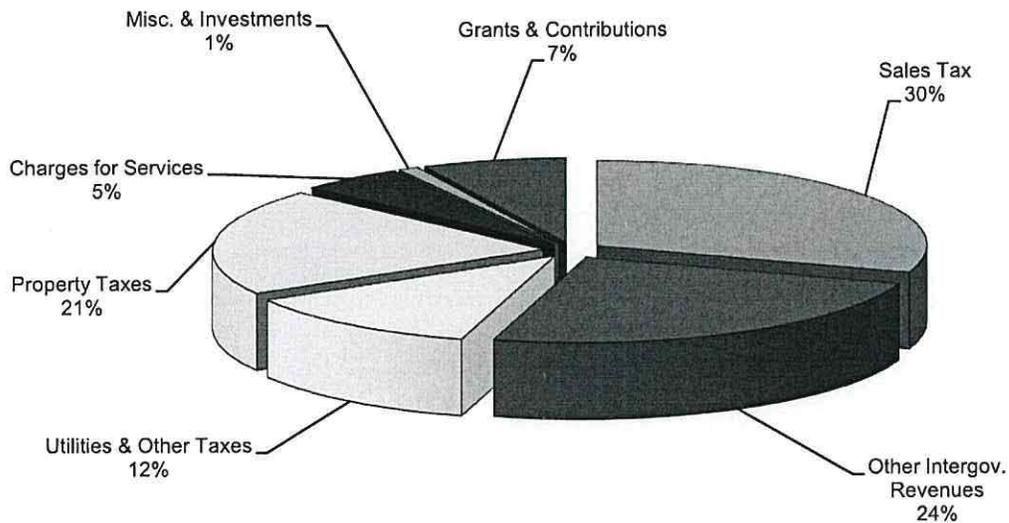
As of April 30, 2022, the governmental activities have a negative unrestricted net position of \$103,987,315. This is primarily due to unfunded net pension and health care liabilities for City workers. The business-type activities have a positive unrestricted net position of \$224,812.

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	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$1,351,904	\$1,405,479	\$8,013,788	\$7,742,261	\$9,365,692	\$9,147,740
Operating Grants & Contr.	421,111	1,276,930	3,365	0	424,476	1,276,930
Capital Grants & Contr.	1,462,282	3,186,122	2,142,881	0	3,605,163	3,186,122
General Revenues						
Property Taxes	5,846,294	5,579,808	0	0	5,846,294	5,579,808
Sales Taxes	8,156,684	7,404,615	0	0	8,156,684	7,404,615
Utility Taxes	1,493,488	1,344,202	0	0	1,493,488	1,344,202
Telecommunication Taxes	382,125	506,455	0	0	382,125	506,455
Other Taxes	1,434,295	1,285,021	0	0	1,434,295	1,285,021
Other Intergovern. Rev.	6,399,012	5,204,976	0	0	6,399,012	5,204,976
Investment Income	18,903	21,431	15,756	24,548	34,659	45,979
Miscellaneous Income	138,980	31,244	0	0	138,980	31,244
Gain (Loss) on Sale of Assets	48,893	113,047	19,278	11,673	68,171	124,720
Total Revenue	27,153,971	27,359,330	10,195,068	7,778,482	37,349,039	35,137,812
Expenses						
Program Expenses						
General Government	2,279,059	3,840,763	0	0	2,279,059	3,840,763
Public Safety	9,725,229	12,073,627	0	0	9,725,229	12,073,627
Public Works	2,615,527	4,260,843	0	0	2,615,527	4,260,843
Health and Welfare	137,299	809,263	0	0	137,299	809,263
Culture and Recreation	1,752,145	1,622,198	0	0	1,752,145	1,622,198
Economic Development	761,494	591,918	0	0	761,494	591,918
Interest on Long-Term Debt	148,129	174,903	0	0	148,129	174,903
Water	0	0	2,918,069	1,319,519	2,918,069	1,319,519
Sewer	0	0	3,608,847	1,048,245	3,608,847	1,048,245
Total Expenses	17,418,882	23,373,515	6,526,916	2,367,764	23,945,798	25,741,279
Increase (decrease) in net position						
before transfers	9,735,089	3,985,815	3,668,152	5,410,718	13,403,241	9,396,533
Transfers	0	0	0	0	0	0
Changes in Net Position	9,735,089	3,985,815	3,668,152	5,410,718	13,403,241	9,396,533
Net Position - May 1	(77,145,501)	(81,131,316)	33,567,278	28,156,560	(43,578,223)	(52,974,756)
Net Position - April 30	(\$67,410,412)	(\$77,145,501)	\$37,235,430	\$33,567,278	(\$30,174,982)	(\$43,578,223)

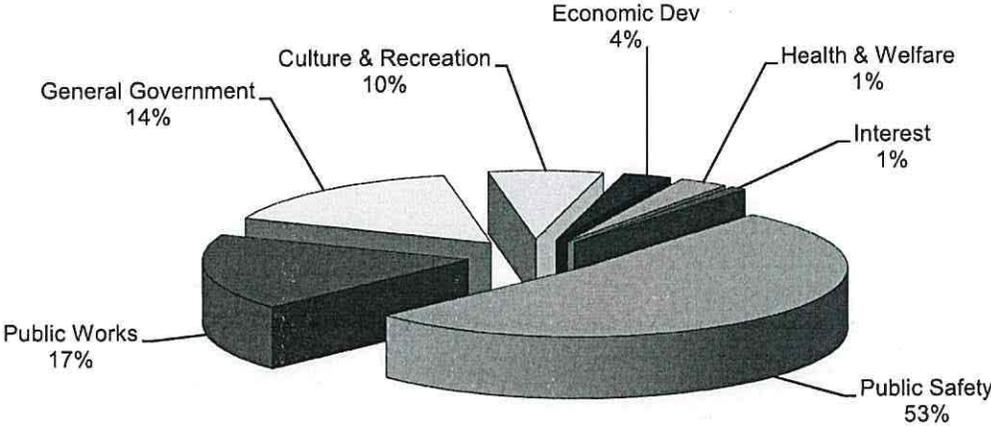
The following chart illustrates how governmental activities are funded. Sales taxes provided thirty percent (30%) of the governmental activities revenue. Other intergovernmental revenues (state shared taxes) provided twenty-four percent (24%) of the governmental activities revenue. Property taxes provided twenty-one percent (21%) 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 eighty-seven percent (87%) of the governmental activities revenue. The remaining thirteen percent (13%) came from charges for services, five percent (5%), miscellaneous and investment revenue, one percent (1%), and grants and contributions, seven percent (7%).

Governmental Activities Revenue



The following chart illustrates the expenses of the governmental activities. Public safety (fire and police protection) comprised fifty-three percent (53%) of the total expenses of the governmental activities. Public works comprised seventeen percent (17%) of the total expenses of the governmental activities. General government comprised fourteen percent (14%) of the total expenses of the governmental activities. The remaining sixteen percent (16%) came from expenses for culture and recreation, ten percent (10%), economic development, four percent (4%), interest, one percent (1%), and health & welfare, one percent (1%).

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, 2022, the City of Mattoon's *Balance Sheet - Governmental Funds* reported combined ending fund balances of \$15,397,394, an increase of \$1,998,152 from April 30, 2021. Of the ending fund balances total, \$177,490 is considered nonspendable, \$3,618,892 is restricted, \$937,586 is committed, \$1,115,289 is assigned, and \$9,548,137 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-three percent (93%) of revenues. Approximately seventy-three percent (73%) of the General Fund expenditures of \$20.4 million are allocated to the public safety sector. Another twelve percent (12%) of the General Fund expenditures are derived from the functions of general government. Approximately five percent (5%) of the General Fund's expenditures are derived from the public works operations.

The General Fund has a fund balance of \$11,178,376, an increase of \$1,373,436 over the balance as of April 30, 2021. 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 \$1,345,003, the Midtown TIF District Fund had a fund balance of \$557,929, and the Broadway East TIF District Fund had a fund balance of \$457,723. The Motor Fuel Tax Fund balance primarily reflects the amounts designated to pay for maintenance of existing streets, resurfacing and construction of new streets. The Midtown TIF District Fund is used to account for revenues and expenditures for implementation of the Mattoon Midtown Redevelopment Plan and Project. The Broadway East TIF District's fund balance is generally available to pay for eligible redevelopment costs and expenses related to projects within the district. The Capital Projects Fund has a fund balance of \$600,126. 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 \$444,581. 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, 2022 of \$813,656. The total accumulated fund balances of all of the Nonmajor Governmental Funds increased by \$624,716 during the year ended April 30, 2022.

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, 2022 was \$37,235,430, an increase of \$3,668,152 from the previous year.

For the year ended April 30, 2022, operating revenues in the Water Fund totaled \$3,738,457 (an increase of \$162,461 from fiscal year 2021), operating expenses totaled \$2,918,069 (an increase of \$1,599,408 from fiscal year 2021) producing operating income of \$820,388 (a decrease of \$1,436,947 from fiscal year 2021). Non-operating revenues and expenses netted to an increase in net position of \$139,124, leaving an increase to net position in the Water Fund of \$959,512. The largest factor in the increase in operating expenses was the change in the OPEB actuarial adjustment. A water rate increase went into effect on June 1, 2021.

For the year ended April 30, 2022, revenues in the Sewer Fund totaled \$4,278,696 (an increase of \$112,431 from fiscal year 2021), operating expenses totaled \$3,490,572 (an increase of \$2,573,895 from fiscal year 2021) producing operating income of \$788,124 (a decrease of \$2,461,464 from fiscal year 2021). Non-operating revenues and expenses netted to an increase in net position of \$1,920,516, leaving an increase to net position in the Sewer Fund of \$2,708,640. Again, the largest factor in the increase in operating expenses was the change in the OPEB actuarial adjustment. Similar to the Water Fund, the Sewer Fund had a rate increase that became effective 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 104. The final fiscal year 2022 General Fund budget authorized expenditures and other financing uses of \$21,259,900 funded by anticipated revenues and other financing sources of \$23,133,487 leaving the amount of revenues and other financing sources over expenditures and other financing uses of \$1,873,587. The actual amount of revenues and other financing sources over expenditures and other financing uses was \$1,373,436, a negative budget to actual variance of \$500,151.

The largest variances in General Fund revenues were from taxes and intergovernmental revenues. Taxes exceeded the budgeted amount by \$475,990. Intergovernmental revenues were less than the budgeted amount by \$925,753. Licenses and permits and investment income were under budget and charges for services, fines and forfeitures, and contributions and miscellaneous were over budget. General Fund expenditures had an overall variance of (\$158,312) with positive variances in General Government and Public Works and a negative variance in Public Safety.

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

CAPITAL ASSETS AND DEBT

Capital Assets

In accordance with the implementation requirements of GASB No. 34, the City has recorded historical costs and depreciation expense associated with all of its capital assets in the financial statements for the period ending on April 30, 2022. As summarized in the table below, the City's investment in capital assets for governmental and business-type activities as of April 30, 2022 totaled \$190.4 million. Forty-eight percent (48%) 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-two percent (52%) of the total, with the most significant portion being the infrastructure (roads, bridges, and sidewalks) of the City.

Total accumulated depreciation was \$112.2 million, or fifty-nine percent (59%) of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is \$78.2 million.

City of Mattoon, Illinois Capital Assets, Net of Accumulated Depreciation April 30, 2022

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	6,346,455	5,518,918	11,865,373
Improvements other than buildings	6,177,044	428,198	6,605,242
Infrastructure	69,816,856	-	69,816,856
Treat. collect. and distrib. systems	-	65,520,327	65,520,327
Construction in Progress	118,793	5,457,110	5,575,903
Subtotal	<u>99,614,530</u>	<u>90,762,087</u>	<u>190,376,617</u>
Less Accumulated Depreciation	<u>(66,452,748)</u>	<u>(45,726,555)</u>	<u>(112,179,303)</u>
Total	<u>\$ 33,161,782</u>	<u>\$ 45,035,532</u>	<u>\$ 78,197,314</u>

Long-Term Liabilities

On April 30, 2022, the City of Mattoon had \$121,500,758 of long-term liabilities outstanding, a decrease of \$19,243,886 from April 30, 2021, as summarized in the following table:

City of Mattoon, Illinois
General Obligation Bonds, Notes Outstanding and Other Long-Term Liabilities
April 30, 2022

Classification	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	\$ 4,985,000	\$ 880,415	\$ 5,865,415
Notes Payable	376,241	7,144,499	7,520,740
Compensated Absences	1,001,023	324,062	1,325,085
Net Pension Liability	65,605,672	-	65,605,672
Post-Employment Healthcare	36,166,200	5,017,646	41,183,846
Total	<u>\$ 108,134,136</u>	<u>\$ 13,366,622</u>	<u>\$121,500,758</u>

The liability for General Obligation Bonds decreased \$1,176,943 due to principal payments on the bonds. The Notes Payable liability increased \$2,108,478 mainly due to borrowing for Sewer Fund Projects. The liability for capital leases has been paid off.

The Net Pension Liability decreased \$10,338,475 from the prior year. The liability for Compensated Absences decreased \$105,143 and the Net OPEB Liability decreased \$9,686,541 during this fiscal year. Detailed information regarding specific debt can be found in notes 12, 13, 14, and 15 beginning on page 57.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF MATTOON, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mattoon Public Library
Assets:				
Cash and cash equivalents	\$ 14,422,712	\$ 4,962,880	\$ 19,385,592	\$ 203,283
Investments, at fair value	-	-	-	147,285
Receivables	10,433,787	1,080,068	11,513,855	-
Internal balances	64,829	(64,829)	-	-
Due from primary government	-	-	-	-
Due from component units	24,562	-	24,562	-
Prepaid items	434,662	6,252	440,914	-
Restricted assets:				
Cash and cash equivalents	391,296	539,124	930,420	-
Certificates of deposit	9,624	-	9,624	-
Noncurrent assets:				
Cemetery development	60,652	-	60,652	-
Long-term receivables	95,427	-	95,427	-
Net pension asset - IMRF	3,259,054	4,495,059	7,754,113	206,989
Capital assets, net of depreciation				
Land	3,567,026	587,155	4,154,181	-
Buildings and building improvements	8,761,220	6,238,287	14,999,507	1,551,616
Improvements other than buildings	4,175,267	231,164	4,406,431	-
Treatments, collection and distribution systems	-	31,610,083	31,610,083	-
Infrastructure	16,194,145	-	16,194,145	-
Equipment, furniture and vehicles	345,331	911,733	1,257,064	-
Construction in progress	118,793	5,457,110	5,575,903	-
Total assets	62,358,387	56,054,086	118,412,473	2,109,173
Deferred outflows of resources:				
Pension items - IMRF	352,034	380,018	732,052	21,375
Pension items - Police Pension Fund	6,389,108	-	6,389,108	-
Pension items - Firefighters' Pension Fund	3,351,747	-	3,351,747	-
Post-employment healthcare benefits	7,763,400	1,519,968	9,283,368	44,152
Total deferred outflows of resources	17,856,289	1,899,986	19,756,275	65,527
Combined assets and deferred outflows of resources	\$ 80,214,676	\$ 57,954,072	\$ 138,168,748	\$ 2,174,700

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

CITY OF MATTOON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mattoon Public Library
Liabilities:				
Accounts payable	\$ 1,260,333	\$ 687,260	\$ 1,947,593	\$ 3,413
Payroll liabilities payable	173,545	78,418	251,963	6,535
Accrued interest expense	57,488	30,292	87,780	-
Due to primary government	-	-	-	24,562
Due to component units	135,450	-	135,450	-
Unearned revenue	1,213,682	-	1,213,682	-
Other payables from restricted assets	10,463	198,999	209,462	-
Advances from primary government	-	-	-	-
Noncurrent liabilities:				
Due within one year	869,416	975,973	1,845,389	7,464
Due in more than one year	107,264,720	12,390,649	119,655,369	218,146
Total liabilities	110,985,097	14,361,591	125,346,688	260,120
Deferred inflows of resources:				
Pension items - IMRF	2,595,947	3,580,468	6,176,415	164,873
Pension items - Police Pension Fund	9,390,719	-	9,390,719	-
Pension items - Firefighters' Pension Fund	8,023,657	-	8,023,657	-
Post-employment healthcare benefits	10,336,391	2,776,583	13,112,974	535,220
Current refunding - unamortized premiums	34,540	-	34,540	-
Property taxes	6,258,737	-	6,258,737	-
Total deferred inflows of resources	36,639,991	6,357,051	42,997,042	700,093
Combined liabilities and deferred inflows of resources	147,625,088	20,718,642	168,343,730	960,213
Net position:				
Net investment in capital assets	33,141,844	37,010,618	70,152,462	1,526,616
Restricted for:				
Public safety	64,336	-	64,336	-
Highways and streets	1,345,003	-	1,345,003	-
Culture and recreation	339,265	-	339,265	9,862
Economic development	1,377,115	-	1,377,115	-
Cemetery maintenance	309,340	-	309,340	-
Unrestricted	(103,987,315)	224,812	(103,762,503)	(321,991)
Total net position	\$ (67,410,412)	\$ 37,235,430	\$ (30,174,982)	\$ 1,214,487

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

CITY OF MATTOON, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2022

Functions/Programs:	Program Revenues				Net Revenue (Expense) and Changes in Net Position			Component
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Unit	
					Governmental Activities	Business-Type Activities	Mattoon Public Library	
Primary Government:								
Governmental Activities:								
General government	\$ 2,279,059	\$ 294,246	-	\$ -	\$ (1,984,813)	\$ -	\$ (1,984,813)	
Public safety	9,725,229	444,256	184,749	22,076	(9,074,148)	-	(9,074,148)	
Public works	2,615,527	77,957	12,807	1,440,206	(1,084,557)	-	(1,084,557)	
Health and welfare	137,299	123,880	-	-	(13,419)	-	(13,419)	
Culture and recreation	1,752,145	411,565	223,555	-	(1,117,025)	-	(1,117,025)	
Economic development	761,494	-	-	-	(761,494)	-	(761,494)	
Interest on long-term debt	148,129	-	-	-	(148,129)	-	(148,129)	
Total governmental activities	<u>17,418,882</u>	<u>1,351,904</u>	<u>421,111</u>	<u>1,462,282</u>	<u>(14,183,585)</u>	<u>-</u>	<u>(14,183,585)</u>	
Business-type activities:								
Water	2,918,069	3,737,737	720	108,946	-	929,334	929,334	
Sewer	3,608,847	4,276,051	2,645	2,033,935	-	2,703,784	2,703,784	
Total business-type activities	<u>6,526,916</u>	<u>8,013,788</u>	<u>3,365</u>	<u>2,142,881</u>	<u>-</u>	<u>3,633,118</u>	<u>3,633,118</u>	
Total primary government	<u>\$ 23,945,798</u>	<u>\$ 9,365,692</u>	<u>\$ 424,476</u>	<u>\$ 3,605,163</u>	<u>(14,183,585)</u>	<u>3,633,118</u>	<u>(10,550,467)</u>	
Component Unit:								
Mattoon Public Library	<u>\$ 863,679</u>	<u>\$ 9,116</u>	<u>\$ 169,811</u>	<u>\$ -</u>			<u>\$ (684,752)</u>	
General Revenues:								
Property taxes					4,669,643	-	4,669,643	-
TIF property tax increment					1,176,651	-	1,176,651	-
Telecommunications taxes					382,125	-	382,125	-
Utility taxes					1,493,488	-	1,493,488	-
Business district taxes					537,861	-	537,861	-
Other taxes					896,434	-	896,434	-
Payments from primary government					-	-	-	563,542
Sales taxes					8,156,684	-	8,156,684	-
Income and use taxes					3,372,916	-	3,372,916	-
Other intergovernmental revenues					3,026,096	-	3,026,096	-
Investment income (loss)					18,903	15,756	34,659	(2,471)
Miscellaneous income					138,980	-	138,980	-
Gain on disposal of capital assets, net					48,893	19,278	68,171	-
Total general revenues and transfers					<u>23,918,674</u>	<u>35,034</u>	<u>23,953,708</u>	<u>561,071</u>
Change in net position					9,735,089	3,668,152	13,403,241	(123,681)
Net position - beginning					<u>(77,145,501)</u>	<u>33,567,278</u>	<u>(43,578,223)</u>	<u>1,338,168</u>
Net position - ending					<u>\$ (67,410,412)</u>	<u>\$ 37,235,430</u>	<u>\$ (30,174,982)</u>	<u>\$ 1,214,487</u>

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

CITY OF MATTOON, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 9,754,708	\$ 4,570,626	\$ 14,325,334
Receivables, net of allowance for uncollectibles	8,862,574	1,566,350	10,428,924
Due from other funds	-	145,374	145,374
Due from component units	18,571	-	18,571
Prepaid items	21,411	-	21,411
Long-term receivables	95,427	-	95,427
Cemetery development	60,652	-	60,652
Restricted assets:			
Cash and cash equivalents	382,936	-	382,936
Certificates of deposit	9,624	-	9,624
Total assets	<u>\$ 19,205,903</u>	<u>\$ 6,282,350</u>	<u>\$ 25,488,253</u>
Liabilities:			
Accounts payable	\$ 155,270	\$ 739,946	\$ 895,216
Payroll liabilities payable	170,791	2,754	173,545
Due to other funds	369,616	560	370,176
Due to component units	135,450	-	135,450
Unearned revenue	1,213,682	-	1,213,682
Total liabilities	<u>2,044,809</u>	<u>743,260</u>	<u>2,788,069</u>
Deferred inflows of resources	<u>5,982,718</u>	<u>1,320,072</u>	<u>7,302,790</u>
Fund Balance:			
Nonspendable	177,490	-	177,490
Restricted	-	3,618,892	3,618,892
Committed	337,460	600,126	937,586
Assigned	1,115,289	-	1,115,289
Unassigned	9,548,137	-	9,548,137
Total fund balance	<u>11,178,376</u>	<u>4,219,018</u>	<u>15,397,394</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 19,205,903</u>	<u>\$ 6,282,350</u>	<u>\$ 25,488,253</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, 2022

Total fund balances - governmental funds	\$ 15,397,394
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.	33,161,782
Receivables not available to pay for current-period expenditures and, therefore, not reported in the funds.	1,044,053
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.	(12,490,425)
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>(104,967,110)</u>
Net position of governmental activities	<u>\$ (67,410,412)</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, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 7,157,866	\$ 2,040,886	\$ 9,198,752
Licenses and permits	227,198	-	227,198
Intergovernmental revenues	14,022,318	1,837,782	15,860,100
Charges for services	793,462	-	793,462
Fines and forfeitures	123,042	-	123,042
Investment income	15,474	3,063	18,537
Contributions and miscellaneous revenues	371,641	368,174	739,815
Total revenues	<u>22,711,001</u>	<u>4,249,905</u>	<u>26,960,906</u>
Expenditures:			
Current:			
General government	2,408,275	-	2,408,275
Public safety	14,891,066	-	14,891,066
Public works	1,083,593	898,578	1,982,171
Health and welfare	184,849	-	184,849
Culture and recreation	1,773,837	247,152	2,020,989
Economic development	52,884	708,609	761,493
Capital outlay	30,110	1,875,096	1,905,206
Debt service:			
Principal	45,262	642,859	688,121
Interest and fiscal charges	2,463	168,121	170,584
Total expenditures	<u>20,472,339</u>	<u>4,540,415</u>	<u>25,012,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,238,662</u>	<u>(290,510)</u>	<u>1,948,152</u>
Other financing sources (uses):			
Transfers in	20,000	941,226	961,226
Transfers out	(935,226)	(26,000)	(961,226)
Proceeds from sale of assets	50,000	-	50,000
Total other financing sources (uses)	<u>(865,226)</u>	<u>915,226</u>	<u>50,000</u>
Net change in fund balances	1,373,436	624,716	1,998,152
Fund balance - beginning	<u>9,804,940</u>	<u>3,594,302</u>	<u>13,399,242</u>
Fund balance - ending	<u>\$ 11,178,376</u>	<u>\$ 4,219,018</u>	<u>\$ 15,397,394</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, 2022

Net change in fund balances	\$ 1,998,152
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.	289,713
The net effect of various miscellaneous transactions involving capital assets (e.g. sales and donations) is to decrease net position.	(1,107)
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.	144,170
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.	694,959
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>6,609,202</u>
Change in net position of governmental activities	<u>\$ 9,735,089</u>

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

CITY OF MATTOON, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 1,589,171	\$ 3,373,709	\$ 4,962,880	\$ 97,378
Receivables, net of allowance	478,738	601,330	1,080,068	4,863
Due from other funds	720	2,644	3,364	289,631
Due from component units	-	-	-	5,991
Prepaid items	-	6,252	6,252	413,251
Restricted assets:				
Cash and cash equivalents	131,500	407,624	539,124	8,360
Total current assets	<u>2,200,129</u>	<u>4,391,559</u>	<u>6,591,688</u>	<u>819,474</u>
Noncurrent assets:				
Net pension asset	2,306,073	2,188,986	4,495,059	-
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	417,195	11,003	428,198	-
Treatment, collection and distribution systems	16,373,329	49,146,998	65,520,327	-
Equipment, furniture and vehicles	2,994,762	2,524,156	5,518,918	-
Construction in progress	13,112	5,443,998	5,457,110	-
Less: accumulated depreciation	<u>(17,044,030)</u>	<u>(28,682,525)</u>	<u>(45,726,555)</u>	<u>-</u>
Total noncurrent assets	<u>17,579,689</u>	<u>31,950,902</u>	<u>49,530,591</u>	<u>-</u>
Total assets	<u>19,779,818</u>	<u>36,342,461</u>	<u>56,122,279</u>	<u>819,474</u>
Deferred outflows of resources:				
Deferred items - IMRF	194,959	185,059	380,018	-
Deferred items - OPEB	<u>464,321</u>	<u>1,055,647</u>	<u>1,519,968</u>	<u>-</u>
Total deferred outflows of resources	<u>659,280</u>	<u>1,240,706</u>	<u>1,899,986</u>	<u>-</u>
Combined assets and deferred outflows of resources	<u>\$ 20,439,098</u>	<u>\$ 37,583,167</u>	<u>\$ 58,022,265</u>	<u>\$ 819,474</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, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Liabilities:				
Current liabilities:				
Accounts payable	\$ 77,115	\$ 610,145	\$ 687,260	\$ 365,117
Payroll liabilities payable	39,962	38,456	78,418	-
Accrued interest	-	30,292	30,292	-
Due to other funds	33,031	35,162	68,193	-
Due to component unit	-	-	-	-
Compensated absences payable - current	34,771	30,041	64,812	-
General obligation bonds - current	-	570,000	570,000	-
Notes payable - current	-	341,161	341,161	-
Other payables from restricted assets	198,999	-	198,999	10,463
Total current liabilities	383,878	1,655,257	2,039,135	375,580
Noncurrent liabilities:				
Long-term debt payable:				
General obligation bonds payable, net of unamortized discounts and premiums	-	310,415	310,415	-
Notes payable	-	6,803,338	6,803,338	-
Compensated absences payable	139,084	120,166	259,250	-
Net other post-employment healthcare benefits liability	2,797,712	2,219,934	5,017,646	-
Total noncurrent liabilities	2,936,796	9,453,853	12,390,649	-
Total liabilities	3,320,674	11,109,110	14,429,784	375,580
Deferred inflows of resources:				
Deferred items - IMRF	1,836,866	1,743,602	3,580,468	-
Deferred items - OPEB	1,180,715	1,595,868	2,776,583	-
Total deferred inflows of resources	3,017,581	3,339,470	6,357,051	-
Combined liabilities and deferred inflows of resources	6,338,255	14,448,580	20,786,835	375,580
Net position:				
Net investment in capital assets	15,273,616	21,737,002	37,010,618	-
Unrestricted	(1,172,773)	1,397,585	224,812	443,894
Total net position	\$ 14,100,843	\$ 23,134,587	\$ 37,235,430	\$ 443,894

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, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Funds
Operating revenues:				
Charges for services	\$ 3,737,737	\$ 4,276,051	\$ 8,013,788	\$ -
Fund charges and employee contributions	-	-	-	6,053,399
Operating grants and contributions				11,910
Miscellaneous operating revenues	720	2,645	3,365	58,916
Total operating revenues	<u>3,738,457</u>	<u>4,278,696</u>	<u>8,017,153</u>	<u>6,124,225</u>
Operating expenses:				
Reservoirs and sources of supply	15,201	-	15,201	-
Water treatment plant	969,584	-	969,584	-
Water distribution	647,776	-	647,776	-
Sewer collection system	-	609,276	609,276	-
Sewer lift stations	-	128,754	128,754	-
Wastewater treatment plant	-	983,599	983,599	-
Accounting and collection	421,622	285,913	707,535	-
Administrative and general	407,138	480,948	888,086	604,459
OPEB actuarial adjustment	(267,895)	16,883	(251,012)	-
Insurance	-	-	-	1,722,835
Health claims and uninsured judgments	-	-	-	3,796,938
Depreciation	724,643	985,199	1,709,842	-
Total operating expenses	<u>2,918,069</u>	<u>3,490,572</u>	<u>6,408,641</u>	<u>6,124,232</u>
Operating income	<u>820,388</u>	<u>788,124</u>	<u>1,608,512</u>	<u>(7)</u>
Nonoperating revenues (expenses):				
Investment income	10,900	4,856	15,756	7
Interest expense	-	(118,275)	(118,275)	-
Capital contributions	108,946	-	108,946	-
Capital grant	-	2,033,935	2,033,935	-
Gain on sale of assets	19,278	-	19,278	-
Total nonoperating revenues (expenses)	<u>139,124</u>	<u>1,920,516</u>	<u>2,059,640</u>	<u>7</u>
Change in net position	<u>959,512</u>	<u>2,708,640</u>	<u>3,668,152</u>	<u>-</u>
Total net position - beginning	<u>13,141,331</u>	<u>20,425,947</u>	<u>33,567,278</u>	<u>443,894</u>
Total net position - ending	<u>\$ 14,100,843</u>	<u>\$ 23,134,587</u>	<u>\$ 37,235,430</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, 2022

	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	\$ 3,740,193	\$ 4,295,506	\$ 8,035,699	\$ -
Receipts from interfund services provided	-	-	-	4,400,335
Receipts from component units	-	-	-	92,261
Receipts from employees and retirees	-	-	-	1,371,524
Payments to employees	(1,169,064)	(1,058,267)	(2,227,331)	-
Payments to suppliers	(1,686,247)	(1,289,353)	(2,975,600)	(2,475,218)
Payments to claimants	-	-	-	(3,736,323)
Payments for interfund services used	(507,644)	(546,223)	(1,053,867)	-
Other receipts	720	2,645	3,365	75,306
Net cash provided by operating activities	<u>377,958</u>	<u>1,404,308</u>	<u>1,782,266</u>	<u>(272,115)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(746,902)	(5,766,607)	(6,513,509)	-
Capital grants	-	2,033,936	2,033,936	-
Principal payments on debt	-	(835,997)	(835,997)	-
Debt proceeds	-	2,427,335	2,427,335	-
Interest and fiscal charges	-	(142,693)	(142,693)	-
Capital contributions	108,946	-	108,946	-
Proceeds from sale of assets	19,278	-	19,278	-
Net cash (used) for capital and related financing activities	<u>(618,678)</u>	<u>(2,284,026)</u>	<u>(2,902,704)</u>	<u>-</u>
Cash flows from investing activities:				
Investment income received (net of expense)	10,900	4,856	15,756	7
Net cash provided by investing activities	<u>10,900</u>	<u>4,856</u>	<u>15,756</u>	<u>7</u>
Net (decrease) in cash	(229,820)	(874,862)	(1,104,682)	(272,108)
Cash, restricted and unrestricted - beginning	1,950,491	4,656,195	6,606,686	377,846
Cash, restricted and unrestricted - ending	<u>\$ 1,720,671</u>	<u>\$ 3,781,333</u>	<u>\$ 5,502,004</u>	<u>\$ 105,738</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, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 820,388	\$ 788,124	\$ 1,608,512	\$ (7)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	724,643	985,199	1,709,842	-
(Increase) decrease in assets:				
Decrease in receivables	3,467	19,453	22,920	10,636
Decrease in due from other funds	16,971	32,500	49,471	(19,349)
(Increase) in due from component units	-	-	-	(383)
(Increase) in prepaid items	-	(2)	(2)	(168,507)
(Increase) in net pension asset	(1,226,478)	(1,164,206)	(2,390,684)	-
Decrease (increase) in deferred outflows of resources:				
(Increase) in deferred items - IMRF	(110,121)	(104,529)	(214,650)	-
Decrease in deferred items - OPEB	33,721	4,250	37,971	-
Increase (decrease) in liabilities:				
Increase (decrease) in accounts payable	(271,591)	145,734	(125,857)	66,629
Increase (decrease) in payroll liabilities payable	(3,616)	2,583	(1,033)	-
Increase (decrease) in due to other funds	2,014	2,773	4,787	(161,307)
(Decrease) in due to component units	-	-	-	(1,977)
Increase (decrease) in compensated absences payable	(14,907)	9,552	(5,355)	-
(Decrease) in other post-employment benefits liability	(1,368,175)	(1,117,806)	(2,485,981)	-
(Increase) in other payables	(1,012)	-	(1,012)	2,150
Increase in deferred inflows of resources:				
Increase in deferred items - IMRF	706,095	670,244	1,376,339	-
Increase in deferred items - OPEB	1,066,559	1,130,439	2,196,998	-
Net cash provided by operating activities	<u>\$ 377,958</u>	<u>\$ 1,404,308</u>	<u>\$ 1,782,266</u>	<u>\$ (272,115)</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, 2022

	Pension Component Units
Assets:	
Cash	\$ 2,005,630
Interest receivable	48,453
Prepaid expenses	2,502
Due from primary government	135,450
Total assets other than investments	2,192,035
Investments, at fair value:	
Certificate of deposit	710,340
Corporate and municipal bonds	5,841,714
Insurance contracts	25,764,666
Annuities	585,962
Pooled investments	6,866,599
Total investments	39,769,281
Total assets	41,961,316
Liabilities:	
Accounts payable	55,797
Pensions payable	258,590
Total liabilities	314,387
Net Position:	
Held in trust for pension benefits	\$ 41,646,929

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, 2022

	<u>Pension Component Units</u>
Additions:	
Contributions:	
Employer	\$ 5,623,271
Plan members	<u>701,540</u>
Total contributions	<u>6,324,811</u>
Investment income:	
Interest income	240,684
Dividend income	26,479
Net (decrease) in fair value of investments	<u>(3,741,765)</u>
Net investment income	<u>(3,474,602)</u>
Total additions	<u>2,850,209</u>
Deductions:	
Benefits and refunds of contributions	5,946,052
Administrative expenses	<u>89,119</u>
Total deductions	<u>6,035,171</u>
Change in net position	(3,184,962)
Net position held in trust - beginning	<u>44,831,891</u>
Net position held in trust - ending	<u><u>\$ 41,646,929</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, 2022

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 Firefighters Pensions component units listed below.

The Police and Firefighters 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 Firefighters 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 unit – 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 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, 2022

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, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recapture- The State of Illinois legislature passed Public Act 102-0519 creating Section 18-233 of the Property Tax Code which was approved by the Governor. This law allows the City to automatically levy an additional property tax amount for certain types of property tax refunds paid out by the City for the prior year. The three types of property tax refunds are: the issuance of a certificate of error, a court order issued in a valuation tax objection complaint, and a decision of the Property Tax Appeal Board. The City must compute the amount and this amount must be certified by the County Treasurer by November 15th each year. Once certified, the County Clerk will add this amount to next year's property tax levy of the City. This tax is unrestricted.

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.).

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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.).

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 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.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS (continued)

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.

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.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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.

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 2020 tax extension to the City on June 30, 2021, August 2, 2021, October 1, 2021, and November 19, 2021. The City Council adopted the 2021 tax levy (receivable in calendar year 2022) on December 7, 2021. The 2021 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 2020 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.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
- 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. Due to a recently implemented Illinois statutory requirement, management of investments are in the process of being transferred to the Illinois Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEPOSITS AND INVESTMENTS (Continued)

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.

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.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS (Continued)

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

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.

CITY OF MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended April 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM OBLIGATIONS (Continued)

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

FUND BALANCES

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

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

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

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

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

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

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND BALANCES (Continued)

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 \$3,435,059 of which \$1,684,268 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, 2021 and was amended on April 19, 2022.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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	\$ (4,985,000)
Plus: bond premium (to be amortized as interest expense)	(34,540)
Accrued interest payable	(57,488)
Notes payable	(376,241)
Compensated absences payable	(1,001,023)
Net pension asset - IMRF	3,259,054
Net pension liability - police pension	(34,278,845)
Net pension liability - firefighter pension	(31,326,827)
Net OPEB liability	<u>(36,166,200)</u>
Net adjustment to reduce "total fund balances, governmental funds" to arrive at "net position of governmental activities"	 <u><u>\$ (104,967,110)</u></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	\$ 352,034
Deferred outflows - Mattoon Police Pension Trust Fund	6,389,108
Deferred outflows - Mattoon Firefighters Pension Trust Fund	3,351,747
Deferred outflows - OPEB	7,763,400
Deferred inflows - IMRF	(2,595,947)
Deferred inflows - Mattoon Police Pension Trust Fund	(9,390,719)
Deferred inflows - Mattoon Firefighters' Pension Trust Fund	(8,023,657)
Deferred inflows - OPEB	<u>(10,336,391)</u>
	 <u><u>\$ (12,490,425)</u></u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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

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

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

Capital outlay	\$ 1,905,206
Depreciation	<u>(1,615,493)</u>
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	<u>\$ 289,713</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	\$ 48,893
Proceeds from sale of assets	<u>(50,000)</u>
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	<u>\$ (1,107)</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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	\$	605,000
Capital leases		45,262
Notes payable		37,860
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"	\$	694,959

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		
Accrued interest	\$	99,788
Change in net OPEB liability		15,618
Change in the net pension liability:		7,200,560
IMRF	\$	1,733,318
Mattoon Police Pension Trust Fund		7,034,056
Mattoon Firefighters Police Pension Trust Fund		3,304,419
		12,071,793
Change in deferred inflows and outflows of resources:		
IMRF		(765,749)
Mattoon Police Pension Trust Fund		(5,570,494)
Mattoon Firefighters Police Pension Trust Fund		(108,152)
OPEB		(6,334,162)
Net adjustment to reduce "net change in fund balances, governmental funds" to arrive at "changes in net position of governmental activities"	\$	(12,778,557)
		6,609,202

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

3 DEPOSITS AND INVESTMENTS

A. DEPOSITS

At April 30, 2022, the carrying amount of the primary government's deposits was \$11,253,332 and the bank balance was \$11,766,612. The governmental component unit (Mattoon Public Library) had deposits with a carrying amount of \$203,068 and bank balances totaling \$204,928. The fiduciary component units had deposits with a carrying amount of \$2,005,630 and bank balances totaling \$1,923,917. 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, 2022, 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 \$3,979,373, with \$3,479,373 uninsured by FDIC, but fully collateralized by securities pledged by the financial institution. The City's cash balance at First Mid Bank & Trust totaled \$7,775,576, with \$7,525,576 uninsured by FDIC, but fully collateralized by securities pledged by the financial institution.

B. INVESTMENTS

At April 30, 2022, 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	\$ 9,071,604	AAAmf	Demand *

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

At April 30, 2022, 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	\$ 55,498	N/A	N/A
Certificate of deposit - Washington Savings Bank	91,787	N/A	N/A
	<u>\$ 147,285</u>		

At April 30, 2022, 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	\$ 585,962	N/A	N/A
Pooled investments		6,866,599	N/A	N/A
Certificates of deposit	2	710,340	N/A	N/A
Corporate and municipal bonds	2	5,841,714	A+/AA3	4.52
Insurance contracts		25,764,666	A+/A2	N/A
Total		<u>\$ 39,769,281</u>		

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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 Fitch'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, 2022

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 (25.81%), and Venerable Insurance and Annuity Company (VOYA) annuities (34.64%).

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	\$ 11,253,332	\$ 203,068	\$ 2,005,630
Investments, at fair value	9,071,604	147,285	39,769,281
Cash on hand	700	215	-
	<u>\$ 20,325,636</u>	<u>\$ 350,568</u>	<u>\$ 41,774,911</u>
Cash, certificate of deposit and investments per statements:			
Cash and cash equivalents	\$ 19,385,592	\$ 203,283	\$ 2,005,630
Investments, at fair value	-	147,285	39,769,281
Restricted assets:			
Cash and cash equivalents	930,420	-	-
Certificate of deposit	9,624	-	-
	<u>\$ 20,325,636</u>	<u>\$ 350,568</u>	<u>\$ 41,774,911</u>
Total cash and cash equivalents, certificates of deposit and investments	<u>\$ 20,325,636</u>	<u>\$ 350,568</u>	<u>\$ 41,774,911</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

4 RECEIVABLES

Receivables balances as of April 30, 2022, for the primary government were as follows:

	Governmental Activities			
	Governmental Funds		Proprietary Funds	
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Property taxes	\$ 4,985,500	\$ -	\$ -	\$ 4,985,500
TIF property tax increment	-	1,273,238	-	1,273,238
Business district taxes	-	128,214	-	128,214
Utility taxes	133,707	-	-	133,707
Telecommunications taxes	88,152	-	-	88,152
Income and use taxes	845,691	-	-	845,691
Sales taxes	1,985,571	-	-	1,985,571
Personal property replacement taxes	384,685	-	-	384,685
Motor fuel taxes	-	124,720	-	124,720
Other taxes	132,766	38,208	-	170,974
Ambulance	31,819	-	-	31,819
Grants	-	-	-	-
Other receivables	274,683	1,970	4,863	281,516
Total	\$ 8,862,574	\$ 1,566,350	\$ 4,863	\$ 10,433,787

	Business-Type Activities		
	Proprietary Funds		
	Water Fund	Sewer Fund	Total
Customer receivables	\$ 481,510	\$ 603,120	\$ 1,084,630
Less: allowance for uncollectible accounts	(2,772)	(1,790)	(4,562)
Total	\$ 478,738	\$ 601,330	\$ 1,080,068

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

5 SCHEDULE OF PAYABLES AND RECEIVABLES WITHIN THE REPORTING ENTITY

Payables and receivables between funds consisted of the following at April 30, 2022:

<u>Due to/from Other funds</u>		
<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ -	\$ 369,616
Nonmajor Governmental Funds		
Capital Projects Fund	145,051	-
Hotel and Motel Tax Fund	323	560
Total nonmajor governmental funds	<u>145,374</u>	<u>560</u>
Total governmental funds	<u>145,374</u>	<u>370,176</u>
Proprietary Funds:		
Enterprise Funds:		
Water Fund	720	33,031
Sewer Fund	<u>2,644</u>	<u>35,162</u>
Total Enterprise Funds	<u>3,364</u>	<u>68,193</u>
Internal Service Funds:		
Health Insurance Fund	271,555	-
Insurance and Tort Judgment Fund	<u>18,076</u>	<u>-</u>
Total Internal Service Funds	<u>289,631</u>	<u>-</u>
Total Proprietary Funds	<u>292,995</u>	<u>68,193</u>
Due To/From Other Funds	<u>\$ 438,369</u>	<u>\$ 438,369</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.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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, 2022:

Due between primary government and component units

Fund	Receivable	Payable
Primary Government:		
Governmental Fund:		
General Fund	\$ 18,571	\$ 135,450
Proprietary Funds:		
Enterprise Funds:		
Internal Service Funds:		
Health Insurance Fund	5,753	-
Insurance and Tort Judgment Fund	238	-
Total Internal Service Funds	5,991	-
Total Primary Government	24,562	135,450
Component Units:		
Governmental Component Unit:		
Mattoon Public Library	-	24,562
Fiduciary Component Units:		
Mattoon Firefighters Pension Fund	67,725	-
Mattoon Police Pension Fund	67,725	-
Total Fiduciary Component Units	135,450	-
Total Component Units	135,450	24,562
Due between primary government and component units	\$ 160,012	\$ 160,012

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.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

6 CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2022, was as follows:

	Balance April 30, 2021	Additions	Deletions	Balance April 30, 2022
Primary government:				
Government activities:				
Capital assets not being depreciated:				
Land	\$ 3,567,026	\$ -	\$ -	\$ 3,567,026
Construction in progress	1,651,095	88,174	1,620,476	118,793
Total capital assets not being depreciated	<u>5,218,121</u>	<u>88,174</u>	<u>1,620,476</u>	<u>3,685,819</u>
Capital assets being depreciated:				
Building and improvements	13,588,356	-	-	13,588,356
Less: Accumulated depreciation	<u>(4,556,132)</u>	<u>(271,004)</u>	<u>-</u>	<u>(4,827,136)</u>
Buildings and improvements, net	<u>9,032,224</u>	<u>(271,004)</u>	<u>-</u>	<u>8,761,220</u>
Infrastructure	66,459,975	3,356,881	-	69,816,856
Less: Accumulated depreciation	<u>(52,771,571)</u>	<u>(851,140)</u>	<u>-</u>	<u>(53,622,711)</u>
Infrastructure, net	<u>13,688,404</u>	<u>2,505,741</u>	<u>-</u>	<u>16,194,145</u>
Improvements other than building	6,126,527	50,517	-	6,177,044
Less: Accumulated depreciation	<u>(1,759,877)</u>	<u>(241,900)</u>	<u>-</u>	<u>(2,001,777)</u>
Improvements other than building, net	<u>4,366,650</u>	<u>(191,383)</u>	<u>-</u>	<u>4,175,267</u>
Equipment, furniture and vehicles	6,510,434	30,110	194,089	6,346,455
Less: Accumulated depreciation	<u>(5,942,657)</u>	<u>(251,449)</u>	<u>(192,982)</u>	<u>(6,001,124)</u>
Equipment, furniture and vehicles, net	<u>567,777</u>	<u>(221,339)</u>	<u>1,107</u>	<u>345,331</u>
Total capital assets being depreciated, net	<u>27,655,055</u>	<u>1,822,015</u>	<u>1,107</u>	<u>29,475,963</u>
Total governmental activities, capital assets, net	<u>\$ 32,873,176</u>	<u>\$ 1,910,189</u>	<u>\$ 1,621,583</u>	<u>\$ 33,161,782</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

6 CAPITAL ASSETS (Continued)

Capital asset activity for the year ended April 30, 2022, was as follows: (continued)

	Balance April 30, 2021	Additions	Deletions	Balance April 30, 2022
Primary government (continued):				
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 587,155	\$ -	\$ -	\$ 587,155
Construction in progress	1,396,113	5,236,689	1,175,692	5,457,110
Total capital assets not being depreciated	<u>1,983,268</u>	<u>5,236,689</u>	<u>1,175,692</u>	<u>6,044,265</u>
Capital assets being depreciated:				
Building and improvements	13,250,379	-	-	13,250,379
Less: Accumulated depreciation	<u>(6,782,190)</u>	<u>(229,902)</u>	<u>-</u>	<u>(7,012,092)</u>
Buildings and improvements, net	<u>6,468,189</u>	<u>(229,902)</u>	<u>-</u>	<u>6,238,287</u>
Improvements other than building	304,252	123,946	-	428,198
Less: Accumulated depreciation	<u>(191,076)</u>	<u>(5,958)</u>	<u>-</u>	<u>(197,034)</u>
Improvements other than building, net	<u>113,176</u>	<u>117,988</u>	<u>-</u>	<u>231,164</u>
Treatment, collection, and distribution systems	63,721,323	1,799,004	-	65,520,327
Less: Accumulated depreciation	<u>(32,759,134)</u>	<u>(1,151,110)</u>	<u>-</u>	<u>(33,910,244)</u>
Treatment, collection, and distribution systems, net	<u>30,962,189</u>	<u>647,894</u>	<u>-</u>	<u>31,610,083</u>
Equipment, furniture and vehicles	5,018,421	529,561	29,064	5,518,918
Less: Accumulated depreciation	<u>(4,313,377)</u>	<u>(322,872)</u>	<u>(29,064)</u>	<u>(4,607,185)</u>
Equipment, furniture and vehicles, net	<u>705,044</u>	<u>206,689</u>	<u>-</u>	<u>911,733</u>
Total capital assets being depreciated, net	<u>38,248,598</u>	<u>742,669</u>	<u>-</u>	<u>38,991,267</u>
Total business-type activities, capital assets, net	<u>\$ 40,231,866</u>	<u>\$ 5,979,358</u>	<u>\$ 1,175,692</u>	<u>\$ 45,035,532</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

6 CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 175,852
Public safety	282,415
Public works	1,029,679
Culture and recreation	113,377
Health and welfare	14,170
	<u>14,170</u>
Governmental activities, depreciation expense	<u><u>\$ 1,615,493</u></u>

Business-type activities:

Water	\$ 724,643
Sewer	985,199
	<u>985,199</u>
Business-type activities, depreciation expense	<u><u>\$ 1,709,842</u></u>

Analysis of changes in component unit capital assets:

Component unit (Mattoon Public Library):	Balance			Balance
Governmental activities:	April 30, 2021	Additions	Deletions	April 30, 2022
Capital assets being depreciated:				
Building and improvements	\$ 3,011,239	\$ -	\$ -	\$ 3,011,239
Less: Accumulated depreciation	<u>(1,399,398)</u>	<u>(60,225)</u>	<u>-</u>	<u>(1,459,623)</u>
Buildings and improvements, net	<u>1,611,841</u>	<u>(60,225)</u>	<u>-</u>	<u>1,551,616</u>
Equipment, furniture and vehicles	137,262	-	-	137,262
Less: Accumulated depreciation	<u>(137,262)</u>	<u>-</u>	<u>-</u>	<u>(137,262)</u>
Equipment, furniture and vehicles, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component unit, capital assets, net	<u><u>\$ 1,611,841</u></u>	<u><u>\$ (60,225)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,551,616</u></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><u>\$ 60,225</u></u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

7 CONSTRUCTION IN PROGRESS

The City has active construction projects in progress as of April 30, 2022. The projects include streetscaping, resurfacing, WTP lime system design, and various WWTP Improvements. At April 30, 2022, 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- Phase 3	\$ 22,500	\$ 67,500
Depot Surveillance System	2,548	45,335
Dewitt Avenue Resurface	81,890	1,375,610
Little Wabash Drainage Project	11,855	1,023,145
Total governmental activities	<u>\$ 118,793</u>	<u>\$ 2,511,590</u>
Business-type activities:		
WTP Lime System Design	13,112	185,759
WWTP Secondary Clarifier	32,140	601,970
CSO Phase 1 Piping Design & Const	5,354,360	1,706,236
WWTP Primary Pump	57,498	207,502
Total business-type activities	<u>\$ 5,457,110</u>	<u>\$ 2,701,467</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, 2021	\$ 39,473
Less: cost of crypts sold	<u>-</u>
Mausoleum carrying value, April 30, 2022	39,473
Land held for future expansion, estimated carrying value, April 30, 2022	<u>21,179</u>
Total	<u>\$ 60,652</u>

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, 2022, the accumulated amortization on these refundings totaled \$62,105 and \$16,478, respectively. Amortization of current refunding of unamortized bond premiums for the year ended April 30, 2022, was \$6,837 for governmental activities.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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.

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%	\$ 2,905,000
Series 2017B (Taxable)	December 2028	3.31%	<u>2,080,000</u>
Total governmental activities bonds			<u>\$ 4,985,000</u>
		<u>Interest Rates</u>	<u>Amount</u>
Business-type activities - refunding:			
Series 2014 Refunding Bonds	December 2023	2.00% - 3.00%	<u>\$ 855,000</u>
Total business-type activities bonds			<u>\$ 855,000</u>

The Capital Projects Fund services the Series 2017A general obligation bonds, while the Broadway East Business District Fund services the Series 2017B bonds.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

12 GENERAL OBLIGATION BONDS (Continued)

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

Year Ending April 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	740,000	61,611	-	-
2028-2032	1,565,000	63,102	-	-
Total	<u>\$ 4,985,000</u>	<u>\$ 553,395</u>	<u>\$ 855,000</u>	<u>\$ 34,200</u>

13 CAPITAL LEASE

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 lease was fully paid on August 25, 2021 and no further lease obligation exists.

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

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

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%	\$ 376,241
Total governmental activities notes			<u>\$ 376,241</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

14 NOTES PAYABLE (Continued)

Business-type activities:

	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Amount</u>
Illinois Environmental Protection Agency note, L174844, serviced by the Sewer Fund, proceeds used for sewer system improvements	August 2036	1.860%	\$ 4,717,164
Illinois Environmental Protection Agency note, L175118 serviced by the Sewer Fund, proceeds used for combined sewer overflow piping project	July 2042	1.010%	<u>2,427,335</u>
Total business-type activities notes			<u>\$ 7,144,499</u>

Notes payable debt service requirements to maturity are as follows:

<u>Year Ending April 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 39,211	\$ 18,375	\$ 341,161	\$ 98,672
2024	41,123	16,464	402,256	104,748
2025	43,088	14,499	408,826	98,179
2026	45,228	12,358	415,508	91,496
2027	47,433	10,154	422,306	84,698
2028-2032	160,158	16,146	2,217,674	317,348
2033-2037	-	-	2,219,791	128,901
2038-2042	-	-	650,143	21,569
2043-2047	-	-	66,834	338
Total	<u>\$ 376,241</u>	<u>\$ 87,996</u>	<u>\$ 7,144,499</u>	<u>\$ 945,949</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

15 CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the primary government for the year ended April 30, 2022, was as follows:

	Balance April 30, 2021	Additions	Reductions	Balance April 30, 2022	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 5,590,000	\$ -	\$ 605,000	\$ 4,985,000	\$ 630,000
Capital lease	45,262	-	45,262	-	-
Notes payable	414,101	-	37,860	376,241	39,211
Compensated absences	1,100,811	-	99,788	1,001,023	200,205
Net pension liability - police pension fund	41,312,901	-	7,034,056	34,278,845	-
Net pension liability - firefighters' pension fund	34,631,246	-	3,304,419	31,326,827	-
Net OPEB liability	43,366,760	-	7,200,560	36,166,200	-
	<u>\$ 126,461,081</u>	<u>\$ -</u>	<u>\$ 18,326,945</u>	<u>\$ 108,134,136</u>	<u>\$ 869,416</u>
Governmental activities, long-term liabilities					
Business-type activities:					
General obligation bonds	\$ 1,410,000	\$ -	\$ 555,000	\$ 855,000	\$ 570,000
Add amounts:					
For issuance premiums	42,358	-	16,943	25,415	-
	<u>1,452,358</u>	<u>-</u>	<u>571,943</u>	<u>880,415</u>	<u>570,000</u>
Total general obligation bonds					
Notes payable	4,998,161	2,427,335	280,997	7,144,499	341,161
Compensated absences	329,417	-	5,355	324,062	64,812
Net OPEB liability	7,503,627	-	2,485,981	5,017,646	-
	<u>\$ 14,283,563</u>	<u>\$ 2,427,335</u>	<u>\$ 3,344,276</u>	<u>\$ 13,366,622</u>	<u>\$ 975,973</u>
Business-type activities, long-term liabilities					
Component unit (Mattoon Public Library):					
Governmental activities:					
Notes payable	\$ 30,000	\$ -	\$ 5,000	\$ 25,000	\$ 5,000
Compensated absences	22,337	-	10,015	12,322	2,464
Net OPEB liability	227,060	-	38,772	188,288	-
	<u>\$ 279,397</u>	<u>\$ -</u>	<u>\$ 53,787</u>	<u>\$ 225,610</u>	<u>\$ 7,464</u>
Component unit, long-term liabilities					

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

16 DEFERRED INFLOWS OF RESOURCES

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

	General Fund	Nonmajor Governmental Funds
Property taxes	\$ 4,985,500	\$ 1,273,238
Sales and other related taxes	997,218	46,834
Totals	<u>\$ 5,982,718</u>	<u>\$ 1,320,072</u>

17 TAXES

Tax revenues during the year ended April 30, 2022, were as follows:

	General Fund	Nonmajor Governmental Funds
Property taxes, including mobile home taxes	\$ 4,669,643	\$ -
TIF property tax increment	55,209	1,121,442
Telecommunication taxes	393,585	-
Utility taxes	1,493,488	-
Business district taxes	-	550,224
Road and bridge taxes	173,495	-
Hotel taxes	-	369,220
Cable TV franchise taxes	181,565	-
Gas and electric franchise taxes	190,881	-
Totals	<u>\$ 7,157,866</u>	<u>\$ 2,040,886</u>

18 INTERGOVERNMENTAL REVENUES

Intergovernmental revenues during the year ended April 30, 2022, were as follows:

	General Fund	Nonmajor Governmental Funds
Income and use taxes	\$ 3,382,820	\$ -
Sales taxes	8,168,626	-
Personal property replacement taxes	1,559,771	-
Video gaming tax	677,252	-
Pull tabs and jar games tax	3,402	-
Motor fuel taxes	-	741,518
Foreign fire insurance taxes	44,153	-
Grants and contributions	186,294	1,096,264
Totals	<u>\$ 14,022,318</u>	<u>\$ 1,837,782</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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

	For Tax Levy Year		
	2021	2020	2019
Assessed valuation	\$ 213,136,699	\$ 209,661,877	\$ 199,924,401
Rate per \$100, excluding road and bridge rate	2.27927	2.23361	2.28442
Taxes extended, excluding road and bridge taxes	4,857,961	4,683,029	4,567,113
Add: City's share of road and bridge taxes extended	175,647	174,170	168,097
Total taxes extended	<u>\$ 5,033,608</u>	<u>\$ 4,857,199</u>	<u>\$ 4,735,210</u>
Taxes available to City after abatements and losses in collection (2021 estimated)	<u>\$ 4,985,500</u>	<u>\$ 4,838,960</u>	<u>\$ 4,685,980</u>
Percentage of extension available to City (2021 estimated)	<u>99.05%</u>	<u>99.62%</u>	<u>98.96%</u>

	For Tax Levy Year		
	2021	2020	2019
Distribution of taxes available (2021 estimated):			
General fund:			
General government	\$ -	\$ -	\$ 172,314
Fire protection	-	-	103,405
Police protection	-	-	103,405
Street, including road & bridge	173,978	173,495	166,743
Park	-	-	51,691
Mattoon Public Library	477,662	459,945	455,006
Firefighters Pension Fund	2,269,502	2,236,199	1,918,660
Police Pension Fund	1,992,052	1,969,321	1,714,756
Revenue Recapture	72,306	-	-
	<u>\$ 4,985,500</u>	<u>\$ 4,838,960</u>	<u>\$ 4,685,980</u>

The City Council has abated the 2019, 2020, and 2021 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, 2022

20 SCHEDULE OF OPERATING TRANSFER WITHIN THE REPORTING ENTITY

Operating transfer between funds during the year ended April 30, 2022, was as follows:

Transfers In	Transfers Out	Amount
Capital Projects Fund	General Fund	\$ 935,226
Festival Management Fund	Hotel and Motel Tax Fund	\$ 20,000
South Rt 45 TIF District Fund	South Rt 45 Business District Fund	\$ 6,000

The Capital Projects Fund transfer reclassified amounts of one-half sales tax increase earmarked for capital projects. The Festival Management Fund and South Rt 45 TIF District Fund transfers supported economic development activities.

21 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF Plan Description

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

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

Benefits Provided

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

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

CITY OF MATTOON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)
 For the Year Ended April 30, 2022

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

105 retirees and beneficiaries are included in the 140 accounts below. Some participants have more than one account due to ERI or benefit type. As of December 31, 2021, the following employee accounts were covered by the benefit terms:

	City Participants	Library Participants
Retirees and Beneficiaries accounts currently receiving benefits	140	7
Inactive Plan Members entitled to but not yet receiving benefits	23	2
Active Plan Members	58	5
Total	221	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 2021 was 10.66%. For the fiscal year ended April 30, 2022, \$344,633 was contributed to the plan (\$330,129 for the City and \$14,504 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, 2021. 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, 2021:

- 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, 2022

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	39%	1.90%
International Equity	15%	3.15%
Fixed Income	25%	-0.60%
Real Estate	10%	3.30%
Alternative Investments	10%	1.70% - 5.50%
Cash Equivalents	1%	-0.90%
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 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, 2022

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 1.84%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
City:			
Balances at December 31, 2020	\$ 37,980,067	\$ 41,610,179	\$ (3,630,112)
Changes for the year:			
Service Cost	347,092	-	347,092
Interest on the Total Pension Liability	2,685,223	-	2,685,223
Differences Between Expected and Actual Experience of the Total Pension Liability	1,083,693	-	1,083,693
Changes of Assumptions	-	-	-
Contributions - Employer	-	389,265	(389,265)
Contributions - Employees	-	163,097	(163,097)
Net Investment Income	-	7,585,114	(7,585,114)
Benefit Payments, including Refunds of Employee Contributions	(2,388,960)	(2,388,960)	-
Other (Net Transfer)	-	102,533	(102,533)
Net Changes	1,727,048	5,851,049	(4,124,001)
Balances at December 31, 2021	\$ 39,707,115	\$ 47,461,228	\$ (7,754,113)
Library:			
Balances at December 31, 2020	\$ 1,739,979	\$ 1,836,881	\$ (96,902)
Changes for the year:			
Service Cost	15,488	-	15,488
Interest on the Total Pension Liability	119,816	-	119,816
Differences Between Expected and Actual Experience of the Total Pension Liability	46,232	-	46,232
Changes of Assumptions	-	-	-
Contributions - Employer	-	17,906	(17,906)
Contributions - Employees	-	7,557	(7,557)
Net Investment Income	-	262,437	(262,437)
Benefit Payments, including Refunds of Employee Contributions	(33,328)	(33,328)	-
Other (Net Transfer)	-	3,723	(3,723)
Net Changes	148,208	258,295	(110,087)
Balances at December 31, 2021	\$ 1,888,187	\$ 2,095,176	\$ (206,989)

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Total:			
Balances at December 31, 2020	\$ 39,720,046	\$ 43,447,060	\$ (3,727,014)
Changes for the year:			
Service Cost	362,580	-	362,580
Interest on the Total Pension Liability	2,805,039	-	2,805,039
Differences Between Expected and Actual Experience of the Total Pension Liability	1,129,925	-	1,129,925
Changes of Assumptions	-	-	-
Contributions - Employer	-	407,171	(407,171)
Contributions - Employees	-	170,654	(170,654)
Net Investment Income	-	7,847,551	(7,847,551)
Benefit Payments, including Refunds of Employee Contributions	(2,422,288)	(2,422,288)	-
Other (Net Transfer)	-	106,256	(106,256)
Net Changes	1,875,256	6,109,344	(4,234,088)
Balances at December 31, 2021	<u>\$ 41,595,302</u>	<u>\$ 49,556,404</u>	<u>\$ (7,961,102)</u>

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

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

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
City:			
Net Pension Liability (Asset)	\$ (3,209,374)	\$ (7,754,113)	\$ (11,456,924)
Library:			
Net Pension Liability (Asset)	(85,670)	(206,989)	(305,831)
Total:			
Net Pension Liability (Asset)	<u>\$ (3,295,044)</u>	<u>\$ (7,961,102)</u>	<u>\$ (11,762,755)</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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, 2022, the City recognized pension income of \$1,885,953 and the Library recognized pension income of \$78,581 for a total pension income of \$1,964,534. At April 30, 2022, the City and Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City:		
Deferred amounts to be recognized in pension Expense in future periods:		
Differences between expected and actual experience	\$ 655,540	\$ 61,772
Changes in assumptions	-	61,790
Net difference between projected and actual earnings on pension plan investments	-	6,052,853
Total deferred amounts to be recognized in pension expense in future periods	655,540	6,176,415
Pension contributions made subsequent to the measurement date	76,512	-
Total deferred amounts related to pensions	\$ 732,052	\$ 6,176,415
Library:		
Deferred amounts to be recognized in pension Expense in future periods:		
Differences between expected and actual experience	\$ 17,499	\$ 1,648
Changes in assumptions	-	1,649
Net difference between projected and actual earnings on pension plan investments	-	161,576
Total deferred amounts to be recognized in pension expense in future periods	17,499	164,873
Pension contributions made subsequent to the measurement date	3,876	-
Total deferred amounts related to pensions	\$ 21,375	\$ 164,873

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total:		
Deferred amounts to be recognized in pension Expense in future periods:		
Differences between expected and actual experience	\$ 673,039	\$ 63,420
Changes in assumptions	-	63,439
Net difference between projected and actual earnings on pension plan investments	-	6,214,429
Total deferred amounts to be recognized in pension expense in future periods	673,039	6,341,288
Pension contributions made subsequent to the measurement date	80,388	-
Total deferred amounts related to pensions	\$ 753,427	\$ 6,341,288

\$80,388 (\$76,512 for City and \$3,876 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, 2023.

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:

	City Net Deferred Inflows of Resources	Library Net Deferred Inflows of Resources	Total Net Deferred Inflows of Resources
Year Ending December 31			
2022	\$ (1,015,095)	\$ (27,097)	\$ (1,042,192)
2023	(2,090,046)	(55,792)	(2,145,838)
2024	(1,488,360)	(39,730)	(1,528,090)
2025	(927,374)	(24,755)	(952,129)
2026	-	-	-
Thereafter	-	-	-
Total	\$ (5,520,875)	\$ (147,374)	\$ (5,668,249)

CITY OF MATTOON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)
 For the Year Ended April 30, 2022

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	51	57
Inactive plan members entitled to but not yet receiving benefits	6	8
Active plan members	36	25
	93	90

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, 2022

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, 2022

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.

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, 2022, the City's contribution was 93.44% of covered Police payroll and 134.67% 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. 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, 2022

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

INVESTMENTS (Continued)

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	Police	Firefighters	Police	Firefighters
Cash	1.00%		-0.27%	
Emerging Markets	7.00%		5.31%	
U.S. TIPS	3.00%		-0.12%	
Private Credit (Direct)	5.00%		4.37%	
Private Equity	7.00%		7.15%	
U.S. Large	23.00%		4.15%	
U.S. Small	5.00%		4.54%	
International Developed	18.00%		4.64%	
International Developed Small	5.00%		-0.25%	
Bank Loans	3.00%		2.48%	
High Yield Corp. Credit	3.00%		2.48%	
Emerging Market Debt	3.00%		2.82%	
Real Estate/ Infrastructure	8.00%		4.00%	
Short-Term Gov't/Credit	3.00%		0.73%	
U.S. Treasury	3.00%		-0.60%	
Core Plus Fixed Income	3.00%		0.73%	
Emerging Market Equity		8.00%		5.50%
TIPS		4.00%		0.80%
Private Credit		5.00%		7.00%
Private Equity		5.00%		8.60%
U.S. Equity		31.00%		5.20%
Developed Market Equity (Non-U.S.)		16.00%		5.10%
Public Credit		3.00%		1.80%
Core Investment Grade Bonds		15.00%		1.60%
Long-Term Treasuries		3.00%		1.30%
Real Estate		5.00%		4.90%
Infrastructure		5.00%		5.10%

Rate of Return -- For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -8.62% and -3.44% 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.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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

ACTUARIAL ASSUMPTIONS

The Actuarial Valuation Date for reporting in the fiscal 2022 financial statements under GASB Statement 67 and 68 is April 30, 2021 (May 1, 2021). The Measurement Date used for the same reporting is April 30, 2022. 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, 2021	April 30, 2021
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	6.16%	6.75%
Long Term Expected Rate of return on plan assets	6.75%	6.75%
High Quality 20 year tax-exempt G.O. Bond rate	3.21%	3.21%
Inflation	2.25%	2.25%
Salary increases	2.25% - 22.18%	2.25% - 11.94%
Cost of living adjustments	2.25%	2.25%

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 2.27% to 3.21%.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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

DISCOUNT RATE

The single discount rate used to measure the total pension liability was 6.16% for the Police Pension Fund and 6.75% for the Firefighters' Pension Fund in the current year. In the prior year, the discount rate used to measure the total pension liability was 5.12% for the Police Pension Fund and 6.43% 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 3.21%, and the resulting single discount rate is 6.16% for the Police Pension Fund and 6.75% for the Firefighters' Pension Fund.

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 6.16% and 6.75%, 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	\$ 42,720,773	\$ 34,278,845	\$ 27,462,983
<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	\$ 37,548,243	\$ 31,326,827	\$ 26,170,782

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.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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

PENSION LIABILITY

Changes in the Net Pension Liability:

	Police Pension Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at April 30, 2021	\$ 66,099,175	\$ 24,786,274	\$ 41,312,901
Changes for the year:			
Service cost	934,661	-	934,661
Interest	3,214,603	-	3,214,603
Actuarial experience	(1,829,474)	-	(1,829,474)
Assumptions changes	(8,820,130)	-	(8,820,130)
Contributions - employer	-	2,681,474	(2,681,474)
Contributions - members	-	284,388	(284,388)
Contributions - other	-	203,628	(203,628)
Net investment income	-	(2,569,806)	2,569,806
Benefit payments, including refunds	(2,852,471)	(2,852,471)	-
Administrative expense	-	(65,968)	65,968
Net changes	<u>(9,352,811)</u>	<u>(2,318,755)</u>	<u>(7,034,056)</u>
Balances at April 30, 2022	<u>\$ 56,746,364</u>	<u>\$ 22,467,519</u>	<u>\$ 34,278,845</u>

Changes in the Net Pension Liability:

	Firefighters' Pension Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at April 30, 2021	\$ 54,676,863	\$ 20,045,617	\$ 34,631,246
Changes for the year:			
Service cost	546,852	-	546,852
Interest	3,220,408	-	3,220,408
Actuarial experience	(3,018,580)	-	(3,018,580)
Assumptions changes	(1,825,725)	-	(1,825,725)
Contributions - employer	-	2,941,797	(2,941,797)
Contributions - employee	-	213,524	(213,524)
Net investment income	-	(904,796)	904,796
Benefit payments, including refunds	(3,093,581)	(3,093,581)	-
Administrative expense	-	(23,151)	23,151
Net changes	<u>(4,170,626)</u>	<u>(866,207)</u>	<u>(3,304,419)</u>
Balances at April 30, 2022	<u>\$ 50,506,237</u>	<u>\$ 19,179,410</u>	<u>\$ 31,326,827</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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

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

For the year ended April 30, 2022, the City recognized pension expense of \$1,217,912 for the Police Pension fund and pension income of \$254,469 for the Firefighters' Pension Fund. At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Pension Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,573,096	\$ 1,476,293
Changes of assumptions	3,771,733	7,914,426
Net difference between projected and actual earnings on pension plan investments	1,044,279	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 6,389,108</u>	<u>\$ 9,390,719</u>

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:	
2023	\$ (479,192)
2024	(415,949)
2025	(895,205)
2026	(841,206)
2027	(370,059)
Thereafter	-
	<u>\$ (3,001,611)</u>

	Firefighters' Pension Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 689,603	\$ 2,151,171
Changes of assumptions	2,495,024	5,872,486
Net difference between projected and actual earnings on pension plan investments	167,120	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 3,351,747</u>	<u>\$ 8,023,657</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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, 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:	
2023	\$ (2,867,643)
2024	(1,276,310)
2025	(979,791)
2026	451,834
2027	-
Thereafter	-
	<hr/>
	<u>\$ (4,671,910)</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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 25% of the cost if pension is less than \$1,625 and 55% 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, 2022

23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

EMPLOYEES COVERED BY BENEFIT TERMS

As of April 30, 2022, the following employees were covered by the benefit terms:

	City	Library
Active participants	112	5
Disabled participants	10	-
Retired participants	129	4
	251	9

TOTAL OPEB LIABILITY

The City's total OPEB liability of \$41,372,134 (\$41,183,846 for the City and \$188,288 for the Library) was measured as of April 30, 2022, and was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the April 30, 2022 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	2.12%
End of year	3.42%
Salary Progression	3.50%
Claim Costs:	
Single Coverage	\$936
Family Coverage	\$2,110
Retiree Contributions:	
Hired prior to May 1, 2007	
Pension amount less than \$1,625/month	25% of cost
Pension amount more than \$1,625/month	55% of cost
Hired after April 30, 2007	100% of cost
Mortality Rate	RP2014 Blue Collar base rates projected to 2022 using scale MP2021

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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
	2022	6.8%
	2023	6.50%
	2024	6.25%
	2025	6.00%
	2026 and after	4.0% - 5.75%

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 3.42% as of April 30, 2022. Similarly, a discount rate of 2.12% was used as of May 1, 2021.

CHANGES IN TOTAL OPEB LIABILITY

	Net OPEB Liability (Asset)
City:	
Balance at April 30, 2021	\$ 50,870,387
Changes for the year:	
Service cost	697,221
Interest	1,066,937
Benefit changes	(1,889,041)
Differences between expected and actual experience	2,668,340
Changes in assumptions	(11,143,710)
Benefit payments	(1,086,288)
Net change in total OPEB liability	(9,686,541)
Balance at April 30, 2022	\$ 41,183,846

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

CHANGES IN TOTAL OPEB LIABILITY (Continued)

	<u>Net OPEB Liability (Asset)</u>
Library:	
Balance at April 30, 2021	<u>\$ 227,060</u>
Changes for the year:	
Service cost	5,037
Interest	4,747
Benefit changes	-
Differences between expected and actual experience	(6,141)
Changes in assumptions	(36,156)
Benefit payments	(6,259)
Net change in total OPEB liability	<u>(38,772)</u>
Balance at April 30, 2022	<u>\$ 188,288</u>
Total:	
Balance at April 30, 2021	<u>\$ 51,097,447</u>
Changes for the year:	
Service cost	702,258
Interest	1,071,684
Benefit changes	(1,889,041)
Differences between expected and actual experience	2,662,199
Changes in assumptions	(11,179,866)
Benefit payments	(1,092,547)
Net change in total OPEB liability	<u>(9,725,313)</u>
Balance at April 30, 2022	<u>\$ 41,372,134</u>

Changes in assumptions reflect a change in the mortality assumption to RP2014 base rates with blue collar adjustment projected to 2022 using scale MP2021. 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, 2022

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 2.42%	Current Discount Rate - 3.42%	1% Increase 4.42%
City:			
Total OPEB liability	\$ 49,285,593	\$ 41,183,846	\$ 34,911,287
Library:			
Total OPEB liability	225,328	188,288	159,611
Total:			
Total OPEB liability	<u>\$ 49,510,921</u>	<u>\$ 41,372,134</u>	<u>\$ 35,070,898</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 5.75% Decreasing to 3.0%	Current Discount 6.75% Decreasing to 4.0%	1% Increase 7.75% Decreasing to 5.0%
City:			
Total OPEB liability	\$ 34,786,568	\$ 41,183,846	\$ 49,426,647
Library:			
Total OPEB liability	159,040	188,288	225,973
Total:			
Total OPEB liability	<u>\$ 34,945,608</u>	<u>\$ 41,372,134</u>	<u>\$ 49,652,620</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

23 POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

For the year ended April 30, 2022, the City recognized OPEB income of \$31,122 and the Library recognized OPEB expense of \$214,014 for a total OPEB expense of \$182,892. At April 30, 2022, the City and Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City:		
Differences between expected and actual experience	\$ 5,238,483	\$ 2,423,875
Changes in assumptions	4,044,885	10,689,099
Total	<u>\$ 9,283,368</u>	<u>\$ 13,112,974</u>
Library:		
Differences between expected and actual experience	\$ 24,914	\$ 98,933
Changes in assumptions	19,238	436,287
Total	<u>\$ 44,152</u>	<u>\$ 535,220</u>
Total:		
Differences between expected and actual experience	\$ 5,263,397	\$ 2,522,808
Changes in assumptions	4,064,123	11,125,386
Total	<u>\$ 9,327,520</u>	<u>\$ 13,648,194</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>
2023	\$ 307,914	\$ (188,160)	\$ 119,754
2024	(768,044)	(197,996)	(966,040)
2026	(1,622,318)	(96,195)	(1,718,513)
2026	(1,682,053)	(8,395)	(1,690,448)
2027	(65,105)	(322)	(65,427)
Thereafter	-	-	-
	<u>\$ (3,829,606)</u>	<u>\$ (491,068)</u>	<u>\$ (4,320,674)</u>

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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, 2022, the contribution for active employees was \$148 per month for those with no dependents or \$427 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 179 employees and retirees participating in the group health plan. Of this number, 117 were active employees and 62 were retirees. 58 of the participants had single coverage, 121 had family coverage, and no employees had COBRA coverage.

The health plan is funded on a pay-as-you-go basis. The City incurred health plan claims expenditures of \$3,796,938 in the fiscal year that ended April 30, 2022, which includes \$233,166 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, 3 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, 7 are single with +1 coverage, and 4 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, 2022, the City had 86 retirees and 41 dependents on the policy, each having individual policies.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

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	1/1/2023
Property & Casualty	Replacement Cost \$70,326,172 Blanket Building \$1,000,000 Extra Expense and Business Income Property- \$5,000 deductible Extra Expense and Business Income- \$5,000 deductible	12/1/2022
General Liability ¹	\$1 million each occurrence \$3 million aggregate	12/1/2022
Fiduciary Liability	\$500,000 per claim \$500,000 in the aggregate	12/1/2022
Public Officials Liability	\$1 million each occurrence \$1 million aggregate \$5,000 deductible	12/1/2022
Employment Practices Liability	\$1 million each occurrence \$1 million aggregate \$10,000 per claim - back wages \$5,000 deductible for each wrongful act \$5,000 deductible for back wages	12/1/2022
Automobile Physical Damage	\$6,216,832 \$1,000 deductible	12/1/2022
Automobile Liability	\$1 million	12/1/2022
Law Enforcement Liability	\$1 million each occurrence \$3 million aggregate \$5,000 deductible	12/1/2022
Crime	Limit - \$500,000	12/1/2022

CITY OF MATTOON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)
 For the Year Ended April 30, 2022

25 INSURANCE (Continued)

Exposure	Limits of Coverage	Expiration
Inland Marine	\$2,496,499 \$1,000 deductible each	12/1/2022
Excess Liability ²	\$10 million each occurrence \$10 million aggregate	12/1/2022

¹ 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.

² 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 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, 2022, the City abated property taxes totaling \$47,773.

CITY OF MATTOON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended April 30, 2022

28 RELATED PARTY TRANSACTIONS

The City of Mattoon services a \$2,000,000 loan that was issued December 16, 2010, to fund early retirement incentives and energy efficient improvements throughout the City's buildings. The loan is serviced by the primary government. The Mattoon Public Library, a discretely presented component unit, had an employee retire using the early retirement incentive and received various energy efficient improvements that were paid for from the proceeds of the loan. Therefore, the Library reports an amount due to the General Fund for the cost of these items, minus grants received to help cover the cost. The Library makes monthly payments to the General Fund to reimburse the amount owed plus the interest on the note proceeds used for the Library. At April 30, 2022, the balance due to the General Fund from the Library for this transaction was \$8,023. In addition, other amounts due to the City for repayments of expenses totaled \$16,539.

29 FINANCIAL STATEMENT PRESENTATION CHANGES

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement no. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, Leases is applicable to the City's financial statements for the year ended April 30, 2023. The impact of the implementation of GASB No. 87 has not been determined.

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 2021

	Primary Government						
	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability (Asset):							
Service Cost	\$ 347,092	\$ 400,784	\$ 394,829	\$ 375,029	\$ 391,138	\$ 415,188	\$ 398,340
Interest on the Total Pension Liability	2,685,223	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	(2,388,960)	(2,243,660)	(1,975,251)	(1,959,805)	(1,879,002)	(1,819,353)	(1,809,316)
Net Change in Total Pension Liability	1,727,048	263,057	1,570,725	2,099,746	(49,019)	795,332	1,180,322
Total Pension Liability - Beginning	37,980,067	37,717,010	36,146,285	34,046,539	34,095,558	33,300,226	32,119,904
Total Pension Liability - Ending (A)	39,707,115	37,980,067	37,717,010	36,146,285	34,046,539	34,095,558	33,300,226
Plan Fiduciary Net Position:							
Contributions - Employer	389,265	385,188	267,213	409,202	408,510	412,723	444,509
Contributions - Employees	163,097	162,451	181,085	162,956	169,030	160,523	169,230
Net Investment Income	7,585,114	5,482,244	6,277,660	(2,102,209)	5,810,421	2,116,932	155,215
Benefit Payments, including Refunds of Employee Contributions	(2,388,960)	(2,243,660)	(1,975,251)	(1,959,805)	(1,879,002)	(1,819,353)	(1,809,316)
Other (Net Transfer)	102,533	268,322	141,807	706,777	(670,287)	247,662	(111,443)
Net Change in Plan Fiduciary Net Position	5,851,049	4,054,545	4,892,514	(2,783,079)	3,838,672	1,118,487	(1,151,805)
Plan Fiduciary Net Position - Beginning	41,610,179	37,555,634	32,663,120	35,446,199	31,607,527	30,489,040	31,640,845
Plan Fiduciary Net Position - Ending (B)	47,461,228	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)	\$ (7,754,113)	\$ (3,630,112)	\$ 161,376	\$ 3,483,165	\$ (1,399,660)	\$ 2,488,031	\$ 2,811,186
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	119.53%	109.56%	99.57%	90.36%	104.11%	92.70%	91.56%
Covered Payroll	\$ 3,602,007	\$ 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	-215.27%	-100.56%	4.35%	96.19%	-38.72%	69.84%	74.75%

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 2021

Mattoon Public Library

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability (Asset):							
Service Cost	\$ 15,488	\$ 17,285	\$ 19,359	\$ 18,001	\$ 14,523	\$ 15,416	\$ 17,464
Interest on the Total Pension Liability	119,816	115,191	124,949	104,626	93,423	72,940	103,294
Differences Between Expected and Actual							
Experience of the Total Pension Liability	46,232	(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	(33,328)	(11,928)	(96,852)	(94,067)	(69,766)	(67,551)	(79,323)
Net Change in Total Pension Liability	148,208	108,622	77,018	85,571	(1,820)	10,662	51,747
Total Pension Liability - Beginning	1,739,979	1,631,357	1,554,339	1,468,768	1,470,588	1,459,926	1,408,179
Total Pension Liability - Ending (A)	1,888,187	1,739,979	1,631,357	1,554,339	1,468,768	1,470,588	1,459,926
Plan Fiduciary Net Position:							
Contributions - Employer	17,906	17,739	14,548	19,641	15,168	15,324	19,488
Contributions - Employees	7,557	7,481	8,811	7,822	6,276	5,960	7,419
Net Investment Income	262,437	187,369	307,814	(100,903)	215,736	78,600	6,805
Benefit Payments, including Refunds of							
Employee Contributions	(33,328)	(11,928)	(96,852)	(94,067)	(69,766)	(67,551)	(79,323)
Other (Net Transfer)	3,723	9,171	5,575	33,924	(24,887)	9,195	(4,886)
Net Change in Plan Fiduciary Net Position	258,295	209,832	239,896	(133,583)	142,527	41,528	(50,497)
Plan Fiduciary Net Position - Beginning	1,836,881	1,627,049	1,387,153	1,520,736	1,378,209	1,336,681	1,387,178
Plan Fiduciary Net Position - Ending (B)	2,095,176	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)	<u>\$ (206,989)</u>	<u>\$ (96,902)</u>	<u>\$ 4,308</u>	<u>\$ 167,186</u>	<u>\$ (51,968)</u>	<u>\$ 92,379</u>	<u>\$ 123,245</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.96%	105.57%	99.74%	89.24%	103.54%	93.72%	91.56%
Covered Payroll	\$ 167,936	\$ 166,248	\$ 195,802	\$ 173,792	\$ 134,201	\$ 137,216	\$ 164,843
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	-123.25%	-58.29%	2.20%	96.20%	-38.72%	67.32%	74.77%

Notes to Schedule:

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

Calendar Year 2021

Total Government							
Total Pension Liability (Asset):	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 362,580	\$ 418,069	\$ 414,188	\$ 393,030	\$ 405,661	\$ 430,604	\$ 415,804
Interest on the Total Pension Liability	2,805,039	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	1,129,925	(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	<u>(2,422,288)</u>	<u>(2,255,588)</u>	<u>(2,072,103)</u>	<u>(2,053,872)</u>	<u>(1,948,768)</u>	<u>(1,886,904)</u>	<u>(1,888,639)</u>
Net Change in Total Pension Liability	1,875,256	371,679	1,647,743	2,185,317	(50,839)	805,994	1,232,069
Total Pension Liability - Beginning	<u>39,720,046</u>	<u>39,348,367</u>	<u>37,700,624</u>	<u>35,515,307</u>	<u>35,566,146</u>	<u>34,760,152</u>	<u>33,528,083</u>
Total Pension Liability - Ending (A)	<u>41,595,302</u>	<u>39,720,046</u>	<u>39,348,367</u>	<u>37,700,624</u>	<u>35,515,307</u>	<u>35,566,146</u>	<u>34,760,152</u>
Plan Fiduciary Net Position:							
Contributions - Employer	407,171	402,927	281,761	428,843	423,678	428,047	463,997
Contributions - Employees	170,654	169,932	189,896	170,778	175,306	166,483	176,649
Net Investment Income	7,847,551	5,669,613	6,585,474	(2,203,112)	6,026,157	2,195,532	162,020
Benefit Payments, including Refunds of Employee Contributions	<u>(2,422,288)</u>	<u>(2,255,588)</u>	<u>(2,072,103)</u>	<u>(2,053,872)</u>	<u>(1,948,768)</u>	<u>(1,886,904)</u>	<u>(1,888,639)</u>
Other (Net Transfer)	<u>106,256</u>	<u>277,493</u>	<u>147,382</u>	<u>740,701</u>	<u>(695,174)</u>	<u>256,857</u>	<u>(116,329)</u>
Net Change in Plan Fiduciary Net Position	6,109,344	4,264,377	5,132,410	(2,916,662)	3,981,199	1,160,015	(1,202,302)
Plan Fiduciary Net Position - Beginning	<u>43,447,060</u>	<u>39,182,683</u>	<u>34,050,273</u>	<u>36,966,935</u>	<u>32,985,736</u>	<u>31,825,721</u>	<u>33,028,023</u>
Plan Fiduciary Net Position - Ending (B)	<u>49,556,404</u>	<u>43,447,060</u>	<u>39,182,683</u>	<u>34,050,273</u>	<u>36,966,935</u>	<u>32,985,736</u>	<u>31,825,721</u>
Net Pension Liability (Asset) - Ending (A)-(B)	<u><u>\$ (7,961,102)</u></u>	<u><u>\$ (3,727,014)</u></u>	<u><u>\$ 165,684</u></u>	<u><u>\$ 3,650,351</u></u>	<u><u>\$ (1,451,628)</u></u>	<u><u>\$ 2,580,410</u></u>	<u><u>\$ 2,934,431</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	119.14%	109.38%	99.58%	90.32%	104.09%	92.74%	91.56%
Covered Payroll	\$ 3,769,943	\$ 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	-211.17%	-98.70%	4.24%	96.19%	-38.72%	69.75%	74.75%

Notes to Schedule:

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See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended April 30, 2022

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%
2022	330,126	335,249	(5,123)	3,619,208	9.26%

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%
2022	14,498	14,498	-	162,433	8.93%

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%
2022	344,624	349,747	(5,123)	3,781,641	9.25%

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS (Continued)

Calendar Year 2021

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	22-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, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for the non-disabled lives. For active members, IMRF specific mortality rates were 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 2021 contribution rates were based on valuation assumptions used in the December 31, 2019 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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	\$ 934,661	\$ 1,022,089	\$ 955,630	\$ 947,802	\$ 1,003,042	\$ 952,466	\$ 819,041	\$ 570,535
Interest	3,214,603	3,224,676	2,974,331	2,819,376	2,709,658	2,696,963	1,966,213	2,473,846
Actuarial experience	(1,829,474)	1,748,552	336,305	1,249,126	12,122	154,740	726,953	-
Assumption changes	(8,820,130)	(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	(2,852,471)	(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	(9,352,811)	2,687,606	9,199,960	2,363,646	(243,708)	273,593	13,086,778	1,119,090
Total Pension Liability - Beginning	66,099,175	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)	56,746,364	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	2,681,474	2,046,794	2,004,489	1,813,641	1,639,440	1,437,453	1,403,051	1,422,547
Contributions - Members	284,388	270,775	259,922	264,633	253,608	249,841	253,098	227,982
Contributions - Other	203,628	94,960	-	-	-	-	-	-
Net Investment Income	(2,569,806)	6,585,104	(699,913)	951,830	1,545,172	1,656,958	(715,510)	956,536
Benefit Payments and Refunds	(2,852,471)	(2,487,172)	(2,386,466)	(2,279,516)	(2,124,673)	(2,055,641)	(1,984,166)	(1,925,291)
Administrative Expense	(65,968)	(60,209)	(57,587)	(69,948)	(64,129)	(53,591)	(51,834)	(56,136)
Net Change in Plan Fiduciary Net Position	(2,318,755)	6,450,252	(879,555)	680,640	1,249,418	1,235,020	(1,095,361)	625,638
Plan Fiduciary Net Position - Beginning	24,786,274	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)	22,467,519	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)	<u>\$ 34,278,845</u>	<u>\$ 41,312,901</u>	<u>\$ 45,075,547</u>	<u>\$ 34,996,032</u>	<u>\$ 33,313,026</u>	<u>\$ 34,806,152</u>	<u>\$ 35,767,579</u>	<u>\$ 21,585,440</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

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

April 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	39.59%	37.50%	28.92%	35.45%	35.75%	33.18%	30.97%	44.27%
Covered-Employee Payroll	\$ 2,869,720	\$ 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	1194.50%	1512.28%	1718.58%	1310.53%	1308.76%	1259.55%	1441.26%	922.67%
Annual money-weighted rate of return, net of investment expense	-8.62%	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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	\$ 546,852	\$ 787,806	\$ 657,766	\$ 667,678	\$ 753,373	\$ 712,881	\$ 672,938	\$ 714,453
Interest	3,220,408	3,116,033	2,959,959	2,868,521	2,820,446	2,806,228	2,455,405	2,375,442
Actuarial experience	(3,018,580)	1,579,409	576,907	1,115,180	79,060	634,737	741,876	-
Changes in assumptions	(1,825,725)	(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	(3,093,581)	(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	(4,170,626)	(10,937,829)	10,836,557	2,342,685	1,507,192	334,206	4,756,041	931,451
Total Pension Liability - Beginning	54,676,863	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)	50,506,237	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	2,941,797	2,317,049	2,173,792	2,029,881	1,829,282	1,533,379	1,367,692	1,356,510
Contributions - Member	213,524	153,192	156,657	170,122	200,317	204,327	202,743	202,721
Net Investment Income	(904,796)	4,859,711	(622,537)	1,309,076	1,210,206	1,544,569	(735,261)	623,230
Benefit Payments and Refunds	(3,093,581)	(2,973,186)	(2,891,069)	(2,788,313)	(2,545,025)	(2,377,256)	(2,225,941)	(2,158,444)
Administrative Expense	(23,151)	(12,468)	(11,342)	(12,048)	(17,837)	(18,475)	(28,896)	(16,823)
Net Change in Plan Fiduciary Net Position	(866,207)	4,344,298	(1,194,499)	708,718	676,943	886,544	(1,419,663)	7,194
Plan Fiduciary Net Position - Beginning	20,045,617	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)	19,179,410	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>\$ 31,326,827</u>	<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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.97%	36.66%	23.93%	30.84%	30.87%	30.45%	28.90%	35.00%
Covered-Employee Payroll	\$ 2,184,505	\$ 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	1434.05%	2077.30%	3016.09%	2147.71%	1795.21%	1445.53%	1697.07%	1451.08%
Annual money-weighted rate of return, net of investment expense	-3.44%	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, 2022

SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE PENSION

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,330,467	\$ 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>2,681,474</u>	<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>\$ (351,007)</u>	<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	\$ 2,869,720	\$ 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	93.44%	74.92%	75.04%	67.92%	64.41%	52.02%	56.54%	60.81%

NOTE: The 2015 - 2022 actuarially determined contribution (ADC) shown is from the May 1, 2013 - 2020 actuary's reports completed by Lauterbach and Amen, LLP for the tax levy recommendation for the December, 2013 - 2020 tax levy, respectively.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - FIREFIGHTERS' PENSION

Actuarially Determined Contribution	\$ 2,989,178	\$ 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>2,941,797</u>	<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>\$ 47,381</u>	<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	\$ 2,184,505	\$ 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	134.67%	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 - 2022 ADC is from May 1, 2014 - 2020 actuary's reports completed by Lauterbach and Amen, LLP for the tax levy recommendation for the December, 2014 - 2020 tax levy, respectively.

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS

SCHEDULES OF EMPLOYER CONTRIBUTIONS (Continued)

April 30, 2022

Notes to Required Supplementary Information:

	Police	Firefighter
Actuarial Valuation Date	May 1, 2020	May 1, 2020
Actuarial Cost Method	Projected unit credit	Projected unit credit
Amortization Method	Level % of pay	Level % of pay
Remaining Amortization Period	90% Funded over 20 years	90% Funded over 20 years
Investment Rate of Return, Net of Investment Plan Expenses, Including Inflation	6.75%	6.75%
Inflation Rate	2.25%	2.25%
Salary Increases	2.25% - 22.18%	3.25- 11.94%
Asset Valuation	5 Year Smoothed Fair Value	5 Year Smoothed Fair Value

Demographic Actuarial Assumptions:

Police:

Mortality Rates	PUB-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
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, as Described
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

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, 2022

Primary Government				
Total OPEB Liability	2022	2021	2020	2019
Service Cost	\$ 697,221	\$ 523,659	\$ 460,352	\$ 486,798
Interest	1,066,937	1,578,317	1,748,342	1,713,178
Benefit changes	(1,889,041)	(5,204,416)	-	-
Differences between expected and actual experience	2,668,340	1,646,737	-	120,422
Changes in assumptions	(11,143,710)	(1,035,526)	7,560,556	1,399,024
Benefit payments	(1,086,288)	(1,752,248)	(1,571,593)	(1,461,725)
Net Change in Total OPEB Liability	(9,686,541)	(4,243,477)	8,197,657	2,257,697
Total OPEB Liability - Beginning	50,870,387	55,113,864	46,916,207	44,658,510
Total OPEB Liability - Ending (A)	<u>\$ 41,183,846</u>	<u>\$ 50,870,387</u>	<u>\$ 55,113,864</u>	<u>\$ 46,916,207</u>
Covered-Employee Payroll	\$ 7,311,706	\$ 6,898,916	\$ 7,536,660	\$ 7,281,797
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	563.26%	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 2022 using scale MP2021. 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, 2022

Mattoon Public Library				
	2022	2021	2020	2019
Total OPEB Liability				
Service Cost	\$ 5,037	\$ 3,637	\$ 14,464	\$ 20,517
Interest	4,747	32,092	36,531	39,322
Benefit changes	-	-	-	-
Differences between expected and actual experience	(6,141)	(548,752)	-	(80,572)
Changes in assumptions	(36,156)	(349,540)	126,834	26,069
Benefit payments	(6,259)	(26,380)	(51,395)	(48,031)
Net Change in Total OPEB Liability	(38,772)	(888,943)	126,434	(42,695)
Total OPEB Liability - Beginning	227,060	1,116,003	989,569	1,032,264
Total OPEB Liability - Ending (A)	\$ 188,288	\$ 227,060	\$ 1,116,003	\$ 989,569
Covered-Employee Payroll	\$ 185,324	\$ 286,962	\$ 213,563	\$ 206,341
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	101.60%	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 2022 using scale MP2021. 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, 2022

	Total Government			
	2022	2021	2020	2019
Total OPEB Liability				
Service Cost	\$ 702,258	\$ 527,296	\$ 474,816	\$ 507,315
Interest	1,071,684	1,610,409	1,784,873	1,752,500
Benefit changes	(1,889,041)	(5,204,416)	-	-
Differences between expected and actual experience	2,662,199	1,097,985	-	39,850
Changes in assumptions	(11,179,866)	(1,385,066)	7,687,390	1,425,093
Benefit payments	(1,092,547)	(1,778,628)	(1,622,988)	(1,509,756)
Net Change in Total OPEB Liability	(9,725,313)	(5,132,420)	8,324,091	2,215,002
Total OPEB Liability - Beginning	51,097,447	56,229,867	47,905,776	45,690,774
Total OPEB Liability - Ending (A)	<u>\$ 41,372,134</u>	<u>\$ 51,097,447</u>	<u>\$ 56,229,867</u>	<u>\$ 47,905,776</u>
Covered-Employee Payroll	\$ 7,497,030	\$ 7,185,878	\$ 7,750,223	\$ 7,488,138
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	551.85%	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 2022 using scale MP2021. 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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,631,876	\$ 6,681,876	\$ 7,157,866	\$ 475,990
Licenses and permits	249,000	249,000	227,198	(21,802)
Intergovernmental revenues	11,532,636	14,948,071	14,022,318	(925,753)
Charges for services	766,696	766,696	793,462	26,766
Fines and forfeitures	113,600	113,600	123,042	9,442
Investment income	68,500	68,500	15,474	(53,026)
Contributions & miscellaneous revenues	295,744	295,744	371,641	75,897
Total revenues	<u>19,658,052</u>	<u>23,123,487</u>	<u>22,711,001</u>	<u>(412,486)</u>
Expenditures:				
Current:				
General government	2,694,824	2,720,654	2,408,275	312,379
Public safety	13,156,505	14,454,530	14,891,066	(436,536)
Public works	1,182,219	1,182,219	1,083,593	98,626
Health and welfare	151,544	151,544	184,849	(33,305)
Culture and recreation	1,678,291	1,734,536	1,773,837	(39,301)
Economic development	70,044	70,044	52,884	17,160
Capital outlay	-	-	30,110	(30,110)
Debt service:				
Principal	500	500	45,262	(44,762)
Interest and fiscal charges	-	-	2,463	(2,463)
Total expenditures	<u>18,933,927</u>	<u>20,314,027</u>	<u>20,472,339</u>	<u>(158,312)</u>
Excess of revenues over expenditures	<u>724,125</u>	<u>2,809,460</u>	<u>2,238,662</u>	<u>(570,798)</u>
Other financing sources (uses):				
Transfers in	-	-	20,000	20,000
Transfers out	(755,000)	(945,873)	(935,226)	10,647
Proceeds from sale of assets	10,000	10,000	50,000	40,000
Total other financing sources (uses)	<u>(745,000)</u>	<u>(935,873)</u>	<u>(865,226)</u>	<u>70,647</u>
Net change in fund balance	<u>\$ (20,875)</u>	<u>\$ 1,873,587</u>	<u>1,373,436</u>	<u>\$ (500,151)</u>
Fund balance -beginning			<u>9,804,940</u>	
Fund balance - ending			<u>\$ 11,178,376</u>	

See accompanying notes to required supplementary information.

CITY OF MATTOON, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended April 30, 2022

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	\$ 10,220
South Route 45 TIF District Fund	987
Broadway East TIF Business District	126,066
Broadway East Business District Fund	3,994
General Fund	149,767
Festival Management Fund	25,705

CITY OF MATTOON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended April 30, 2022

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, 2022

	General Fund				Festival Management Fund		
	Budgeted Amounts		Actual Amounts	Variance with Final Budget-Positive (Negative)	Budgeted Amounts Original/Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
	Original	Final					
Revenues:							
Taxes	\$ 6,631,876	\$ 6,681,876	\$ 7,157,866	\$ 475,990	\$ -	\$ -	\$ -
Licenses and permits	249,000	249,000	227,198	(21,802)	-	-	-
Intergovernmental revenues	11,532,636	14,948,071	14,022,318	(925,753)	-	-	-
Charges for services	766,696	766,696	793,462	26,766	-	-	-
Fines and forfeitures	113,600	113,600	123,042	9,442	-	-	-
Investment income	66,200	66,200	11,334	(54,866)	-	-	-
Contributions & miscellaneous revenues	145,000	145,000	203,670	58,670	133,000	167,971	34,971
Total revenues	<u>19,505,008</u>	<u>22,970,443</u>	<u>22,538,890</u>	<u>(431,553)</u>	<u>133,000</u>	<u>167,971</u>	<u>34,971</u>
Expenditures:							
Current							
General government	2,694,824	2,720,654	2,408,275	312,379	-	-	-
Public safety	13,156,505	14,454,530	14,891,066	(436,536)	-	-	-
Public works	1,182,219	1,182,219	1,083,593	98,626	-	-	-
Health and welfare	151,544	151,544	184,849	(33,305)	-	-	-
Culture and recreation	1,524,366	1,580,611	1,594,207	(13,596)	153,925	179,630	(25,705)
Economic development	50,000	50,000	50,000	-	-	-	-
Capital outlay	-	-	30,110	(30,110)	-	-	-
Debt service							
Principal	500	500	45,262	(44,762)	-	-	-
Interest and fiscal charges	-	-	2,463	(2,463)	-	-	-
Total expenditures	<u>18,759,958</u>	<u>20,140,058</u>	<u>20,289,825</u>	<u>(149,767)</u>	<u>153,925</u>	<u>179,630</u>	<u>(25,705)</u>
Excess of revenues over expenditures	<u>745,050</u>	<u>2,830,385</u>	<u>2,249,065</u>	<u>(581,320)</u>	<u>(20,925)</u>	<u>(11,659)</u>	<u>9,266</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	20,000	20,000
Transfers out	(755,000)	(945,873)	(935,226)	10,647	-	-	-
Proceeds from sale of assets	10,000	10,000	50,000	40,000	-	-	-
Total other financing sources (uses):	<u>(745,000)</u>	<u>(935,873)</u>	<u>(885,226)</u>	<u>50,647</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Net change in fund balance	<u>\$ 50</u>	<u>\$ 1,894,512</u>	<u>1,363,839</u>	<u>\$ (530,673)</u>	<u>\$ (20,925)</u>	<u>8,341</u>	<u>\$ 29,266</u>
Fund balance -beginning			<u>8,661,945</u>			<u>54,612</u>	
Fund balance - ending			<u>\$ 10,025,784</u>			<u>\$ 62,953</u>	

CITY OF MATTOON, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended April 30, 2022

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, 2022

	Revolving Loan Fund			Totals			
	Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original/ Final			Original	Final		
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ 6,631,876	\$ 6,681,876	\$ 7,157,866	\$ 475,990
Licenses and permits	-	-	-	249,000	249,000	227,198	(21,802)
Intergovernmental revenues	-	-	-	11,532,636	14,948,071	14,022,318	(925,753)
Charges for services	-	-	-	766,696	766,696	793,462	26,766
Fines and forfeitures	-	-	-	113,600	113,600	123,042	9,442
Investment income	2,300	4,140	1,840	68,500	68,500	15,474	(53,026)
Contributions & miscellaneous revenues	17,744	-	(17,744)	295,744	295,744	371,641	75,897
Total revenues	20,044	4,140	(15,904)	19,658,052	23,123,487	22,711,001	(412,486)
Expenditures:							
Current							
General government	-	-	-	2,694,824	2,720,654	2,408,275	312,379
Public safety	-	-	-	13,156,505	14,454,530	14,891,066	(436,536)
Public works	-	-	-	1,182,219	1,182,219	1,083,593	98,626
Health and welfare	-	-	-	151,544	151,544	184,849	(33,305)
Culture and recreation	-	-	-	1,678,291	1,734,536	1,773,837	(39,301)
Economic development	20,044	2,884	17,160	70,044	70,044	52,884	17,160
Capital outlay	-	-	-	-	-	30,110	(30,110)
Debt service							
Principal	-	-	-	500	500	45,262	(44,762)
Interest and fiscal charges	-	-	-	-	-	2,463	(2,463)
Total expenditures	20,044	2,884	17,160	18,933,927	20,314,027	20,472,339	(158,312)
Excess of revenues over expenditures	-	1,256	1,256	724,125	2,809,460	2,238,662	(570,798)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	20,000	20,000
Transfers out	-	-	-	(755,000)	(945,873)	(935,226)	10,647
Proceeds from sale of assets	-	-	-	10,000	10,000	50,000	40,000
Total other financing sources (uses):	-	-	-	(745,000)	(935,873)	(865,226)	70,647
Net change in fund balance	\$ -	1,256	\$ 1,256	\$ (20,875)	\$ 1,873,587	1,373,436	\$ (500,151)
Fund balance -beginning		1,088,383				9,804,940	
Fund balance - ending		<u>\$ 1,089,639</u>				<u>\$ 11,178,376</u>	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF MATTOON, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2022

	Motor Fuel Tax Fund	Hotel and Motel Tax Fund	Home Rehabilitation Grant Fund
Assets:			
Cash and cash equivalents	\$ 1,909,336	\$ 418,332	\$ 37
Receivables	126,690	38,208	-
Due from other funds	-	323	-
Total assets	\$ 2,036,026	\$ 456,863	\$ 37
Liabilities:			
Accounts payable	\$ 691,023	\$ 2,517	\$ -
Payroll liabilities payable	-	2,754	-
Due to other funds	-	560	-
Total liabilities	691,023	5,831	-
Deferred inflows of resources:			
Unavailable revenue	-	4,666	-
Fund Balance:			
Nonspendable	-	-	-
Restricted	1,345,003	446,366	37
Committed	-	-	-
Unassigned	-	-	-
Total fund balance	1,345,003	446,366	37
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,036,026	\$ 456,863	\$ 37

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

April 30, 2022

	Midtown TIF District Fund	Capital Projects Fund	I-57 East TIF District Fund
Assets:			
Cash and cash equivalents	\$ 557,929	\$ 492,741	\$ 226,541
Receivables	878,476	-	134,649
Due from other funds	-	145,051	-
	\$ 1,436,405	\$ 637,792	\$ 361,190
Total assets	\$ 1,436,405	\$ 637,792	\$ 361,190
Liabilities:			
Accounts payable	\$ -	\$ 37,666	\$ -
Payroll liabilities payable	-	-	-
Due to other funds	-	-	-
	-	37,666	-
Total liabilities	-	37,666	-
Deferred inflows of resources:			
Unavailable revenue	878,476	-	134,649
	878,476	-	134,649
Fund Balance:			
Nonspendable	-	-	-
Restricted	557,929	-	226,541
Committed	-	600,126	-
Unassigned	-	-	-
	557,929	600,126	226,541
Total fund balance	557,929	600,126	226,541
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,436,405	\$ 637,792	\$ 361,190

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

April 30, 2022

	South Rt 45 TIF District Fund	South Rt 45 Business District Fund	Broadway East TIF District Fund
Assets:			
Cash and cash equivalents	\$ 8,031	\$ 102,055	\$ 457,723
Receivables	69,814	4,289	190,299
Due from other funds	-	-	-
	-	-	-
Total assets	\$ 77,845	\$ 106,344	\$ 648,022
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	-	-
Due to other funds	-	-	-
	-	-	-
Total liabilities	-	-	-
Deferred inflows of resources:			
Unavailable revenue	69,814	2,027	190,299
Fund Balance:			
Nonspendable	-	-	-
Restricted	8,031	104,317	457,723
Committed	-	-	-
Unassigned	-	-	-
	-	-	-
Total fund balance	8,031	104,317	457,723
Total liabilities, deferred inflows of resources, and fund balance	\$ 77,845	\$ 106,344	\$ 648,022

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

April 30, 2022

	Broadway East Business District Fund	I-57 East Business District Fund	Totals
Assets:			
Cash and cash equivalents	\$ 370,187	\$ 27,714	\$ 4,570,626
Receivables	123,098	827	1,566,350
Due from other funds	-	-	145,374
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 493,285</u>	<u>\$ 28,541</u>	<u>\$ 6,282,350</u>
Liabilities:			
Accounts payable	\$ 8,740	\$ -	\$ 739,946
Payroll liabilities payable	-	-	2,754
Due to other funds	-	-	560
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>8,740</u>	<u>-</u>	<u>743,260</u>
Deferred inflows of resources:			
Unavailable revenue	<u>39,964</u>	<u>177</u>	<u>1,320,072</u>
Fund Balance:			
Nonspendable	-	-	-
Restricted	444,581	28,364	3,618,892
Committed	-	-	600,126
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>444,581</u>	<u>28,364</u>	<u>4,219,018</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 493,285</u>	<u>\$ 28,541</u>	<u>\$ 6,282,350</u>

CITY OF MATTOON, ILLINOIS

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

For the Year Ended April 30, 2022

	Motor Fuel Tax Fund	Hotel and Motel Tax Fund	Home Rehabilitation Grant Fund
Revenues:			
Taxes	\$ -	\$ 369,220	\$ -
Intergovernmental revenues	1,777,809	323	-
Investment income	1,489	-	-
Contributions and miscellaneous revenues	-	250	-
Total revenues	<u>1,779,298</u>	<u>369,793</u>	<u>-</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	600,865	-	-
Culture and recreation	-	247,152	-
Economic development	-	-	-
Capital outlay	871,271	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,472,136</u>	<u>247,152</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>307,162</u>	<u>122,641</u>	<u>-</u>
Other financing sources (uses):			
Transfer in	-	-	-
Transfer out	-	(20,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	307,162	102,641	-
Fund balance - beginning	<u>1,037,841</u>	<u>343,725</u>	<u>37</u>
Fund balance - ending	<u>\$ 1,345,003</u>	<u>\$ 446,366</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, 2022

	Midtown TIF District Fund	Capital Projects Fund	I-57 East TIF District Fund
Revenues:			
Taxes	\$ 836,531	\$ -	\$ 31,862
Intergovernmental revenues	-	-	59,650
Investment income	674	489	6
Contributions and miscellaneous revenues	-	11,177	356,747
Total revenues	<u>837,205</u>	<u>11,666</u>	<u>448,265</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	297,713	-
Culture and recreation	-	-	-
Economic development	439,667	-	9,464
Capital outlay	757,888	188,909	57,028
Debt service			
Principal	-	360,000	-
Interest and fiscal charges	-	71,627	-
Total expenditures	<u>1,197,555</u>	<u>918,249</u>	<u>66,492</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(360,350)</u>	<u>(906,583)</u>	<u>381,773</u>
Other financing sources (uses):			
Transfer in	-	935,226	-
Transfer out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>935,226</u>	<u>-</u>
Net change in fund balances	(360,350)	28,643	381,773
Fund balance - beginning	<u>918,279</u>	<u>571,483</u>	<u>(155,232)</u>
Fund balance - ending	<u>\$ 557,929</u>	<u>\$ 600,126</u>	<u>\$ 226,541</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, 2022

	South Rt 45 TIF District Fund	South Rt 45 Business District Fund	Broadway East TIF District Fund
Revenues:			
Taxes	\$ 68,184	\$ 37,186	\$ 184,865
Intergovernmental revenues	-	-	-
Investment income	13	-	35
Contributions and miscellaneous revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	68,197	37,186	184,900
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Economic development	13,637	-	215,106
Capital outlay	-	-	-
Debt service			
Principal	37,859	-	-
Interest and fiscal charges	20,077	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	71,573	-	215,106
Excess (deficiency) of revenues over (under) expenditures	<hr/> (3,376)	<hr/> 37,186	<hr/> (30,206)
Other financing sources (uses):			
Transfer in	6,000	-	-
Transfer out	-	(6,000)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	6,000	(6,000)	-
Net change in fund balances	2,624	31,186	(30,206)
Fund balance - beginning	<hr/> 5,407	<hr/> 73,131	<hr/> 487,929
Fund balance - ending	<hr/> <hr/> \$ 8,031	<hr/> <hr/> \$ 104,317	<hr/> <hr/> \$ 457,723

CITY OF MATTOON, ILLINOIS

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

For the Year Ended April 30, 2022

	Broadway East Business District Fund	I-57 East Business District Fund	Totals
Revenues:			
Taxes	\$ 510,563	\$ 2,475	\$ 2,040,886
Intergovernmental revenues	-	-	1,837,782
Investment income	357	-	3,063
Contributions and miscellaneous revenues	-	-	368,174
Total revenues	<u>510,920</u>	<u>2,475</u>	<u>4,249,905</u>
Expenditures:			
Current			
Public safety	-	-	-
Public works	-	-	898,578
Culture and recreation	-	-	247,152
Economic development	30,735	-	708,609
Capital outlay	-	-	1,875,096
Debt service			
Principal	245,000	-	642,859
Interest and fiscal charges	76,417	-	168,121
Total expenditures	<u>352,152</u>	<u>-</u>	<u>4,540,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>158,768</u>	<u>2,475</u>	<u>(290,510)</u>
Other financing sources (uses):			
Transfer in	-	-	941,226
Transfer out	-	-	(26,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>915,226</u>
Net change in fund balances	158,768	2,475	624,716
Fund balance - beginning	<u>285,813</u>	<u>25,889</u>	<u>3,594,302</u>
Fund balance - ending	<u>\$ 444,581</u>	<u>\$ 28,364</u>	<u>\$ 4,219,018</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 1,127,616	\$ 1,127,616	\$ 1,777,809	\$ 650,193
Investment income	5,000	5,000	1,489	(3,511)
Total revenues	<u>1,132,616</u>	<u>1,132,616</u>	<u>1,779,298</u>	<u>646,682</u>
Expenditures:				
Current				
Public works	551,100	551,100	600,865	(49,765)
Capital outlay	910,816	910,816	871,271	39,545
Total expenditures	<u>1,461,916</u>	<u>1,461,916</u>	<u>1,472,136</u>	<u>(10,220)</u>
Net change in fund balance	<u>\$ (329,300)</u>	<u>\$ (329,300)</u>	307,162	<u>\$ 636,462</u>
Fund balance - beginning			<u>1,037,841</u>	
Fund balance - ending			<u>\$ 1,345,003</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 200,000	\$ 200,000	\$ 369,220	\$ 169,220
Intergovernmental revenue	\$ -	\$ -	323	323
Contributions and miscellaneous revenues	-	-	250	250
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>369,793</u>	<u>169,793</u>
Expenditures:				
Current				
Culture and recreation	327,748	327,748	247,152	80,596
Capital outlay	-	-	-	-
Total expenditures	<u>327,748</u>	<u>327,748</u>	<u>247,152</u>	<u>80,596</u>
Excess (deficiency) of revenues over (under) expenditures	(127,748)	(127,748)	122,641	250,389
Other financing sources:				
Transfer out	-	-	(20,000)	(20,000)
Net change in fund balance	<u>\$ (127,748)</u>	<u>\$ (127,748)</u>	102,641	<u>\$ 230,389</u>
Fund balance - beginning			<u>343,725</u>	
Fund balance - ending			<u>\$ 446,366</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, 2022

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

CITY OF MATTOON, ILLINOIS

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

For the Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 760,000	\$ 760,000	\$ 836,531	\$ 76,531
Investment income	1,500	1,500	674	(826)
Total revenues	<u>761,500</u>	<u>761,500</u>	<u>837,205</u>	<u>75,705</u>
Expenditures:				
Current				
Economic development	504,750	504,750	439,667	65,083
Capital outlay	841,000	841,000	757,888	83,112
Total expenditures	<u>1,345,750</u>	<u>1,345,750</u>	<u>1,197,555</u>	<u>148,195</u>
Net change in fund balance	<u>\$ (584,250)</u>	<u>\$ (584,250)</u>	(360,350)	<u>\$ 223,900</u>
Fund balance - beginning			<u>918,279</u>	
Fund balance - ending			<u>\$ 557,929</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 700	\$ 700	\$ 489	\$ (211)
Contributions & miscellaneous revenues	11,000	11,000	11,177	177
Total revenues	11,700	11,700	11,666	(34)
Expenditures:				
Current				
Public works	155,000	155,000	297,713	(142,713)
Capital outlay	635,669	635,669	188,909	446,760
Debt service:				
Principal	350,000	350,000	360,000	(10,000)
Interest and fiscal charges	82,157	82,157	71,627	10,530
Total expenditures	1,222,826	1,222,826	918,249	304,577
(Deficiency) of revenues under expenditures	(1,211,126)	(1,211,126)	(906,583)	304,543
Other financing sources:				
Transfers in	746,000	746,000	935,226	189,226
Net change in fund balance	\$ (465,126)	\$ (465,126)	28,643	\$ 493,769
Fund balance - beginning			571,483	
Fund balance - ending			\$ 600,126	

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 33,000	\$ 33,000	\$ 31,862	\$ (1,138)
Intergovernmental revenues	477,028	477,028	59,650	(417,378)
Investment income	10	10	6	(4)
Contributions and miscellaneous revenue	-	-	356,747	356,747
Total revenue	<u>510,038</u>	<u>510,038</u>	<u>448,265</u>	<u>(61,773)</u>
Expenditures:				
Current				
Economic development	6,600	6,600	9,464	(2,864)
Capital outlay	<u>149,000</u>	<u>149,000</u>	<u>57,028</u>	<u>91,972</u>
Total expenditures	<u>155,600</u>	<u>155,600</u>	<u>66,492</u>	<u>89,108</u>
Net change in fund balance	<u>\$ 354,438</u>	<u>\$ 354,438</u>	381,773	<u>\$ 27,335</u>
Fund balance - beginning			<u>(155,232)</u>	
Fund balance - ending			<u>\$ 226,541</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 65,000	\$ 65,000	\$ 68,184	\$ 3,184
Investment income	30	30	13	(17)
Total revenues	<u>65,030</u>	<u>65,030</u>	<u>68,197</u>	<u>3,167</u>
Expenditures:				
Current				
Economic development	13,000	13,000	13,637	(637)
Debt service				
Principal	37,399	37,399	37,859	(460)
Interest and fiscal charges	<u>20,187</u>	<u>20,187</u>	<u>20,077</u>	<u>110</u>
Total expenditures	<u>70,586</u>	<u>70,586</u>	<u>71,573</u>	<u>(987)</u>
(Deficiency) of revenues under expenditures	<u>(5,556)</u>	<u>(5,556)</u>	<u>(3,376)</u>	<u>2,180</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>\$ 444</u>	<u>\$ 444</u>	<u>2,624</u>	<u>\$ 2,180</u>
Fund balance - beginning			<u>5,407</u>	
Fund balance - ending			<u>\$ 8,031</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 31,000	\$ 31,000	\$ 37,186	\$ 6,186
Total revenues	31,000	31,000	37,186	6,186
Other financing sources:				
Transfers out	6,000	6,000	6,000	-
Net change in fund balance	\$ 25,000	\$ 25,000	31,186	\$ 6,186
Fund balance - beginning			73,131	
Fund balance - ending			\$ 104,317	

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 165,200	\$ 165,200	\$ 184,865	\$ 19,665
Investment income	80	80	35	(45)
Total revenue	<u>165,280</u>	<u>165,280</u>	<u>184,900</u>	<u>19,620</u>
Expenditures:				
Current				
Economic development	<u>89,040</u>	<u>89,040</u>	<u>215,106</u>	<u>(126,066)</u>
Net change in fund balance	<u>\$ 76,240</u>	<u>\$ 76,240</u>	<u>(30,206)</u>	<u>\$ (106,446)</u>
Fund balance - beginning			<u>487,929</u>	
Fund balance - ending			<u>\$ 457,723</u>	

CITY OF MATTOON, ILLINOIS

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

For the Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 377,900	\$ 377,900	\$ 510,563	\$ 132,663
Investment income	460	460	357	(103)
Total revenue	<u>378,360</u>	<u>378,360</u>	<u>510,920</u>	<u>132,560</u>
Expenditures:				
Current				
Economic development	26,200	26,200	30,735	(4,535)
Debt service				
Principal	245,000	245,000	245,000	-
Interest and fiscal charges	76,958	76,958	76,417	541
Total expenditures	<u>348,158</u>	<u>348,158</u>	<u>352,152</u>	<u>(3,994)</u>
Net change in fund balance	<u>\$ 30,202</u>	<u>\$ 30,202</u>	158,768	<u>\$ 128,566</u>
Fund balance - beginning			<u>285,813</u>	
Fund balance - ending			<u>\$ 444,581</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	<u>\$ 16,391</u>	<u>\$ 16,391</u>	\$ 2,475	<u>\$ (13,916)</u>
Expenditures:				
Current				
Economic development	<u>13,791</u>	<u>13,791</u>	-	<u>13,791</u>
Net change in fund balance	<u>\$ 2,600</u>	<u>\$ 2,600</u>	2,475	<u>\$ (125)</u>
Fund balance - beginning			<u>25,889</u>	
Fund balance - ending			<u>\$ 28,364</u>	

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

April 30, 2022

	Health Insurance Fund	Insurance and Tort Judgment Fund	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 50,783	\$ 46,595	\$ 97,378
Accounts receivable	-	4,863	4,863
Due from other funds	271,555	18,076	289,631
Due from component units	5,753	238	5,991
Prepaid items	-	413,251	413,251
Restricted assets:			
Cash and cash equivalents	8,360	-	8,360
Total current assets	336,451	483,023	819,474
Liabilities:			
Current liabilities:			
Accounts payable	325,988	39,129	365,117
Due to other funds	-	-	-
Due to component units	-	-	-
Payable from restricted assets			
Other payables	10,463	-	10,463
Total current liabilities	336,451	39,129	375,580
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, 2022

	Health Insurance Fund	Insurance and Tort Judgment Fund	Total
Operating revenues:			
Fund charges and employee contributions	\$ 5,125,214	\$ 928,185	\$ 6,053,399
Operating grants and contributions	11,910	-	11,910
Miscellaneous operating revenue	475	58,441	58,916
Total operating revenue	<u>5,137,599</u>	<u>986,626</u>	<u>6,124,225</u>
Operating expenses:			
Administrative and general	592,558	11,901	604,459
Insurance	748,110	974,725	1,722,835
Health claims and uninsured judgments	3,796,938	-	3,796,938
Total operating expenses	<u>5,137,606</u>	<u>986,626</u>	<u>6,124,232</u>
Operating loss	(7)	-	(7)
Non-operating revenues:			
Investment income	7	-	7
Change in net position	-	-	(0)
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, 2022

	Health Insurance Fund	Insurance and Tort Judgment Fund	Totals
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 3,663,587	\$ 736,748	\$ 4,400,335
Receipts from component units	82,422	9,839	92,261
Receipts from employees and retirees	1,371,524	-	1,371,524
Payments to suppliers	(1,335,430)	(1,139,788)	(2,475,218)
Payments to claimants	(3,736,323)	-	(3,736,323)
Other (payments) receipts	7,147	68,159	75,306
	<u>52,927</u>	<u>(325,042)</u>	<u>(272,115)</u>
Net cash provided (used) by operating activities			
Cash flows from investing activities:			
Investment income	<u>7</u>	<u>-</u>	<u>7</u>
Net cash provided by investing activities	<u>7</u>	<u>-</u>	<u>7</u>
Net increase (decrease) in cash	52,934	(325,042)	(272,108)
Cash, restricted and unrestricted - beginning	<u>6,209</u>	<u>371,637</u>	<u>377,846</u>
Cash, restricted and unrestricted - ending	<u>\$ 59,143</u>	<u>\$ 46,595</u>	<u>\$ 105,738</u>
Reconciliation of operating (loss) to net cash (used) provided by operating activities:			
Operating (loss)	\$ (7)	\$ -	\$ (7)
Adjustments to reconcile operating (loss) to net cash provided by operating activities			
Decrease in receivables	917	9,719	10,636
(Increase) in due from other funds	(1,273)	(18,076)	(19,349)
(Increase) in due from component units	(145)	(238)	(383)
(Increase) in prepaid items	-	(168,507)	(168,507)
Increase in accounts payable	51,285	15,344	66,629
(Decrease) in due to other funds	-	(161,307)	(161,307)
(Decrease) in due to component units	-	(1,977)	(1,977)
Increase in other payables	2,150	-	2,150
Net cash provided (used) by operating activities	<u>\$ 52,927</u>	<u>\$ (325,042)</u>	<u>\$ (272,115)</u>

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

April 30, 2022

Assets:	
Cash and cash equivalents	\$ 203,283
Investments, at fair value	<u>147,285</u>
Total assets	<u><u>\$ 350,568</u></u>
Liabilities:	
Accounts payable	\$ 3,413
Payroll liabilities	6,535
Due to primary government	<u>24,562</u>
Total liabilities	<u>34,510</u>
Fund Balance:	
Restricted	9,862
Unassigned	<u>306,196</u>
Total fund balances	<u>316,058</u>
Total liabilities and fund balance	<u><u>\$ 350,568</u></u>

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

For the Year Ended April 30, 2022

Revenues:	
Payments from primary government	\$ 563,542
Charges for services	8,166
Fines and forfeitures	950
Interest income	1,484
Investment income (loss)	(3,955)
Operating contributions	<u>169,811</u>
Total revenues	<u>739,998</u>
Expenditures:	
Current	
Culture and recreation	666,510
Debt service	
Principal	5,000
Interest	<u>919</u>
Total expenditures	<u>672,429</u>
Excess of revenues over expenditures	67,569
Fund balance - beginning	<u>248,489</u>
Fund balance - ending	<u><u>\$ 316,058</u></u>

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

April 30, 2022

	Mattoon Police Pension Fund	Mattoon Firefighters Pension Fund	Totals
Assets:			
Cash	\$ 1,033,098	\$ 972,532	\$ 2,005,630
Interest receivable	47,862	591	48,453
Prepaid expenses	2,502	-	2,502
Due from primary government	67,725	67,725	135,450
Total assets other than investments	<u>1,151,187</u>	<u>1,040,848</u>	<u>2,192,035</u>
Investments at fair value			
Certificates of deposit	-	710,340	710,340
Corporate and municipal bonds	5,841,714	-	5,841,714
Insurance contracts	15,481,753	10,282,913	25,764,666
Annuities	-	585,962	585,962
Pooled investments	-	6,866,599	6,866,599
Total investments	<u>21,323,467</u>	<u>18,445,814</u>	<u>39,769,281</u>
Total assets	<u>22,474,654</u>	<u>19,486,662</u>	<u>41,961,316</u>
Liabilities:			
Accounts payable	7,135	48,662	55,797
Pensions payable	-	258,590	258,590
Total liabilities	<u>7,135</u>	<u>307,252</u>	<u>314,387</u>
Net position:			
Held in trust for pension benefits	<u>\$ 22,467,519</u>	<u>\$ 19,179,410</u>	<u>\$ 41,646,929</u>

CITY OF MATTOON, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY COMPONENT UNITS

For the Year Ended April 30, 2022

	Mattoon Police Pension Fund	Mattoon Firefighters Pension Fund	Totals
Additions:			
Contributions:			
Employer	\$ 2,681,474	\$ 2,941,797	\$ 5,623,271
Plan members	488,016	213,524	701,540
Total contributions	<u>3,169,490</u>	<u>3,155,321</u>	<u>6,324,811</u>
Investment income:			
Interest income	186,431	54,253	240,684
Dividend income	-	26,479	26,479
Net (decrease) in fair value of investments	<u>(2,756,237)</u>	<u>(985,528)</u>	<u>(3,741,765)</u>
Net investment income	<u>(2,569,806)</u>	<u>(904,796)</u>	<u>(3,474,602)</u>
Total additions	<u>599,684</u>	<u>2,250,525</u>	<u>2,850,209</u>
Deductions:			
Benefits and refunds of contributions	2,852,471	3,093,581	5,946,052
Administrative expenses	65,968	23,151	89,119
Total deductions	<u>2,918,439</u>	<u>3,116,732</u>	<u>6,035,171</u>
Change in net position	<u>(2,318,755)</u>	<u>(866,207)</u>	<u>(3,184,962)</u>
Net position held in trust - beginning	<u>24,786,274</u>	<u>20,045,617</u>	<u>44,831,891</u>
Net position held in trust - ending	<u>\$ 22,467,519</u>	<u>\$ 19,179,410</u>	<u>\$ 41,646,929</u>

OTHER INFORMATION SECTION

CITY OF MATTOON, ILLINOIS

LEGAL DEBT MARGIN
(UNAUDITED)

April 30, 2022

Assessed valuation, 2021 levy		<u>\$ 213,136,699</u>
Statutory debt limitation: (8.625% of assessed valuation)		\$ 18,383,040
Total debt:		
General obligation bonds	\$ (5,840,000)	
Notes payable	<u>(7,520,740)</u>	
Total debt		(13,360,740)
Less debt exempt from statutory debt limitation computation:		
General obligation bonds	5,840,000	
Notes payable - IEPA loans	<u>7,144,499</u>	
Total debt exempt from statutory debt limitation		<u>12,984,499</u>
Legal debt margin		<u>\$ 18,006,799</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 unit, each major fund, and the aggregate remaining fund information of the City of Mattoon, Illinois, as of and for the year ended April 30, 2022, 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 16, 2022.

Report on 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 2022-001, that we consider to be a material weakness.

Report on 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*.

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)

City of Mattoon's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Mattoon's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Mattoon's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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, Winters & Co. LLP

Mattoon, Illinois
December 16, 2022

FEDERAL FINANCIAL COMPLIANCE

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

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Mattoon, Illinois' (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Mattoon, Illinois' major federal programs for the year ended April 30, 2022. 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.

In our opinion, the City of Mattoon 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Mattoon and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Mattoon's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Mattoon's federal programs.

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Mattoon's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Mattoon's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Mattoon's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Mattoon, Illinois' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City of Mattoon, Illinois' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

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

Report on Internal Control Over Compliance (Continued)

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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, Wunders & Co. LLP

Mattoon, Illinois
December 16, 2022

CITY OF MATTOON, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended April 30, 2022

Program	ALN	Contract Number	Disbursements
<u>U.S. Department of Justice</u>			
Bureau of Justice Assistance - Bullet Proof Vest	16.607	2019	\$ 689
Bureau of Justice Assistance - Bullet Proof Vest	16.607	2020	628
Bureau of Justice Assistance - Bullet Proof Vest	16.607	2021	427
Bureau of Justice Assistance - Bullet Proof Vest	16.607	2022	950
Total Bureau of Justice Assistance			<u>2,694</u>
<i>Passed through Illinois Criminal Justice Info Authority:</i>			
Edward Byrne Memorial Justice Assistance Grant	16.738	418003	31,979
Edward Byrne Memorial Justice Assistance Grant	16.738	419003	86,276
Total Edward Byrne Memorial Justice Assistance Grant			<u>118,255</u>
Total U.S. Department of Justice			<u>120,949</u>
<u>National Highway Traffic Safety Administration</u>			
<i>Passed through Illinois Department of Transportation:</i>			
State and Community Highway Safety	20.600	AL23625053	<u>22,957</u>
<u>Department of the Treasury</u>			
Treasury Forfeiture Fund	21.016	GL-ILC-136	<u>3,100</u>
<u>U.S. Environmental Protection Agency</u>			
<i>Passed through Illinois Environmental Protection Agency:</i>			
IEPA Loan L175118	66.458	L175118	<u>1,654,588 (m)</u>
<u>U.S. Department of Homeland Security</u>			
<i>Passed through Illinois Emergency Management Agency:</i>			
Public Assistance Grant - COVID-19 Response	97.036	FEMA-4489-029-47553-00	26,862
<i>Passed through Mutual Aid Box Alarm System:</i>			
Homeland Security Grant Program	97.067	unknown	<u>1,112</u>
Total U.S. Department of Homeland Security			<u>27,974</u>
Total expenditures of federal awards			<u>\$ 1,829,568</u>

(m) - major program

CITY OF MATTOON, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended April 30, 2022

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, 2022. 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. No federal awards were provided to subrecipients. The City did receive a federal loan from the U.S. Environmental Protection Agency as passed through the Illinois Environmental Agency in the amount of \$1,654,588. This is included in the Schedule of Expenditures of Federal Awards as a major program. This loan had not started repayments at April 30, 2022. 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, 2022

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>ALN</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

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

Auditee qualified as low-risk auditee	No
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CITY OF MATTOON, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended April 30, 2022

FINDINGS AND QUESTIONED COSTS FOR FINANCIAL REPORTING

**FINDING NO. 2022-001 - Controls Over Financial Statement Preparation
(Repeat of 2021-001, 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, 2022

FINDINGS AND QUESTIONED COSTS FOR FEDERAL GRANTS

None to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2021-001 - Controls Over Financial Statement Preparation

During the current period, the City of Mattoon did not prepare its own financial statements, including the notes. The City is monitoring the cost/benefit of preparing the financial statements.