

CITY OF DU QUOIN, ILLINOIS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Year Ended December 31, 2021

CITY OF DU QUOIN, ILLINOIS

Table of Contents

December 30, 2021

	<u>Page</u>
Independent Auditor's Report	1 - 2
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 <i>Government Auditing Standards</i>	3 - 4
Management's Discussion and Analysis	5 - 15
BASIC FINANCIAL STATEMENTS	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position	16
Statement of Activities	17
<i>Fund Financial Statements</i>	
Governmental Funds	
Balance Sheet	18
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balance	20
Reconciliation of the Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balance to the Governmental Activities in the Statement of Activities	21
Proprietary Funds	
Statement of Net Position	22
Statement of Revenues, Expenses, and Changes in Net Position	23
Statement of Cash Flows	24
Fiduciary Funds	
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Basic Financial Statements	27 - 62

CITY OF DU QUOIN, ILLINOIS

Table of Contents - Continued

December 30, 2021

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund - Schedule of Funding Progress	63
IMRF-Multiyear Schedule of Changes in Net Pension Liability and Related Ratios	64
IMRF-Multiyear Schedule of Contributions	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - General Fund	66 - 73
Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Business District Tax Fund	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Investment Pool Fund	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Motor Fuel Tax Fund	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Park Fund	77 - 78
Notes to Required Supplementary Information	79 - 80
OTHER SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Statements and Schedules	
Non-Major Governmental Funds	
Combining Balance Sheet	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Drug Abuse Fund	83
Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Health Insurance Fund	84
Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Public Library Fund	85 - 86

CITY OF DU QUOIN, ILLINOIS

Table of Contents - Concluded

December 30, 2021

Page

OTHER SUPPLEMENTARY INFORMATION - CONCLUDED

Combining and Individual Fund Statements and Schedules - Concluded

Non-Major Governmental Funds - Concluded

Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Restricted Building Improvement Fund	87
--	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - TIF #1 Fund	88
--	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - TIF #2 Fund	89
--	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - TIF #3 Fund	90
--	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance Original Budget, Final Budget, and Actual - Tourism/Hotel Tax Fund	91
---	----

Proprietary Funds

Schedule of Revenues, Expenses, and Changes in Net Position Original Budget, Final Budget, and Actual - Waterworks & Sewage Fund	92 - 93
---	---------

Schedule of Revenues, Expenses, and Changes in Net Position Original Budget, Final Budget, and Actual - Capital Improvements Fund	94
--	----

Schedule of Revenues, Expenses, and Changes in Net Position Original Budget, Final Budget, and Actual - Water Meter Deposit Fund	95
---	----

Schedule of Findings and Questioned Costs	96 - 97
---	---------

Summary Schedule of Prior Audit Findings	98
--	----

Corrective Action Plan For Current Year Findings	99 - 102
--	----------



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Du Quoin, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Du Quoin, Illinois, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Du Quoin, 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, each major fund, and the aggregate remaining fund information of the City of Du Quoin, Illinois, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Du Quoin, Illinois and to meet our other 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 Du Quoin, Illinois' 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.

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.

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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 Du Quoin, Illinois' 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 Du Quoin, Illinois' 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 - 15, the IMRF schedules on pages 63 - 65, the budgetary comparison schedules on pages 66 - 78, and the related notes on pages 79 - 80 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Du Quoin, Illinois' basic financial statements. The accompanying combining and individual fund statements and schedules on pages 81 - 95 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 fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2022, on our consideration of the City of Du Quoin, Illinois' 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 Du Quoin, Illinois' 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 City of Du Quoin, Illinois' internal control over financial reporting and compliance.



Rice Sullivan, LLC

Du Quoin, Illinois
June 15, 2022



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 Du Quoin, Illinois

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Du Quoin, Illinois, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Du Quoin, Illinois' basic financial statements and have issued our report thereon dated June 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Du Quoin, Illinois' 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 City of Du Quoin, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Du Quoin, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items (Finding 3: 2021-3 and Finding 4: 2021-4) to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items (Finding 1: 2021-1 and Finding 2: 2021-2) to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Du Quoin, Illinois' 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Du Quoin, Illinois' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Du Quoin, Illinois' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Du Quoin, Illinois' response was not subjected to the other 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rice Sullivan, LLC

Du Quoin, Illinois

June 15, 2022

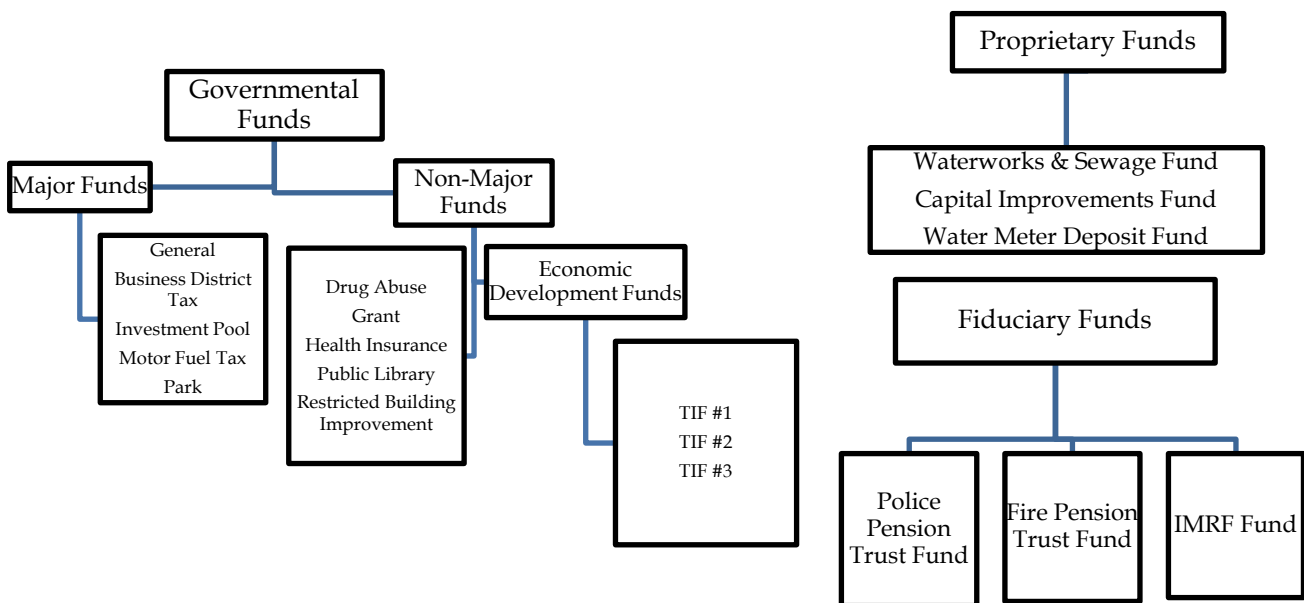


Management Discussion and Analysis For the Fiscal Year Ended December 31, 2021

The City Council of the City of Du Quoin, Illinois offers this overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. We encourage readers to consider the information in conjunction with the accompanying accounting information.

Financial Structure and Organization

The City's financial activity happens in three main fund types, Governmental, Proprietary, and Fiduciary Funds. Governmental Funds account for all that is tax supported. Proprietary Funds account for business activities such as providing water. Fiduciary Funds account for investments managed by the Police and Fire Pension Boards to provide pension plans to retired employees. The former two of three fund types can be further reduced to Major and Non-Major or Restricted Funds. Major Funds support general operations of the City, whereas Non-Major or Restricted Funds support specific purposes. The City's financial structure can be illustrated as follows:



Major Governmental Funds includes the General Fund, Business District Tax Fund, Investment Pool Fund, Motor Fuel Tax Fund, and Park Fund. The General Fund provides for the Administration, Emergency Management, Fire, Police, and Street Departments. These departments are mostly funded through collection of local and state taxes. Roughly 90% of the funding for these Departments is provided by Home Rule and Municipal sales taxes, Income, Local Use, Personal Property Replacement, Phone, and Utility taxes. The remainder is funded by smaller sources of revenue collected by the City such as Franchise, Liquor License and Permit fees, and fines.

Financial Structure and Organization

The Business Tax District is established along the Route 51 corridor and generates revenues through the imposition of a half-cent sales tax. This revenue is used to create new businesses, expand existing businesses, and to fund public infrastructure projects in the Business District.

The Investment Pool Fund consists of one checking account and one IL Funds account for contingencies. The revenues in this fund are Video Gaming tax and interest.

The Motor Fuel Tax Fund provides for the maintenance and major repairs of the City's roads in accordance with the State Motor Fuel Tax Program. It is funded almost exclusively by the State allotments of motor fuel tax.

The Park Fund provides for the operation and maintenance of the City swimming pool, and Keyes and Pettiford Parks. It shares many of the same revenue sources as the General Fund plus some smaller sources such as swimming pool admissions and concessions.

Proprietary Funds support the Water Department and Wastewater Treatment Plant. This division of the City's operations is more like a business. Consumption of water and discharge of sewage is billed at a rate that generates enough revenue to cover the cost of supplying these services. Leachate Processing and Water Tap charges, and Reconnection fees also compliment Water and Sewer receipts. The Water and Sewer Capital Improvements Fund is another savings fund to be used for the expansion, improvement, and repair of the City's Water and Sewer systems. It is funded by a portion of the service charge on all bills.

Fiduciary Funds is the last of the three main fund types. It includes the Police, Fire, and IMRF Pension Trust Funds that provide for pension benefits. They are funded by employer and employee contributions. Employer contributions are made by levying real estate taxes.

The next subset of funds is the Non-Major or Restricted Funds. These Funds are smaller in size and scope than the Major Funds. They are used only for specific purposes within the City's operations, which could be one-time grants or projects, or continuing activities that have a particular purpose. They are as follows.

The Drug Abuse Fund supports the Police Department through fines collected from drug and drunken driving arrests. This fund purchases most of the City's Police cars.

The Grant Fund was created to report the collection and flow through payments of federal funds to provide assistance to local businesses affected by the Coronavirus pandemic.

The Health Insurance Fund was created in 2017 when the City switched insurance carriers for its group health plan. This change resulted in annual savings north of \$200,000 which funds it. The Fund can be used for self-insuring differences in plan benefit levels and mitigating premium increases so long as the balance is greater than \$156,000.

The Public Library Fund provides for the operation of the Du Quoin Public Library. The City accounts for the Library's funds but does not manage them. The Library Board is responsible for levying their own Real Estate taxes, preparing their own budget, and approving expenditures.

Financial Structure and Organization

The Restricted Building Improvement Fund housed loan proceeds of \$225,000 to replace the roof, tuck-point, and paint City Hall. The residual amount from completing these projects remains for future building needs.

The Hotel Tax Fund is a pass through to fund activities of the Du Quoin Tourism Commission such as Holiday Lights, Concerts in the Park, and the Fall Festival.

Lastly, there is a collective set of Restricted Funds whose purpose is to support economic development in the City. This set is referred to as the Economic Development Funds and is comprised of the Tax Increment Financing (TIF) Districts 1, 2, and 3.

Each TIF District has an established area with a base assessed valuation. As properties develop with TIF assistance, the equalized assessed valuation (EAV) of those properties increases. The difference between the increased EAV and the base generate additional property tax revenues to be used in the TIF District. These revenues can be used to reimburse businesses for redevelopment projects and to fund public infrastructure projects in the TIF District.

Financial Highlights

For the year ended December 31, 2021, revenues for the governmental activities totaled \$6,353,591, expenses totaled \$12,419,488, net transfers were \$5,256, resulting in a total change in net position of (\$6,060,641). An alternative measure of the City's financial position is the modified accrual basis of accounting. According to this measure, revenues for the governmental funds totaled \$14,553,625, expenditures totaled \$13,093,525, net transfers were \$5,256, resulting in a net change in fund balance of \$1,465,356. The difference between the two measures is due to fund balance reports capital outlays as expenditures, uses bond proceeds as current financial resources, and defers expenditures. In 2020, 2019, and 2018, the total net change in fund balance was \$586,941, (\$440,716), and \$553,370, respectively. From 2017 through 2020, the collective total net change in fund balance was \$2,164,951.

Using the modified accrual basis of accounting, General Fund revenues increased from \$5,728,061 in 2020 to \$13,083,445 in 2021 for an increase of \$7,355,384 or 128.41%. This increase is due to the issuance of general obligation bonds of \$7,665,000 to fund the police and fire pensions. Expenditures increased from \$5,147,018 in 2020 to \$23,335,831 in 2021 for an increase of \$18,188,813 or 353.42% due to the pension contributions of \$2,861,834 to the police pension and \$4,089,060 to the fire pension. Net transfers were (\$511,411). The increase in General Fund revenues resulted in a surplus of \$236,203.

Using the cash basis of accounting, General Fund revenues were \$13,532,805 against expenditures of \$12,284,060 and net transfers of (\$511,411) for a surplus of \$737,334. There were budget variances of \$8,690,052 on revenues and (\$7,415,214) on expenditures. The better-than-expected revenues were due to the issuance of general obligations bond, which were not factored into the budget. Expenditures were worse than expected due to the pension payments of \$6,950,894 made to the police and fire pensions.

Financial Highlights

Business District Tax Fund had revenues of \$387,911, which is a \$127,689 increase from last year's total revenues of \$260,222. This increase was due to the deposit of all of the business district sales tax revenues. The budget variance in revenues was \$14,051. Expenditures were down (\$43,752) from the previous year amount of \$116,966. The City paid out accelerated payments last year on business contracts. The expenditure budget variance was \$289,346. Net transfers totaled \$108,088, resulting in a surplus of \$422,785.

Investment Pool Fund had revenues of \$206,150 and expenditures of \$0 and net transfers of \$500,924 for a surplus of \$707,074. The Fund had a revenues variance of \$95,136 from the budget due to Video Gaming Tax being over budget. The money transferred in was from the general bond obligations issuance.

Motor Fuel Tax Fund had revenues of \$371,253 and expenditures of \$197,968 and net transfers of (\$146,724) for a surplus of \$26,561. The Fund had a revenues variance of \$67,001 from the budget due to the new motor fuel tax allotments tax increase. Motor Fuel Tax increased \$8,074 or 3.50% year over year. Expenditures were better than expected, with a budget variance of \$72,032.

Park Fund had revenues of \$131,236 versus expenditures of \$81,528 and net transfers of \$54,358 for a surplus of \$104,066. This surplus was largely due to the pool reopening after the pandemic. The Fund had a revenue variance of (\$3,379) and an expenditure variance of \$34,590. This Fund continues to provide for the City's pool and parks that many families use and enjoy.

Proprietary Funds revenues increased from \$2,752,880 in 2020 to \$2,865,209 in 2021 for an increase of \$112,329 or 4.08%. This increase in revenues was largely due to an increase in water and sewer rates charged to each customer.

The City continues to support the Fiduciary Funds by levying real estate taxes by the full or greater amount requested by the Police, Fire, and IMRF Pension Boards. The Illinois Department of Insurance and Illinois Municipal Retirement Fund determines these amounts to get the Pension Funds 90% funded by 2040. For 2021, the Police Pension Board requested \$387,831. The City levied \$352,819 and received \$323,147. The Fire Pension Board requested \$436,668. The City levied \$399,695 and received \$366,080. The City issued general obligation bonds of \$7,665,000 to help fund the police and fire pensions. The Police Pension Board received \$2,861,834 and the Fire Pension Board received \$4,089,060. The Police and Fire Pension Funds are 88% and 85% funded, respectively.

Restricted Funds continue to be used constructively and for the purposes that they were intended for. The following Restricted Funds had a surplus in 2021: Business District Tax Fund, Investment Pool Fund, Motor Fuel Tax Fund, Park Fund, Drug Abuse Fund, Public Library Fund, Restricted Building Improvement Fund, and TIF #2 Fund,. The following had a deficit: Health Insurance Fund, TIF #1 Fund, TIF #3 Fund, and Tourism Hotel Tax Fund. The Restricted Funds collectively had a surplus of \$1,229,153. Cash balances for the Restricted Funds increased \$751,162, or 49.47%, from 2020.

The Economic Development Funds continue to assist businesses, provide for public projects, and perpetually grow. In 2020, TIF Funds spent \$190,946 in business developments and \$19,489 in infrastructure improvements. TIF Funds had combined revenues of \$181,570 versus expenditures of \$210,435 and net transfers of \$0 for a deficit of (\$28,865). Combined TIF revenues were \$3,058 less than 2020 due to a decrease in property taxes collected. Expenditures decreased by \$98,653 in 2021 due to less business conducted in TIF #1.

Financial Highlights

The General Fund reported \$385,800 in unearned revenue for the year ended December 31, 2021. This amount represented American Rescue Plan Act Relief federal grant funds that had been received but not yet spent.

Capital Assets and Debt Administration

At the end of December 31, 2021, the City had the following capital assets (net of accumulated depreciation):

	Governmental Activities	Business-Type Activities
Land	\$ 50,500	\$ 0
Project in Progress	0	51,628
Buildings and Plants	3,668,631	8,468,732
Land Improvements	2,346,988	2,753,649
Machinery and Equipment	2,350,114	1,082,014
Vehicles	1,618,664	96,912
Accumulated Depreciation	(7,536,334)	(6,239,898)
Total	<u>\$ 2,498,063</u>	<u>\$ 6,213,037</u>

The Governmental Activities had capital outlays of \$152,030 during the year. The General Fund purchased a 2018 Case 580S backhoe for \$95,150. The General Fund purchased a new trailer for \$2,366, thermal image cameras for \$39,714, and surveillance cameras for \$14,800. The General Fund traded in a 2006 Case Backhoe for \$42,000. This equipment was depreciated out so the trade in value is recognized as the gain. Depreciation expense was \$352,878 and broken down by functions as follows: General Government \$166,148, Public Safety \$130,700, Services \$27,033, and Transportation \$28,997.

The Waterworks and Sewage Fund purchased a 420 Backhoe for \$98,710, a Ford F-150 for \$24,645, and a Ford F-250 for \$34,802. The Capital Improvement Fund capitalized engineering expenses of \$51,628. The depreciation for the year was \$398,910. No assets were sold during the year.

Debt Administration

At year-end, the General Fund had an outstanding loan of \$93,101 with Banterra Bank for their current building roof. The loan matures in September 2025 and is unsecured. The applicable interest rate is 2.44%. The City paid \$23,415 in principal and \$2,613 in interest during the year. \$24,024 represents the amount that is due within a year.

At year-end, the General Fund had an outstanding loan of \$40,625 with Prospect Bank for a 2018 Case 580S backhoe. The City financed \$53,450 during the year. The loan matures in November 2024 and is secured by the backhoe. The applicable interest rate is 2.69%. The City paid \$12,825 in principal and \$1,371 in interest during the year. \$13,177 represents the amount that is due within a year.

At year-end, the Waterworks and Sewage had an outstanding loan of \$74,043 with SIBCC. The loan matures in April 2024 and is unsecured. The applicable interest rate is 4.00%. The City paid \$24,909 in principal and \$5,670 in interest during the year. \$29,143 represents the amount that is due within a year.

Debt Administration

At year-end, the Waterworks and Sewage had an outstanding loan of \$20,186 with Ford Credit for a 2020 Ford F-150. The City financed \$24,645 during the year. The loan matures in January 2026 and is secured by the truck. The applicable interest rate is 5.99%. The City paid \$4,459 in principal and \$1,229 in interest during the year. \$4,209 represents the amount that is due within a year.

At year-end, the Waterworks and Sewage had an outstanding loan of \$30,071 with Ford Credit for a 2021 Ford F-250. The City financed \$34,802 during the year. The loan matures in April 2026 and is secured by the truck. The applicable interest rate is 5.99%. The City paid \$4,731 in principal and \$1,292 in interest during the year. \$5,856 represents the amount that is due within a year.

At year-end, the Capital Improvements Fund had an outstanding loan of \$1,962,045 with the Illinois Environmental Agency for water system improvements. The loan matures in August 2026 and is unsecured. The applicable interest rate is 2.50%. The City paid \$363,999 in principal and \$55,890 in interest during the year. \$373,156 represents the amount that is due within a year.

At year-end, the Capital Improvements Fund had an outstanding loan of \$434,440 with the Illinois Environmental Agency for water system improvements. The loan matures in October 2033 and is unsecured. The applicable interest rate is 2.295%. The City paid \$31,116 in principal and \$10,507 in interest during the year. \$31,834 represents the amount that is due within a year.

At year-end, the Waterworks and Sewage had an outstanding loan of \$78,710 with car Financial for a 420 backhoe. The City financed \$78,710 during the year. The loan matures in December 2026 and is secured by the backhoe. The applicable interest rate is 3.18%. The City paid \$0 in principal and \$0 in interest during the year. \$14,764 represents the amount that is due within a year.

On July 8, 2021, the City issued \$7,665,000 in general obligation bonds to fund the police and fire pensions. The goal is to get each pension to 90% funded. Of the \$7,665,000 bond proceeds, the City contributed \$2,861,834 to the police pension, \$4,089,060 to the fire pension, \$500,924 is being held in the investment pool fund, and \$213,182 was for bond issuance costs. The bonds mature on December 1, 2040. Repayment of these bonds will be through a tax levy ordinance. The applicable interest rates vary from 0.30% to 3.00%. The City paid \$360,000 in principal and \$59,200 in interest during the year. \$335,000 represents the amount that is due within a year. \$6,970,000 represents the long term portion of the bonds.

2021 Budget

The 2021 Budget has budgeted revenues of \$9,306,836 and expenditures of \$9,228,680, respectively for a budgeted surplus of \$78,156. This is an increase in budgeted revenues of \$510,174 and expenditures of \$693,218 from 2020.

There are surpluses budgeted in the Business District Tax Fund, Investment Pool Fund Motor Fuel Tax Fund, Park Fund, Drug Abuse Fund, TIF #2 Fund, TIF #3 Fund, Waterworks & Sewage Fund, and Water Meter Deposit Fund.

There are deficits budgeted in the General Fund, Public Library Fund, Health Insurance Fund, Restricted Building Improvement Fund, TIF #1 Fund, and Capital Improvements Fund. A list of funds that had expenditures in excess of their budget can be found in the Notes to the Required Supplementary Information.

Requests for Information

This financial report was created to provide a basic overview of the City of Du Quoin's financial activities for those interested. Any questions concerning the information provided in this report or requests for additional financial information should be addressed to the City Clerk's Office at 302 East Poplar Street, Du Quoin, Illinois 62832.

Management's Discussion and Analysis for the City of Du Quoin for the fiscal year ended December 31, 2021, was compiled by information provided by Budget and Finance Director Ruth Hale.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL ACTIVITIES

December 31, 2021 and December 31, 2020 Comparison

	Governmental Activities		
	2021	2020	% Change
Assets			
Current Assets	\$ 5,052,404	\$ 3,168,170	59.47%
Non-Current Assets			
Capital Assets, Net of Depreciation	2,498,563	2,699,411	-7.44%
Total Assets	7,550,967	5,867,581	28.69%
Deferred Outflows of Resources			
None	-	-	0.00%
Liabilities			
Current Liabilities	929,428	161,426	475.76%
Non-Current Liabilities	7,299,786	323,761	2154.68%
Total Liabilities	8,229,214	485,187	1596.09%
Deferred Inflows of Resources			
None	-	-	0.00%
Net Position			
Net Investment in Capital Assets	2,364,837	2,582,895	-8.44%
Restricted	3,341,876	2,113,223	58.14%
Unrestricted (Deficit)	(6,384,960)	686,276	-1030.38%
Total Net Position	\$ (678,247)	\$ 5,382,394	-112.60%

FINANCIAL ANALYSIS OF THE GOVERNMENTAL ACTIVITIES - Concluded

December 31, 2021 and December 31, 2020 Comparison

	Governmental Activities		
	2021	2020	% Change
Revenue			
Program Revenue:			
Charges for Services	\$ 138,481	\$ 133,090	4.05%
Operating Grants & Contributions	333,441	452,683	-26.34%
Capital Grants & Contributions	25,300	-	100.00%
General Revenue:			
Taxes	2,752,161	2,080,350	32.29%
Intergovernmental	2,977,947	2,548,878	16.83%
Interest Income	2,593	2,980	-12.99%
Miscellaneous	123,668	87,531	41.28%
Total Revenue	6,353,591	5,305,512	19.75%
Expenses			
General Government	1,892,401	1,764,607	7.24%
Public Safety	2,330,812	2,279,958	2.23%
Services	221,506	166,829	32.77%
Transportation	876,550	661,836	32.44%
Interest on Long-term Debt	63,184	6,475	875.81%
Pension Expense	7,035,035	88,424	7856.02%
Total Expenses	12,419,488	4,968,129	149.98%
Operating Transfers, Net	5,256	5,898	-10.89%
Change in Net Position	(6,060,641)	343,281	-1865.50%
Beginning Net Position	5,382,394	5,039,113	6.81%
Ending Net Position	\$ (678,247)	\$ 5,382,394	-112.60%

FINANCIAL ANALYSIS OF THE BUSINESS-TYPE ACTIVITIES

December 31, 2021 and December 31, 2020 Comparison

	Business-Type Activities		
	2021	2020	% Change
Assets			
Current Assets	\$ 1,351,120	\$ 1,138,781	18.65%
Non-Current Assets			
Capital Assets, Net of Depreciation	6,213,037	6,402,162	-2.95%
Total Assets	7,564,157	7,540,943	0.31%
Deferred Outflows of Resources			
None	-	-	0.00%
Liabilities			
Current Liabilities	603,988	598,265	0.96%
Non-Current Liabilities	2,211,959	2,515,074	-12.05%
Total Liabilities	2,815,947	3,113,339	-9.55%
Deferred Inflows of Resources			
None	-	-	0.00%
Net Position			
Net Investment in Capital Assets	3,613,542	3,511,610	2.90%
Restricted	-	-	0.00%
Unrestricted (Deficit)	1,134,668	915,994	23.87%
Total Net Position	\$ 4,748,210	\$ 4,427,604	7.24%

FINANCIAL ANALYSIS OF THE BUSINESS-TYPE ACTIVITIES - Concluded

December 31, 2021 and December 31, 2020 Comparison

	Business-Type Activities		
	2021	2020	% Change
Revenue			
Program Revenue:			
Charges for Services	\$ 2,863,325	\$ 2,694,616	6.26%
Operating Grants & Contributions	1,798	58,202	-96.91%
General Revenue:			
Interest Income	86	62	38.71%
Total Revenue	<u>2,865,209</u>	<u>2,752,880</u>	4.08%
Expenses			
Waterworks & Sewage Fund	2,079,880	2,078,201	0.08%
Capital Improvements Fund	323,041	339,070	-4.73%
Interest on Long-Term Debt	74,588	76,031	-1.90%
Pension Expense	61,838	60,135	2.83%
Total Expenses	<u>2,539,347</u>	<u>2,553,437</u>	-0.55%
Operating Transfers, Net	<u>(5,256)</u>	<u>(5,898)</u>	10.89%
Change in Net Position	320,606	193,545	65.65%
Beginning Net Position	<u>4,427,604</u>	<u>4,234,059</u>	4.57%
Ending Net Position	<u>\$ 4,748,210</u>	<u>\$ 4,427,604</u>	7.24%

BASIC FINANCIAL STATEMENTS

CITY OF DU QUOIN, ILLINOIS

Statement of Net Position

December 31, 2021

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Assets			
Current Assets			
Cash	\$ 1,415,587	\$ 1,174,589	\$ 2,590,176
Cash (Restricted)	1,903,389	-	1,903,389
Investments, at cost	660,879	-	660,879
Due from State of Illinois	760,316	-	760,316
Accounts Receivable	-	176,531	176,531
Due from Other Governments	312,233	-	312,233
Total Current Assets	5,052,404	1,351,120	6,403,524
Non-Current Assets			
Property, Plant, and Equipment			
Non-Depreciable	50,500	51,628	102,128
Depreciable (Net)	2,448,063	6,161,409	8,609,472
Total Non-Current Assets	2,498,563	6,213,037	8,711,600
Total Assets	7,550,967	7,564,157	15,115,124
Deferred Outflows of Resources	-	-	-
Liabilities			
Current Liabilities			
Accounts Payable	107,008	62,267	169,275
Other Payables	31,094	72,555	103,649
Unearned Revenue	385,800	-	385,800
Accrued Absences	33,325	10,204	43,529
Loans and Leases Payable	37,201	458,962	496,163
Bonds Payable	335,000	-	335,000
Total Current Liabilities	929,428	603,988	1,533,416
Non-Current Liabilities			
Accrued Absences	233,261	71,426	304,687
Loans and Leases Payable	96,525	2,140,533	2,237,058
Bonds Payable	6,970,000	-	6,970,000
Total Non-Current Liabilities	7,299,786	2,211,959	9,511,745
Total Liabilities	8,229,214	2,815,947	11,045,161
Deferred Inflows of Resources	-	-	-
Net Position			
Net Investment in Capital Assets	2,364,837	3,613,542	5,978,379
Restricted	3,341,876	-	3,341,876
Unrestricted (Deficit)	(6,384,960)	1,134,668	(5,250,292)
Total Net Position	\$ (678,247)	\$ 4,748,210	\$ 4,069,963

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS

Statement of Activities

For the Year Ended December 31, 2021

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total Reporting Entity
					Governmental Activities	Business-Type Activities	
<u>Functions/Programs</u>							
Primary Government							
Governmental Activities							
General Government	\$ 1,892,401	\$ 46,319	\$ 166,922	\$ -	\$ (1,679,160)	\$ -	\$ (1,679,160)
Public Safety	2,330,812	63,052	20,920	25,300	(2,221,540)	-	(2,221,540)
Services	221,506	29,110	11,397	-	(180,999)	-	(180,999)
Transportation	876,550	-	134,202	-	(742,348)	-	(742,348)
Interest on Long-Term Debt	63,184	-	-	-	(63,184)	-	(63,184)
Pension Expense	7,035,035	-	-	-	(7,035,035)	-	(7,035,035)
Total Governmental Activities	12,419,488	138,481	333,441	25,300	(11,922,266)	-	(11,922,266)
Business-Type Activities							
Waterworks & Sewage Fund	2,079,880	2,863,325	1,798	-	-	785,243	785,243
Capital Improvements Fund	323,041	-	-	-	-	(323,041)	(323,041)
Interest on Long-Term Debt	74,588	-	-	-	-	(74,588)	(74,588)
Pension Expense	61,838	-	-	-	-	(61,838)	(61,838)
Total Business-Type Activities	2,539,347	2,863,325	1,798	-	-	325,776	325,776
Total Primary Government	\$ 14,958,835	\$ 3,001,806	\$ 335,239	\$ 25,300	\$ (11,922,266)	\$ 325,776	\$ (11,596,490)
General Revenues:							
Taxes:							
Property Tax					\$ 772,167	\$ -	\$ 772,167
Local Sales Tax					1,444,400	-	1,444,400
Hotel Tax					31,301	-	31,301
Utility Tax					458,136	-	458,136
Franchise Tax					46,157	-	46,157
Intergovernmental:							
Replacement Tax					92,291	-	92,291
Retailers' Occupation Tax					1,362,269	-	1,362,269
Income and Use Tax					1,059,419	-	1,059,419
Allotments					239,363	-	239,363
Gaming Tax					197,212	-	197,212
Other					27,393	-	27,393
Interest Income					2,593	86	2,679
Miscellaneous					123,668	-	123,668
Total General Revenues					5,856,369	86	5,856,455
Operating Transfers, Net					5,256	(5,256)	-
Change in Net Position					(6,060,641)	320,606	(5,740,035)
Beginning Net Position					5,382,394	4,427,604	9,809,998
Ending Net Position					\$ (678,247)	\$ 4,748,210	\$ 4,069,963

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS

Balance Sheet
GOVERNMENTAL FUNDS
December 31, 2021

	Major Funds					Non-Major	Total
	General	Business	Investment	Motor Fuel	Park	Governmental	Governmental
	Fund	District	Pool Fund	Tax Fund	Fund	Funds	Funds
		Tax Fund					
Assets and Deferred Outflows of Resources							
Assets							
Cash	\$ 1,049,372	\$ -	\$ 366,215	\$ -	\$ -	\$ -	\$ 1,415,587
Cash (Restricted)	-	733,387	-	500,090	193,305	476,607	1,903,389
Investments, at cost	-	-	654,002	-	-	6,877	660,879
Due From State of Illinois	649,600	70,578	16,598	22,717	-	823	760,316
Due from Other Governments	-	-	-	-	312,233	-	312,233
Total Assets	1,698,972	803,965	1,036,815	522,807	505,538	484,307	5,052,404
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 1,698,972	\$ 803,965	\$ 1,036,815	\$ 522,807	\$ 505,538	\$ 484,307	\$ 5,052,404
Liabilities, Deferred Inflows of Resources, and Fund Balance							
Liabilities							
Accounts Payable	\$ 96,275	\$ -	\$ -	\$ -	\$ 171	\$ 10,562	\$ 107,008
Other Payables	30,771	-	-	-	-	323	31,094
Unearned Revenue	385,800	-	-	-	-	-	385,800
Total Liabilities	512,846	-	-	-	171	10,885	523,902
Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	522,807	-	252,535	775,342
Committed	-	803,965	-	-	-	125,264	929,229
Assigned	-	-	1,036,815	-	505,367	95,623	1,637,805
Unassigned	1,186,126	-	-	-	-	-	1,186,126
Total Fund Balance	1,186,126	803,965	1,036,815	522,807	505,367	473,422	4,528,502
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,698,972	\$ 803,965	\$ 1,036,815	\$ 522,807	\$ 505,538	\$ 484,307	\$ 5,052,404

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS
Reconciliation of Fund Balances of Governmental Funds
to the Governmental Activities in the Statement of Net Position
December 31, 2021

Fund Balances of Governmental Funds	\$ 4,528,502
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Amounts reported for governmental activities in the statement of net assets differ because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,498,563
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	-
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Long-term liabilities for pension obligations that are not due and payable in the current period and, therefore, are not reported in the funds.	-
---	---

Long-term liabilities for accrued absences are not due and payable in the current period and, therefore, are not reported in the funds.	(266,586)
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Long-term liabilities for bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(7,438,726)</u>
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Net Position of Governmental Activities	<u><u>\$ (678,247)</u></u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS
Statement of Revenues, Expenditures, and Changes in Fund Balances
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	Major Funds					Non-Major	Total
	General	Business	Investment	Motor Fuel	Park	Governmental	Governmental
	Fund	District	Pool Fund	Tax Fund	Fund	Funds	Funds
		Tax Fund					
Revenues							
Taxes	\$ 2,537,738	\$ 398,267	\$ -	\$ -	\$ 18,893	\$ 278,847	\$ 3,233,745
Intergovernmental	2,651,838	-	195,865	373,565	49,610	65,810	3,336,688
Licenses and Permits	40,398	-	-	-	-	-	40,398
Fines and Penalties	31,355	-	-	-	-	33,253	64,608
Revenues from Services	5,741	-	-	-	22,704	5,030	33,475
Interest Income	515	1,234	567	125	-	152	2,593
Other	7,815,860	-	19,426	-	1,000	5,832	7,842,118
Total Revenues	13,083,445	399,501	215,858	373,690	92,207	388,924	14,553,625
Expenditures							
<i>Current</i>							
General Government	1,881,826	73,214	-	-	-	285,398	2,240,438
Public Safety	9,154,007	-	-	-	-	12,259	9,166,266
Services	-	-	-	-	81,699	115,635	197,334
Transportation	688,544	-	-	189,489	-	-	878,033
<i>Capital Outlay</i>	152,030	-	-	-	-	-	152,030
<i>Debt Service</i>	459,424	-	-	-	-	-	459,424
Total Expenditures	12,335,831	73,214	-	189,489	81,699	413,292	13,093,525
Excess (Deficiency) of Revenues Over Expenditures	747,614	326,287	215,858	184,201	10,508	(24,368)	1,460,100
Other Financing Sources (Uses)							
Operating Transfers In	152,634	108,088	500,924	-	54,358	23,650	839,654
Operating Transfers Out	(664,045)	-	-	(146,724)	-	(23,629)	(834,398)
Total Other Financing Sources (Uses)	(511,411)	108,088	500,924	(146,724)	54,358	21	5,256
Net Change in Fund Balance	236,203	434,375	716,782	37,477	64,866	(24,347)	1,465,356
Beginning Fund Balance	949,923	369,590	320,033	485,330	440,501	497,769	3,063,146
Ending Fund Balance	\$ 1,186,126	\$ 803,965	\$ 1,036,815	\$ 522,807	\$ 505,367	\$ 473,422	\$ 4,528,502

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Governmental
Activities in the Statement of Activities
For the Year Ended December 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 1,465,356
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(200,848)
The net effect of various miscellaneous transactions involving capital assets to increase net assets.	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	-
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.	(7,322,210)
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.	<u>(2,939)</u>
Change in Net Position of Governmental Activities	<u>\$ (6,060,641)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS

Statement of Net Position

PROPRIETARY FUNDS

December 31, 2021

	Waterworks & Sewage Fund	Capital Improvements Fund	Water Meter Deposit Fund	Total Proprietary Funds
Assets				
Current Assets				
Cash	\$ 850,078	\$ 253,885	\$ 70,626	\$ 1,174,589
Accounts Receivable	176,531	-	-	176,531
Total Current Assets	<u>1,026,609</u>	<u>253,885</u>	<u>70,626</u>	<u>1,351,120</u>
Non-Current Assets				
Property, Plant, and Equipment:				
Non-Depreciable	-	51,628	-	51,628
Depreciable (Net)	649,481	5,511,928	-	6,161,409
Total Non-Current Assets	<u>649,481</u>	<u>5,563,556</u>	<u>-</u>	<u>6,213,037</u>
Total Assets	<u>1,676,090</u>	<u>5,817,441</u>	<u>70,626</u>	<u>7,564,157</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Current Liabilities				
Accounts Payable	62,267	-	-	62,267
Other Payables	8,680	-	63,875	72,555
Accrued Absences	10,204	-	-	10,204
Loans and Leases Payable	53,972	404,990	-	458,962
Total Current Liabilities	<u>135,123</u>	<u>404,990</u>	<u>63,875</u>	<u>603,988</u>
Non-Current Liabilities				
Accrued Absences	71,426	-	-	71,426
Loans and Leases Payable	149,038	1,991,495	-	2,140,533
Total Non-Current Liabilities	<u>220,464</u>	<u>1,991,495</u>	<u>-</u>	<u>2,211,959</u>
Total Liabilities	<u>355,587</u>	<u>2,396,485</u>	<u>63,875</u>	<u>2,815,947</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	446,471	3,167,071	-	3,613,542
Restricted	-	-	-	-
Unrestricted (Deficit)	874,032	253,885	6,751	1,134,668
Total Net Position	<u>\$ 1,320,503</u>	<u>\$ 3,420,956</u>	<u>\$ 6,751</u>	<u>\$ 4,748,210</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS
Statement of Revenues, Expenses, and Changes in Fund Net Position
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Waterworks & Sewage Fund	Capital Improvements Fund	Water Meter Deposit Fund	Total Proprietary Funds
Operating Revenue				
Water and Sewer Revenue	\$ 2,802,464	\$ -	\$ -	\$ 2,802,464
Leachate Processing	12,843	-	-	12,843
Tap-on Fees	21,867	-	-	21,867
Reconnect Fees	26,151	-	-	26,151
Total Operating Revenues	<u>2,863,325</u>	<u>-</u>	<u>-</u>	<u>2,863,325</u>
Operating Expenses				
Water	1,401,600	-	-	1,401,600
Water Pollution Control Plant	664,212	-	-	664,212
Depreciation	75,869	323,041	-	398,910
Total Operating Expenses	<u>2,141,681</u>	<u>323,041</u>	<u>-</u>	<u>2,464,722</u>
Operating Income (Loss)	<u>721,644</u>	<u>(323,041)</u>	<u>-</u>	<u>398,603</u>
Non-Operating Revenues/(Expenses)				
Grant Income	1,798	-	-	1,798
Interest Income	-	43	43	86
Interest Expense	(8,191)	(66,397)	-	(74,588)
Miscellaneous Expense	-	-	(37)	(37)
Total Non-Operating Revenues/(Expenses)	<u>(6,393)</u>	<u>(66,354)</u>	<u>6</u>	<u>(72,741)</u>
Operating Transfers				
Operating Transfers In	-	559,561	1,325	560,886
Operating Transfers Out	(566,142)	-	-	(566,142)
Total Operating Transfers	<u>(566,142)</u>	<u>559,561</u>	<u>1,325</u>	<u>(5,256)</u>
Net Income (Loss)	149,109	170,166	1,331	320,606
Beginning Net Position	<u>1,171,394</u>	<u>3,250,790</u>	<u>5,420</u>	<u>4,427,604</u>
Ending Net Position	<u><u>\$ 1,320,503</u></u>	<u><u>\$ 3,420,956</u></u>	<u><u>\$ 6,751</u></u>	<u><u>\$ 4,748,210</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS

Statement of Cash Flows

PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Major Funds			
	Waterworks & Sewage Fund	Capital Improvements Fund	Water Meter Deposit Fund	Total Proprietary Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 2,824,867	\$ -	\$ 12,450	\$ 2,837,317
Payments to Employees	(787,990)		-	(787,990)
Payments to Vendors	(1,283,752)	-	(12,855)	(1,296,607)
Net Cash Flows from Operating Activities	753,125	-	(405)	752,720
Cash Flows from Noncapital Financing Activities:				
Miscellaneous	1,798	-	(37)	1,761
Operating Transfers In/(Out)	(566,142)	559,561	1,325	(5,256)
Net Cash Flows from Noncapital Financing Activities	(564,344)	559,561	1,288	(3,495)
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(158,157)	(51,628)	-	(209,785)
Debt Issuance	138,157	-	-	138,157
Interest on Loans	(8,191)	(66,397)	-	(74,588)
Loan Principal Retired	(34,099)	(395,115)	-	(429,214)
Net Cash Flows from Capital & Related Financing Activities	(62,290)	(513,140)	-	(575,430)
Cash Flows from Investing Activities:				
Interest on Deposits	-	43	43	86
Net Cash Flows from Investing Activities	-	43	43	86
Net Increase (Decrease) in Cash and Cash Equivalents	126,491	46,464	926	173,881
Cash and Cash Equivalents, Beginning of Year	723,587	207,421	69,700	1,000,708
Cash and Cash Equivalents, End of Year	\$ 850,078	\$ 253,885	\$ 70,626	\$ 1,174,589
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 721,644	\$ (323,041)	\$ -	\$ 398,603
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	75,869	323,041	-	398,910
Change in Assets and Liabilities:				
Accounts Receivable	(38,458)	-	-	(38,458)
Accounts Payable	(2,873)	-	-	(2,873)
Other Payables	453	-	(405)	48
Accrued Absences	(3,510)	-	-	(3,510)
Net Cash Provided by Operating Activities	\$ 753,125	\$ -	\$ (405)	\$ 752,720

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOISStatement of Fiduciary Net Position

December 31, 2021

	PENSION TRUST FUNDS			
	Police Pension Trust Fund	Fire Pension Trust Fund	IMRF Fund	Total Fiduciary
Assets				
Cash	\$ 307,587	\$ 463,524	\$ -	\$ 771,111
Investments	7,596,918	7,259,517	11,054,956	25,911,391
Total Assets	<u>7,904,505</u>	<u>7,723,041</u>	<u>11,054,956</u>	<u>26,682,502</u>
Deferred Outflows of Resources				
Pension Obligation	-	-	214,883	214,883
Liabilities				
Pension Liability	<u>8,979,663</u>	<u>9,045,799</u>	<u>9,601,094</u>	<u>27,626,556</u>
Deferred Inflows of Resources				
Pension Obligation	-	-	1,577,187	1,577,187
Net Position				
Unfunded	<u>\$ (1,075,158)</u>	<u>\$ (1,322,758)</u>	<u>\$ 91,558</u>	<u>\$ (2,306,358)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF DU QUOIN, ILLINOIS
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2021

	PENSION TRUST FUNDS			
	<u>Police Pension Trust Fund</u>	<u>Fire Pension Trust Fund</u>	<u>IMRF Fund</u>	<u>Total Fiduciary</u>
ADDITIONS				
<i>Contributions:</i>				
Employer	\$ 2,988,648	\$ 4,240,715	\$ 145,979	\$ 7,375,342
Participants	66,037	39,935	135,109	241,081
<i>Total Contributions</i>	<u>3,054,685</u>	<u>4,280,650</u>	<u>281,088</u>	<u>7,616,423</u>
<i>Investment Income:</i>				
Net Appreciation (Depreciation) in Fair Value of Investments (Unrealized)	336,024	261,264	(75,948)	521,340
Difference Between Expected and Actual Experience of Pension Liability	(236,062)	(527,899)	(73,578)	(837,539)
Interest, Dividends, and Other Income	114,047	93,823	1,691,667	1,899,537
<i>Total Investment Income</i>	<u>214,009</u>	<u>(172,812)</u>	<u>1,542,141</u>	<u>1,583,338</u>
Less Investment Expense	(13,429)	(10,771)	(664,899)	(689,099)
<i>Net Investment Income (Loss)</i>	<u>200,580</u>	<u>(183,583)</u>	<u>877,242</u>	<u>894,239</u>
TOTAL ADDITIONS	<u>3,255,265</u>	<u>4,097,067</u>	<u>1,158,330</u>	<u>8,510,662</u>
DEDUCTIONS				
<i>Pension Benefits:</i>				
Retirement	304,912	273,611	557,129	1,135,652
Disability	58,688	66,190	-	124,878
Surviving Spouse	69,831	58,835	-	128,666
<i>Total Pension Benefits</i>	<u>433,431</u>	<u>398,636</u>	<u>557,129</u>	<u>1,389,196</u>
<i>Administrative Expenses</i>				
Professional Fees	12,275	12,050	126,263	150,588
Other	264	212	17,150	17,626
<i>Total Administrative Expenses</i>	<u>12,539</u>	<u>12,262</u>	<u>143,413</u>	<u>168,214</u>
TOTAL DEDUCTIONS	<u>445,970</u>	<u>410,898</u>	<u>700,542</u>	<u>1,557,410</u>
Net Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Plan Net Assets	2,809,295	3,686,169	457,788	6,953,252
Net Position Held in Trust for Pension Benefits January 1, 2021	<u>(3,884,453)</u>	<u>(5,008,927)</u>	<u>(366,230)</u>	<u>(9,259,610)</u>
Net Position Held in Trust for Pension Benefits December 31, 2021	<u><u>\$ (1,075,158)</u></u>	<u><u>\$ (1,322,758)</u></u>	<u><u>\$ 91,558</u></u>	<u><u>\$ (2,306,358)</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF DU QUOIN, ILLINOIS

Notes to Basic Financial Statements

December 31, 2021

NOTE A - Summary of Significant Accounting Policies

The City of Du Quoin, Illinois (the "City") was incorporated in 1861, under the provisions of the State of Illinois. The City operates under the commission form of municipal government and provides the following services as authorized by its charter: public safety (police and fire), streets, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include water and sewer utilities.

1. The Reporting Entity

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The City has no potential component units.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, 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.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are intended to fund. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE A - Summary of Significant Accounting Policies - Continued

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Fund financial statements present financial transactions of the City in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liability, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

In the government-wide financial statements, expenses are classified by function for governmental activities. Whereas, in the fund financial statements, governmental expenditures are classified by the following character categories:

- a. Current (further classified by function)
- b. Capital Outlay
- c. Debt Service

Grants and entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial resources of the City except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Illinois and the bylaws of the City.

Business District Tax - The Business District Tax Fund accounts for the collection of the business district sales tax and shall be used to develop business within the city and pay for any improvements.

Investment Pool Fund - The Investment Pool Fund accounts for the collection of video gaming tax and to pay for capital improvements.

Motor Fuel Tax Fund - The Motor Fuel Tax Fund accounts for the collection of motor fuel tax allotments and the maintenance and major repairs of the City's roads.

Park Fund - The Park Fund is used to account for the park and pool activities.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE A - Summary of Significant Accounting Policies - Continued

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Concluded

The City reports the following major proprietary funds:

Waterworks & Sewage Fund - This fund accounts for the collection of water revenue and the associated expenses in the City.

Capital Improvements Fund - This fund accounts for the water department capital improvements and loans.

Water Meter Deposit Fund - This fund accounts for the utility customers' deposits held by the City.

Additionally, the government reports the following fiduciary fund types:

The Fire Pension Fund, Police Pension Fund, and IMRF Fund are pension trust funds, which account for activities as prescribed by the Illinois State Statutes.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 and sewer enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental and business-type activities columns for amounts reported in the individual funds and interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental or proprietary funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

4. The Pinckneyville-Du Quoin Airport

The airport is 50% owned by each of the two cities (Pinckneyville and Du Quoin) as tenants in common. Both cities are jointly and severally liable for deficit balances. The two cities each appoint two individuals to the Pinckneyville-Du Quoin Airport Steering Committee. The Steering Committee adopts budgets and signs contracts. The records for the airport are kept by the City of Pinckneyville and are fully included in the City of Pinckneyville's audit report.

The following condensed Statement of Net Position as of April 30, 2021, and the Statement of Revenues, Expenses and Changes in Net Position for the year ending April 30, 2021, for the airport is from the City of Pinckneyville's audit report prepared by Rice Sullivan, LLC.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE A - Summary of Significant Accounting Policies - Continued

4. The Pinckneyville-Du Quoin Airport - Concluded

Assets		Operating Expenses	
Current Assets		Depreciation	\$ 94,400
Cash	\$ 67,958	Other	<u>36,159</u>
Prepaid Expenses	394	Total Operating	
Non-Current Assets		Expenses	<u>130,559</u>
Depreciable, Net	226,207		
Non-Depreciable	1,425,640	Operating Loss	<u>(130,559)</u>
Total Assets	<u>1,720,199</u>	Non-Operating Revenues	
Liabilities		Interest Income	45
Accounts Payable	<u>600</u>	Rent Income	36,100
Total Liabilities	<u>600</u>	Intergovernmental	30,000
Net Position		Grant Income	62,664
Net Investment in		Other Income	<u>174</u>
Capital Assets	1,651,847	Total Non-Operating	
Unrestricted	<u>67,752</u>	Revenues	<u>128,983</u>
Total Net Position	<u>\$ 1,719,599</u>	Net Loss	(1,576)
		Net Position, Beginning	<u>1,721,175</u>
		Net Position, Ending	<u>\$ 1,719,599</u>

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City maintains the capitalization threshold of \$2,500. The City does possess infrastructure. Improvements are capitalized; the cost 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. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Cost includes labor, material, and similar items, and indirect charges for such items as transportation and supervision. The City capitalizes interest expense on funds used during construction of major projects and net of interest earned on invested unexpended bond proceeds during the construction period.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Plants	40 years
Improvements	10-20 years
Machinery and Equipment	7 years
Vehicles	5 years

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE A - Summary of Significant Accounting Policies - Continued

6. Net Position

Net Position is reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by creditors, grantors, laws or regulations of other governments. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components – net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflow of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources directly related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted - This component of net position is the net amount of the 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.

7. Fund Balances

In the fund financial statements, governmental funds report up to five components of fund balance from most restrictive in nature to least restrictive:

- *Nonspendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal contractual constraints.
- *Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors and grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by government through formal action of the highest level of decision-making authority (governing board). The same formal action must be taken to remove or change the limitations placed on the funds.

The City Board authorizes and approves the property tax levies annually providing a “committed” balance for property tax revenues. In addition, the City Board must approve any action to modify or rescind a fund balance commitment.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE A - Summary of Significant Accounting Policies - Continued

7. Fund Balances - Concluded

- *Assigned* - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed.

The City Board will determine if a fund should be assigned based on intended uses of resources that the fund receives.

- *Unassigned* - includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The City Board uses the default spending policy, spending resources in the following manner when available: restricted, committed, assigned, and unassigned. The default policy is meant to prioritize the flow of resources from most restrictive to least restrictive for normal business activities.

As required by GASB 54, *Fund Balance Reporting and Governmental Fund Type Definition*, the City is to formally set a Stabilization Policy to ensure sound financial management and fiscal accountability. The City is to formally set aside amounts for use in emergency situations or when revenues shortages or budgetary imbalances arise. However, these emergency situations should not be routine and should be sufficiently detailed to outline the types of nonrecurring circumstances that merit the use of funds.

8. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund income statement includes reconciliation between *net changes in fund balances* and *net change in net position of governmental activities* as reported in the government-wide statement of net position. The difference of (\$7,525,997) is as follows:

Capital Outlays	\$	152,030
Depreciation Expense		(352,878)
Debt Issuance		(7,718,450)
Debt Service		396,240
Accrued Absences		(2,939)
Total	\$	<u>(7,525,997)</u>

The governmental fund balance sheet includes reconciliation between *total governmental fund balances* and *net position of governmental activities* as reported in the government-wide balance sheet. The difference of (\$5,206,749) is summarized as follows:

Capital Assets	\$	2,498,563
Accrued Absences		(266,586)
Long-Term Liabilities		(7,438,726)
Total	\$	<u>(5,206,749)</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE A - Summary of Significant Accounting Policies - Concluded

9. Vacation and Sick Leave

Vacation and sick pay are earned and vested as follows. Sick pay is earned at a rate of 6 hours per week for firemen, 2 hours per week for all other employees. Sick pay accumulates up to 960 hours for firemen, 480 hours for non-union workers, and 600 hours for collective bargaining employees. The amount of vested sick pay is 50% upon retirement. Vacation pay is earned according to years of service. Vacation pay is fully vested upon completion of one year of service. Vacation pay has a ceiling of 4 weeks after 14 years of service completed. Vacation pay must be used within a year. As of December 31, 2021, the amount of vested vacation and sick pay was \$348,216.

The following is a summary of compensated absence activity:

	Beginning Balance	Accrued	Used	Ending Balance
<i>Governmental Activities</i>				
Current	\$ 32,956	\$ 11,827	\$ 11,458	\$ 33,325
Long-Term	<u>230,691</u>	<u>82,777</u>	<u>80,207</u>	<u>233,261</u>
Total	<u>263,647</u>	<u>94,604</u>	<u>91,665</u>	<u>266,586</u>
<i>Business-Type Activities</i>				
Current	10,643	2,867	3,306	10,204
Long-Term	<u>74,497</u>	<u>20,069</u>	<u>23,140</u>	<u>71,426</u>
Total	<u>85,140</u>	<u>22,936</u>	<u>26,446</u>	<u>81,630</u>
Grand Total	<u>\$ 348,787</u>	<u>\$ 117,540</u>	<u>\$ 118,111</u>	<u>\$ 348,216</u>

10. Accounts Receivable

Accounts receivable consist of amounts not yet collected for water and sewer utilities. The City provides for write-offs of accounts receivable based on historical collection rates. However, no accounts were written off during the year. As of December 31, 2021, the allowance for doubtful accounts was \$0.

11. Encumbrances

The City does not use encumbrance accounting, in which purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation. Therefore, no amounts for encumbrances are reported in the financial statements.

12. Pension Plans

The City is a participating member of the Illinois Municipal Retirement Fund for substantially all of its employees not covered by another state created retirement system for the same service, (see Note D). The police and fire departments are separately covered by the Police Pension Fund and Fire Pension Fund, respectively, (see Notes E and F).

13. Unearned Revenue

The City received \$385,800 in American Rescue Plan Act Relief Dollars. During the year ended December 31, 2021, the City had not expended any of these funds. These funds are listed as unearned revenue liability until they have been spent or repaid.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE B - Cash and Investments

Cash

For the purpose of the statement of net position, "cash" includes all demand and savings accounts and "investments" include the certificates of deposits and marketable securities of the City. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" includes all demand and savings accounts. Generally, the City's investing activities are managed under the custody of the City Treasurer.

State statutes authorize the City to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designed by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market, mutual funds whose portfolios consist of government securities, Illinois Public Treasurers' Investment Pool, and annuities.

On December 31, 2021, the carrying amount of the City's deposits was \$5,262,876, which excludes \$ 1,800 petty cash fund. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

The categories are described as follows:

1. Insured or collateralized with securities held by the City or by its agent in the City's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
3. Uncollateralized.

	<u>Category</u>			<u>Bank</u>	<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Amount</u>
Governmental Activities					
<u>Major Funds</u>					
General	\$ 38,980	\$ 1,266,897	\$ 71,781	\$ 1,377,658	\$ 1,049,072
Business District Tax	140,304	593,083	0	733,387	733,387
Investment Pool	70,061	296,154	0	366,215	366,215
Motor Fuel Tax	12,994	450,089	37,007	500,090	500,090
Park	42,456	91,748	59,101	193,305	193,305
<u>Non-Major Funds</u>					
Drug Abuse	17,930	75,794	0	93,724	93,724
Grant	65	0	185	250	250
Health Insurance	43,984	0	125,270	169,254	169,254
Public Library	18,629	48,417	53,059	120,105	120,105
Restricted Building Imp	5,775	0	16,449	22,224	22,224
TIF #1	5,178	0	14,748	19,926	19,926
TIF #2	6,080	0	17,314	23,394	23,394
TIF #3	4,609	0	13,128	17,737	17,737
Tourism/Hotel Tax	2,337	0	6,656	8,993	8,993
Total Governmental Activities	<u>409,382</u>	<u>2,822,182</u>	<u>414,698</u>	<u>3,646,262</u>	<u>3,317,676</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE B - Cash and Investments - Continued

Cash - Concluded

	<u>Category</u>			<u>Bank</u>	<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Amount</u>
Business-Type Activities					
<u>Major Funds</u>					
Waterworks & Sewage	19,490	762,502	59,660	841,652	849,578
Capital Improvements	51,974	53,881	148,030	253,885	253,885
Water Meter Deposit	19,154	0	54,551	73,705	70,626
Total Business Type Activities	90,618	816,383	262,241	1,169,242	1,174,089
Fiduciary Funds					
Police Pension	250,000	52,976	0	302,976	307,587
Fire Pension	250,000	210,246	0	460,246	463,524
Total Fiduciary Funds	500,000	263,222	0	763,222	771,111
TOTAL	\$ 1,000,000	\$ 3,901,787	\$ 676,939	\$ 5,578,726	\$ 5,262,876

Investments

Investments made by the City's governmental and business-type funds are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk in the following categories:

1. Insured or registered, or securities held by the City or its agent in the City's name.
2. Uninsured and unregistered, with securities held by the counter-parties trust department or an agent in the City's name.
3. Other

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Governmental Activities					
<u>Major Funds</u>					
Investment Pool:					
*Illinois Funds	\$ 654,002	\$ 0	\$ 0	\$ 654,002	\$ 654,002
<u>Non-Major Funds</u>					
Public Library:					
*Illinois Funds	6,877	0	0	6,877	6,877
Total Governmental Activities	\$ 660,879	\$ 0	\$ 0	\$ 660,879	\$ 660,879

The Public Funds Investment Act of Illinois allows municipalities to invest in:

1. Any investment constituting a direct obligation of any FDIC bank
2. U.S. Treasury bills, notes, certificates, bonds or debentures
3. Public Treasurer's Investment Pool
4. Federal National Mortgage Association

* Illinois Funds are money market accounts held in the City's name. The City can draw these funds at any time. Therefore, the maturity of the Illinois Funds are less than 1 year and are categorized as a current asset.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE B - Cash and Investments - Continued

Investments - Continued

Interest Rate Risk - In accordance with its investment policy, the City's governmental funds limit its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations thereby avoiding the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market funds or similar investment pools. Due to the City's governmental funds type of investments on December 31, 2021, Money Market Funds, interest rate risk is not significant.

Credit Risk - Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The City's governmental funds investment policy limits its exposure to credit risk by limiting investments to the safest type of securities with qualified local financial institutions.

Concentration of Credit Risk - The City's governmental funds hold only Illinois Funds Money Market accounts. Thus, concentration of credit risk is limited.

Custodial Credit Risk - For an investment, custodial risk is the risk that, in the event of the failure of a counterparty that holds investments, the City would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City's governmental funds hold all money market accounts in their name. Collateral securities are pledged when the investment balance exceeds the FDIC insured limit. Therefore, custodial credit risk is low.

Fiduciary Funds

The Pension Trust Funds invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the next term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net position.

State statute provides that the Pension Trust Funds may allocate up to 97% of the assets of the fund to equity investments, ensuring they leave enough money on hand for current liabilities. The police pension fund and fire pension fund engages the investor group at Charles Schwab Corporation as their investment advisors while the Pension Boards act as their custodians. IMRF investments are managed by IMRF and the board acts as their custodians.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE B - Cash and Investments - Continued

Investments - Continued

Investments made by the City's Pension Trust Funds are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk in the following categories:

1. Insured or registered, or securities held by the City or its agent in the City's name.
2. Uninsured and unregistered, with securities held by the counter-parties trust department or an agent in the City's name.

	<u>Category</u>		<u>Carrying Amount (Market)</u>	<u>Cost Value</u>
	<u>#1</u>	<u>#2</u>		
Fiduciary Funds				
Police Pension	\$ 7,596,918	\$ 0	\$ 7,596,918	\$ 6,569,940
Fire Pension	7,259,517	0	7,259,517	6,590,905
IMRF	<u>0</u>	<u>11,054,956</u>	<u>11,054,956</u>	<u>N/A</u>
TOTAL	<u>\$ 14,856,435</u>	<u>\$ 11,054,956</u>	<u>\$ 25,911,391</u>	<u>\$ 13,160,845</u>

Interest Rate Risk - The Pension Trust Funds require full compliance with state statutes of the State of Illinois and applicable rules and regulations governing the investment of the Pension Trust Fund's money. Minimizing risk of large losses caused by highly volatile changes in interest rates is managed by the use of proper diversification of maturities. Weighted average maturities are planned within acceptable parameters. Cash flow is managed to provide adequate cash flow anticipated for monthly disbursements or from the Fund using money market funds or short-term investments. "Cash Flow" for this purpose includes money market funds, short term notes or certificates of deposit, and anticipated income from current investment and contributions. This schedule does not include IMRF investment information as it was not available.

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				<u>Cost</u>
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>	
Money Market	\$ 3,008,420	\$ 3,008,420	\$ 0	\$ 0	\$ 0	\$ 3,008,420
Fixed Income:						
U.S. Government	752,674	99,766	461,533	191,375	0	734,167
Securities	302,322	0	250,859	51,463	0	304,556
Corporate Bonds	2,798,081	50,062	2,176,008	572,011	0	2,819,456
Certificates of Deposit	1,005,198	328,055	677,143	0	0	970,285
Municipal Bonds	0	0	0	0	0	0
Mortgage Pools	167,870	0	0	16,784	151,086	168,244
Equity:						
Mutual Funds	925,343	925,343	0	0	0	474,071
Exchange Traded	<u>5,896,527</u>	<u>5,896,527</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,681,646</u>
Total	<u>\$ 14,856,435</u>	<u>\$ 10,308,173</u>	<u>\$ 3,565,543</u>	<u>\$ 831,633</u>	<u>\$ 151,086</u>	<u>\$ 13,160,845</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE B - Cash and Investments - Concluded

Investments - Concluded

Credit Risk - The Police Pension Fund limits its exposure to credit risk, the risk that the issues of debt security will not pay its par value upon maturity, by primarily investing in securities held by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government.

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. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Custodial Credit Risk - The Police Pension Fund and Fire Pension Fund Boards will approve custodians specifically. Approved custodians shall be subject to regulatory oversight. The fund utilizes the treasurer as the custodian for investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Police Pension Board and Fire Pension Board will not be able to recover the value of its investments that are in the possession of an outside party. IMRF Fund acts as custodians of the investments and maintains all regulatory oversight. Third party oversight presents a heightened custodial credit risk, given the State of Illinois' poor current financial position.

NOTE C - Restricted Cash

Restricted assets consist of cash in several local banks that is for various special revenue funds. These items are included in current assets on the Statement of Net Position.

Business District Tax - The monies in this fund shall be used to develop business within the city and pay for any improvements.

Motor Fuel Tax Fund - The monies in this fund shall be used to pay for any street and sidewalk expenses associated with the motor fuel tax program.

Park Fund - The monies in this fund shall be used to pay for any expenses associated with the City's park and pool.

Drug Abuse - The monies in this fund shall be used to pay for drug detection, education, and prevention.

Grant - The monies in this fund account for a flow through federal assistance grant.

Health Insurance Fund - The monies in this fund are set aside to cover out of pocket health insurance expenses for covered employees per employee agreements.

Public Library - The monies in this fund shall be used to pay for all expenditures related to the city's library.

Restricted Building Improvements - The monies in this fund are set aside to make any necessary improvements to any of the city's administration structures.

TIF #1, TIF # 2, TIF# 3 - The monies in each of these funds shall be used to develop business within each of the respective TIF districts. A separate audit is performed to ensure the monies are spent correctly.

Tourism/Hotel Tax - The monies in this fund shall be used to develop tourism within the City.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE D - Municipal Retirement Fund

IMRF Plan Description

The City of Du Quoin's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. The City of Du Quoin's 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 document. Details of all benefits are available from IMRF. Benefit 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.

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 City Official (ECO) plan for officials prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three benefit plans have two tiers. Employees 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 by 3% of the original amount on January 1 every year after retirement.

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 within 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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

	<u>Regular</u>
Retirees and Beneficiaries	34
Inactive, Non-Retired Members	13
Active Members	<u>27</u>
Total	<u><u>74</u></u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE D - Municipal Retirement Fund - Continued

Contributions

As set by statute, the City of Du Quoin's 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 of Du Quoin's annual contribution rate for calendar year 2021 was 11.59%. For the fiscal year ended December 31, 2021, the City of Du Quoin contributed \$145,979 to the plan. The City of Du Quoin also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contributions 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 City of Du Quoin's net pension liability 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. The amount is included in the Unfunded Net Position on the Statement of Fiduciary Net Position.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability on December 31, 2021:

Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value of Assets
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.755%
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based tables of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality:	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Notes:	There were no benefit changes during the year.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE D - Municipal Retirement Fund - Continued

Actuarial Assumptions - Concluded

Long Term Expected Rate

Of Return: 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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	39%	1.90 – 3.25%
International Equity	15%	3.15 – 4.89%
Fixed Income	25%	(0.60) – (0.50)%
Real Estate	10%	3.30 – 4.20%
Alternative Investments	10%	1.70 – 8.85%
Cash Equivalents	1%	1.70 – 2.90%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2021. 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:

1. 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
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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%.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE D - Municipal Retirement Fund - Continued

Changes in the Net Pension Liability

	Regular Plan Members		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances on December 31, 2020	<u>\$ 9,386,447</u>	<u>\$ 9,734,909</u>	<u>\$ (348,462)</u>
Changes for the year:			
Service Cost	126,263	0	\$ 126,263
Interest on the Total Pension Liability	664,899	0	664,899
Changes of Benefit Terms	0	0	0
Difference Between Expected and Actual Experience of the Total Pension Liability	(19,386)	0	(19,386)
Changes of Assumptions	0	0	0
Contributions – Employer	0	145,979	(145,979)
Contributions – Employees	0	56,680	(56,680)
Net Investment Income	0	1,691,667	(1,691,667)
Benefit Payments, including Refunds of Employee Contributions	(557,129)	(557,129)	0
Other (Net Transfer)	<u>0</u>	<u>(17,150)</u>	<u>17,150</u>
Net Changes	<u>214,647</u>	<u>1,320,047</u>	<u>(1,105,400)</u>
Balances on December 31, 2021	<u>\$ 9,601,094</u>	<u>\$ 11,054,956</u>	<u>\$ (1,453,862)</u>

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

Regular Plan Members

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Net Pension Liability	<u>\$ (414,777)</u>	<u>\$ (1,453,862)</u>	<u>\$ (2,299,574)</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE D - Municipal Retirement Fund - Continued

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

	<u>Regular Plan Members</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 3,598	\$ 14,613
Changes of assumptions	0	12,480
Net difference between projected and actual earnings on pension plan investments	<u>211,285</u>	<u>1,550,094</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>214,883</u>	<u>1,577,187</u>
Pension Contributions made subsequent to the Measurement Date	<u>0</u>	<u>0</u>
Total Deferred Amounts Related to Pensions	<u>\$ 214,883</u>	<u>\$ 1,577,187</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows Of Resources	Net Deferred Inflows of Resources
2022	\$ 0	\$ 310,485
2023	0	515,119
2024	0	336,827
2025	0	199,873
2026	0	0
Thereafter	0	0
Total	<u>\$ 02</u>	<u>\$ 1,362,304</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE D - Municipal Retirement Fund - Concluded

This information shows funded status of the City of Du Quoin's plan for the last three years for its active and inactive members only. It reflects actuarial funded status using five year smoothing of investment returns subject to 20% corridor. This information is presented in compliance with GASB Statement No. 50.

Annual Pension Cost. The required contribution for calendar year 2021 was \$145,979.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/21	\$ 145,979	100%	0
12/31/20	148,559	100%	\$ 0
12/31/19	99,864	100%	0

The required contribution for 2021 was determined as part of the December 31, 2019, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions on December 31, 2019, included (a) 7.25 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of the City's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability on December 31, 2019, is being amortized as a level percentage of projected payroll on an open 22-year basis.

Funded Status and Funding Progress. As of December 31, 2021, the most recent actuarial valuation date, the Regular plan was 103.43 percent funded. The actuarial accrued liability for benefits was \$3,867,873 and the actuarial value of assets was \$4,000,603, resulting in an underfunded actuarial accrued liability (UAAL) of \$132,730. The covered payroll for calendar year 2021 (annual payroll of active employees covered by the plan) was \$1,259,525. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE E - Police Pension Plan

Plan Description

The following information is presented as of December 31, 2020, the most recent valuation date available. The City of Du Quoin Police Pension Fund is the administrator of a single-employer pension plan that was established by the City of Du Quoin Police Department Board in accordance with the state statutes.

As of December 31, 2020, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>10</u>
Active plan participants:	
Vested	10
Non-vested	<u>0</u>
Total	<u>10</u>

A police officer age 50 or more with 20 or more years of creditable service, who is not a participant in the self-managed plan under Section 3-109.3 and who is no longer in service as a police officer, shall receive a pension of 1/2 of the salary attached to the rank held by the officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, 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 pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary.

The changes made to this subsection (a) by this amendatory Act of the 91st General Assembly apply to all pensions that become payable under this subsection on or after January 1, 1999. All pensions payable under this subsection that began on or after January 1, 1999 and before the effective date of this amendatory Act shall be recalculated, and the amount of the increase accruing for that period shall be payable to the pensioner in a lump sum.

No pension in effect on or granted after June 30, 1973 shall be less than \$200 per month. Beginning July 1, 1987, the minimum retirement pension for a police officer having at least 20 years of creditable service shall be \$400 per month, without regard to whether or not retirement occurred prior to that date. If the minimum pension established in Section 3-113.1 is greater than the minimum provided in this subsection, the Section 3-113.1 minimum controls.

A police officer mandatorily retired from service due to age by operation of law, having at least 8 but less than 20 years of creditable service, shall receive a pension equal to 2½% of the salary attached to the rank he or she held on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, 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, for each year of creditable service.

A police officer who retires or is separated from service having at least 8 years but less than 20 years of creditable service, who is not mandatorily retired due to age by operation of law, and who does not apply for a refund of contributions at his or her last separation from police service, shall receive a pension upon attaining age 60 equal to 2.5% of the salary attached to the rank held by the police officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, 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, for each year of creditable service.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE E - Police Pension Plan - Continued

Plan Description - Concluded

A police officer no longer in service who has at least one but less than 8 years of creditable service in a police pension fund but meets the requirements of this subsection shall be eligible to receive a pension from that fund equal to 2.5% of the salary attached to the rank held on the last day of service under that fund or for one year prior to that last day, whichever is greater, for each year of creditable service in that fund. The pension shall begin no earlier than upon attainment of age 60 (or upon mandatory retirement from the fund by operation of law due to age, if that occurs before age 60) and in no event before the effective date of this amendatory Act of 1997.

In order to be eligible for a pension under this subsection (c), the police officer must have at least 8 years of creditable service in a second police pension fund under this Article and be receiving a pension under subsection (a) or (b) of this Section from that second fund. The police officer need not be in service on or after the effective date of this amendatory Act of 1997.

Employees are required to pay 9% of their regular pay to the pension plan. The payments are deducted from the employee's wages or salary and remitted to the Police Pension Fund administered by the Police Department Board.

Summary of Significant Accounting Policies

Contributions from the Police employees are recognized as revenue in the period in which employees provide services to the City. Investment income is recognized as earned by the pension plan. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the balance sheet.

There are no investments in, loans to, or leases with parties related to the pension plan.

Funding Status and Progress

Presented below is the total pension benefit obligation of the Police Pension Fund. The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-68. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits.

A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of the financial statements to (a) assess the Police Pension Fund funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among Pension Plans.

The actuarial funding method used to determine contributions to the pension fund is explained in Part 4 of this note.

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation and these assumptions are summarized below:

The present value of future pension payments was computed by using a discount rate of 5.75%. The discount rate is equal to the estimated long-term rate of return on current and future investments of the pension plan.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE E - Police Pension Plan - Continued

Funding Status and Progress - Concluded

Future pension payments reflect no post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The standardized measure of the unfunded pension benefit obligation as of December 31, 2020, is as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 6,811,417
Current employees-	
Accumulated employee contributions including allocated investment income	2,168,246
Surplus	<u>0</u>
Total pension benefit obligation	8,979,663
Net assets available for benefits, at market	<u>(4,665,593)</u>
Unfunded pension benefit obligation	<u>\$ 4,314,070</u>

The value of net assets available for benefits, at market as of December 31, 2021, is \$7,904,505, making the unfunded pension obligation \$1,075,158 on the financial statements.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability on December 31, 2020:

Funding Method:	Projected Unit Credit
Actuarial Cost Method:	Normal cost, plus an additional amount determined as a level percentage of payroll to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset Valuation Method:	Investment gains and losses are recognized over a 5-year period.
Interest Rate:	5.75%, current year and prior year
Salary Increases:	Service-related table with rates grading from 11.00% to 3.50% at 33 years of service.
Payroll Growth:	3.50%
Tier 2 cost of living:	1.25%
Healthy Mortality Rates:	RP-2014 Healthy Annuitant with Blue Collar Adjustment, males and females
Disability Mortality Rates:	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, males and females.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE E - Police Pension Plan - Concluded

Actuarial Assumptions - Concluded

Decrement other than mortality are based on experience tables. The rate of service-related deaths was 10% while the rate of service-related disabilities was 60%. All of these assumptions are based on experience for all Article 3 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables. The above valuations use personnel data as reported to the Department of Insurance in the Schedule P. Specifically, the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, completed years of service of each individual participant. The fund specific information used in the production of this document was provided to the Department of Insurance by your pension fund board of trustees through the fund's annual statement filing.

Additional critical information regarding actuarial assumptions and methods, and important actuarial disclosures are provided in the Actuarial Valuation Report Disclosures Document located on the following Illinois DOI Website <https://insurance.illinois.gov/Applications/Pension/FOIAReporting/FOIAPortal.aspx>.

Contributions Required and Contributions Made

The actuarially determined employer contributions to the pension plan for 2020 amounted to \$387,831. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of December 31, 2020. The pension contributions represent funding for normal cost \$158,823, the amortization of the unfunded actuarial accrued liability \$207,920, and the interest earned was \$21,088. The City will use this amount to determine the 2021 employer contributions. The actual employer contributions made to the pension plan for 2021 was \$2,988,648.

NOTE F - Fire Pension Plan

Plan Description

The following information is presented as of December 31, 2020, the most recent valuation date available. The City of Du Quoin Fire Pension Fund is the administrator of a single-employer pension plan that was established by the City of Du Quoin Fire Department Board in accordance with the state statutes.

As of December 31, 2020, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>11</u>
Active plan participants:	
Vested	4
Non-vested	<u>2</u>
Total	<u>6</u>

A firefighter age 50 or more with 20 or more years of creditable service, who is no longer in service as a firefighter, shall receive a monthly pension of ½ the monthly salary attached to the rank held by him or her in the fire service at the date of retirement.

The monthly pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service and 1/12 of 1% of such monthly salary for each additional month over 30 years of service, to a maximum of 75% of such monthly salary.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE F - Fire Pension Plan - Continued

Plan Description - Concluded

The changes made to this subsection by this amendatory Act of the 91st General Assembly apply to all pensions that become payable under this subsection on or after January 1, 1999. All pensions payable under this subsection that began on or after January 1, 1999 and before the effective date of this amendatory Act shall be recalculated, and the amount of the increase accruing for that period shall be payable to the pensioner in a lump sum.

A firefighter who retires or is separated from service having at least 10 but less than 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at his or her last separation from service shall receive a monthly pension upon attainment of age 60 based on the monthly salary attached to his or her rank in the fire service on the date of retirement or separation from service according to the following schedule:

- For 10 years of service 15.0% of salary;
- For 11 years of service 17.6% of salary;
- For 12 years of service 20.4% of salary;
- For 13 years of service 23.4% of salary;
- For 14 years of service 26.6% of salary;
- For 15 years of service 30.0% of salary;
- For 16 years of service 33.6% of salary;
- For 17 years of service 37.4% of salary;
- For 18 years of service 41.4% of salary;
- For 19 years of service 45.6% of salary.

Employees are required to pay 9.455% of their regular pay to the pension plan. The payments are deducted from the employee's wages or salary and remitted to the Fire Pension Fund administered by the Fire Department Board.

Summary of Significant Accounting Policies

Contributions from the Fire employees are recognized as revenue in the period in which employees provide services to the City. Investment income is recognized as earned by the pension plan. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the balance sheet.

There are no investments in, loans to, or leases with parties related to the pension plan.

Funding Status and Progress

Presented on the following page is the total pension benefit obligation of the Fire Pension Fund. The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-68. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE F - Fire Pension Plan - Continued

Funding Status and Progress - Concluded

A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of the financial statements to (a) assess the Fire Pension Fund funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among Pension Plans.

The actuarial funding method used to determine contributions to the pension fund is explained in Part 4 of this note.

The variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation and these assumptions are summarized below:

The present value of future pension payments was computed by using a discount rate of 5.75%. The discount rate is equal to the estimated long-term rate of return on current and future investments of the pension plan.

Future pension payments reflect no post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The standardized measure of the unfunded pension benefit obligation as of December 31, 2020, is as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 6,846,954
Current employees-	
Accumulated employee contributions including allocated investment income	<u>2,198,845</u>
Total pension benefit obligation	9,045,799
Net assets available for benefits, at market	<u>(3,412,187)</u>
Unfunded pension benefit obligation	<u>\$ 5,633,612</u>

The value of net assets available for benefits, at market as of December 31, 2021, is \$7,723,041, making the unfunded pension obligation \$1,322,758 on the financial statements.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability on December 31, 2020:

Funding Method:	Projected Unit Credit
Actuarial Cost Method:	Normal cost, plus an additional amount determined as a level percentage of payroll to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset Valuation Method:	Investment gains and losses are recognized over a 5-year period.
Interest Rate:	5.50%, current and prior years
Salary Increases:	Service-related table with rates grading from 12.50% to 3.50% at 31 years of service.
Payroll Growth:	3.50%

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE F - Fire Pension Plan - Concluded

Actuarial Assumptions - Concluded

Tier 2 cost of living:	1.25%
Healthy Mortality Rates:	RP-2014 Healthy Annuitant with Blue Collar Adjustment, males and females
Disability Mortality Rates:	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, males and females.

Decrement other than mortality are based on experience tables. The rate of service-related deaths was 20% while the rate of service-related disabilities was 80%. All of these assumptions are based on experience for all Article 4 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables. The above valuations use personnel data as reported to the Department of Insurance in the Schedule P. Specifically, the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, completed years of service of each individual participant. The fund specific information used in the production of this document was provided to the Department of Insurance by your pension fund board of trustees through the fund's annual statement filing.

Additional critical information regarding actuarial assumptions and methods, and important actuarial disclosures are provided in the Actuarial Valuation Report Disclosures Document located on the following Illinois DOI Website: <https://insurance.illinois.gov/Applications/Pension/FOIAReporting/FOIAPortal.aspx>.

Contributions Required and Contributions Made

The actuarially determined employer contributions to the pension plan for 2020 amounted to \$436,668. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of December 31, 2020. The pension contributions represent funding for normal cost \$132,022, the amortization of the unfunded actuarial accrued liability \$281,881, and the interest earned was \$22,765. The City will use this amount to determine the 2021 employer contributions. The actual employer contributions made to the pension plan for 2021 was \$4,240,715.

NOTE G - Social Security

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The City paid \$94,793, the total required contribution for the current fiscal year.

NOTE H - Commitments and Contingencies

Grant Audit

The City receives State Grants for specific purposes that are subject to review and audit by State Agencies. Such audits could result in a request for reimbursement by the State for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the City management, such disallowance, if any, will not be significant.

During the year ended December 31, 2021, the City received financial assistance in the form of federal grants to help offset the cost of the Coronavirus pandemic. The City received \$385,800 in federal grants for the American Rescue Plan Funds. The money has not yet been spent.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE I - Interfund Receivables and Payables

There were no interfund receivables or payables.

NOTE J - Fund Equity

On December 31, 2021, no funds had a deficit in the fund balance or net position.

NOTE K - Risk Management

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers compensation. During the year ended December 31, 2021, there were no significant reductions in coverage. Also, there have been no settlement amounts, which have exceeded insurance coverage on the past three years.

NOTE L - Direct Borrowings and Direct Placements

1. Main Street Water Line Loan - Proprietary Fund

The City of Du Quoin has a loan agreement with SIBCC in the amount of \$250,000 dated October 31, 2013. The City is required to make semi-annual payments of \$15,289 for 10 years, with an interest rate of 4.00%. There is no collateral pledged for this loan. All payments are made from the Waterworks & Sewage Fund. The City paid interest expense of \$5,670 on the loan during the year. The loan will mature on April 30, 2024. The following is a summary of the loan payments:

Fiscal Year Ended	Interest	Principal	Total
2022	\$ 1,435	\$ 29,143	\$ 30,578
2023	805	29,773	30,578
2024	162	15,127	15,289
Totals	<u>\$ 2,402</u>	<u>\$ 74,043</u>	<u>\$ 76,445</u>
Balance as of December 31, 2020		\$ 98,952	
Debt incurred during the year		0	
Debt eliminated during the year		<u>(24,909)</u>	
Balance as of December 31, 2021		<u>\$ 74,043</u>	

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE L - Direct Borrowings and Direct Placements - Continued

2. Ford F-150 Loan - Proprietary Fund

The City of Du Quoin has a loan agreement with Ford Credit in the amount of \$24,645 dated February 8, 2021. The City is required to make monthly payments of \$474 for 5 years, with an interest rate of 5.99%. A 2020 Ford F-150 serves as collateral pledged for this loan. All payments are made from the Waterworks & Sewage Fund. The City paid interest expense of \$1,229 on the loan during the year. The loan will mature on January 8, 2026. The following is a summary of the loan payments:

Fiscal Year Ended	Interest	Principal	Total
2022	\$ 1,005	\$ 4,209	\$ 5,214
2023	825	4,863	5,688
2024	525	5,163	5,688
2025	208	5,480	5,688
2026	3	471	474
Totals	<u>\$ 2,566</u>	<u>\$ 20,186</u>	<u>\$ 22,752</u>

Balance as of December 31, 2020	\$ 0
Debt incurred during the year	24,645
Debt eliminated during the year	<u>(4,459)</u>
Balance as of December 31, 2021	<u>\$ 20,186</u>

3. Ford F-250 Loan - Proprietary Fund

The City of Du Quoin has a loan agreement with Ford Credit in the amount of \$34,802 dated May 1, 2021. The City is required to make monthly payments of \$669 for 5 years, with an interest rate of 5.99%. A 2021 Ford F-250 serves as collateral pledged for this loan. All payments are made from the Waterworks & Sewage Fund. The City paid interest expense of \$1,292 on the loan during the year. The loan will mature on April 1, 2026. The following is a summary of the loan payments:

Fiscal Year Ended	Interest	Principal	Total
2022	\$ 1,503	\$ 5,856	\$ 7,359
2023	1,263	6,765	8,028
2024	846	7,182	8,028
2025	404	7,624	8,028
2026	32	2,644	2,676
Totals	<u>\$ 4,048</u>	<u>\$ 30,071</u>	<u>\$ 34,119</u>

Balance as of December 31, 2020	\$ 0
Debt incurred during the year	34,802
Debt eliminated during the year	<u>(4,731)</u>
Balance as of December 31, 2021	<u>\$ 30,071</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE L - Direct Borrowings and Direct Placements - Continued

4. EPA Loan - Proprietary Fund

The City of Du Quoin applied for financial assistance for a wastewater treatment facility in the form of a loan from the Illinois Environmental Protection Agency. The original loan was \$6,350,810 on April 6, 2007. The City is required to make semi-annual payments of \$209,945 for 19 ½ years, with 2.50% interest rate. There is no collateral pledged for this loan. The Capital Improvements Fund makes the payments on this loan. The City paid interest expense of \$55,890 on the loan during the year. The loan will mature on August 6, 2026. The following is a summary of the loan payments:

Fiscal Year Ended	Interest	Principal	Total
2022	\$ 46,733	\$ 373,156	\$ 419,889
2023	37,346	382,544	419,890
2024	27,723	392,167	419,890
2025	17,857	402,032	419,889
2026	7,744	412,146	419,890
Totals	<u>\$ 137,403</u>	<u>\$ 1,962,045</u>	<u>\$ 2,099,448</u>

Balance as of December 31, 2020	\$ 2,326,044
Debt incurred during the year	0
Debt eliminated during the year	<u>(363,999)</u>
Balance as of December 31, 2021	<u>\$ 1,962,045</u>

5. EPA Loan - Proprietary Fund

The City of Du Quoin applied for financial assistance in the form of a drinking water loan from the Illinois Environmental Protection Agency. The original loan was \$651,389 on June 25, 2014. The City is required to make semi-annual payments of \$20,812 for 19 ½ years, with 2.295% interest rate. There is no collateral pledged for this loan. The Capital Improvements Fund makes the payments on this loan. The City paid interest expense of \$10,507 on the loan during the year. The loan will mature on October 25, 2033. The following is a summary of the loan payments:

Fiscal Year Ended	Interest	Principal	Total
2022	\$ 9,789	\$ 31,834	\$ 41,623
2023	9,053	32,570	41,623
2024	8,303	33,320	41,623
2025	7,533	34,090	41,623
2026	6,746	34,877	41,623
2027	5,941	35,682	41,623
2028	5,118	36,505	41,623
2029	4,275	37,348	41,623
2030	3,413	38,210	41,623
2031	2,531	39,092	41,623
2032	1,628	39,995	41,623
2033	706	40,917	41,623
Totals	<u>\$ 65,036</u>	<u>\$ 434,440</u>	<u>\$ 499,476</u>

Balance as of December 31, 2020	\$ 465,556
Debt incurred during the year	0
Debt eliminated during the year	<u>(31,116)</u>
Balance as of December 31, 2021	<u>\$ 434,440</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE L - Direct Borrowings and Direct Placements - Continued

6. CAT Financial Loan - Proprietary Fund

The City of Du Quoin has a loan agreement with CAT Financial in the amount of \$78,710 dated December 3, 2021. The City is required to make semi-annual payments of \$8,576 for 5 years, with an interest rate of 3.18%. A 2021 Caterpillar Backhoe Loader serves as collateral pledged for this loan. All payments are made from the Waterworks & Sewage Fund. The City paid no interest on the loan during the year. The loan will mature on December 3, 2026. The following is a summary of the loan payments:

Fiscal Year Ended	Interest	Principal	Total
2022	\$ 2,388	\$ 14,764	\$ 17,152
2023	1,914	15,238	17,152
2024	1,426	15,726	17,152
2025	921	16,231	17,152
2026	401	16,751	17,152
Totals	<u>\$ 7,050</u>	<u>\$ 78,710</u>	<u>\$ 85,760</u>
Balance as of December 31, 2020		\$ 0	
Debt incurred during the year		78,710	
Debt eliminated during the year		<u>(0)</u>	
Balance as of December 31, 2021		<u>\$ 78,710</u>	

7. City Hall Roof Loan - Governmental Funds

The City of Du Quoin has a participation loan agreement with Banterra Bank for the City Hall roof. The loan amount is \$225,000 with monthly payments of \$2,169 beginning September 8, 2016. The interest rate is 2.44%. This loan is unsecured. The General Fund makes the payments for this loan. The City paid interest expense of \$2,613 on the loan during the year. The loan will mature on September 8, 2025. The following is a summary of the loan payments:

Fiscal Year Ended	Interest	Principal	Total
2022	\$ 2,004	\$ 24,024	\$ 26,028
2023	1,412	24,616	26,028
2024	804	25,224	26,028
2025	284	19,237	19,521
Totals	<u>\$ 4,504</u>	<u>\$ 93,101</u>	<u>\$ 97,605</u>
Balance as of December 31, 2019		\$ 116,516	
Debt incurred during the year		0	
Debt eliminated during the year		<u>(23,415)</u>	
Balance as of December 31, 2021		<u>\$ 93,101</u>	

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE L - Direct Borrowings and Direct Placements - Continued

8. Prospect Bank Loan - Governmental Funds

The City of Du Quoin has a loan agreement with Prospect Bank in the amount of \$53,450 dated December 15, 2020. The City is required to make semi-annual payments of \$7,098 for 5 years, with an interest rate of 2.69%. A 2018 Case Extended Backhoe serves as collateral pledged for this loan. All payments are made from the General Fund Street Department. The City paid interest expense of \$1,371 on the loan during the year. The loan will mature on November 15, 2024. The following is a summary of the loan payments:

Fiscal Year Ended	Interest	Principal	Total
2022	\$ 1,018	\$ 13,177	\$ 14,195
2023	656	13,538	14,194
2024	286	13,910	14,196
Totals	<u>\$ 1,960</u>	<u>\$ 40,625</u>	<u>\$ 42,585</u>

Balance as of December 31, 2020	\$ 0
Debt incurred during the year	53,450
Debt eliminated during the year	<u>(12,825)</u>
Balance as of December 31, 2021	<u>\$ 40,625</u>

9. Taxable General Obligation Bonds, Series 2021 - Governmental Funds

The City of Du Quoin issued bonds in the amount of \$7,665,000 on July 8, 2021. The City is required to make annual principal payments and semi-annual interest payments for 20 years, with varying rates of interest. There is no collateral pledged for these bonds. All payments are made from the General Fund Administration Fund. The City paid interest expense of \$59,200 on these bonds during the year. The bonds will mature on December 1, 2040. The following is a summary of the bond obligations:

Fiscal Year Ended	Interest Rate	CUSIP (263539)	Interest	Principal	Total
2022	0.30%	AB4	\$ 147,285	\$ 335,000	\$ 482,285
2023	0.40%	AC2	145,778	335,000	480,778
2024	0.50%	AD0	143,768	335,000	478,768
2025	0.70%	AE8	140,980	340,000	480,980
2026	0.95%	AF5	137,295	345,000	482,295
2027	1.20%	AG3	132,896	345,000	477,896
2028	1.35%	AH1	127,728	355,000	482,728
2029	1.60%	AJ7	121,648	360,000	481,648
2030	1.80%	AK4	114,758	365,000	479,758
2031	2.00%	AM0	106,889	375,000	481,889
2032	2.25%	AM0	98,395	380,000	478,395
2033	2.25%	AN8	89,538	390,000	479,538
2034	2.35%	AP3	80,055	400,000	480,055
2035	2.45%	AQ1	69,928	410,000	479,928
2036	2.55%	AR9	59,135	420,000	479,135
2037	2.65%	AS7	47,263	435,000	482,263
2038	2.90%	AS7	34,503	445,000	479,503
2039	2.90%	AT5	21,150	460,000	481,150
2040	3.00%	AT5	7,125	475,000	482,125
Total			<u>\$ 1,826,117</u>	<u>\$ 7,305,000</u>	<u>\$ 9,131,117</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE L - Direct Borrowings and Direct Placements - Concluded

9. Taxable General Obligation Bonds, Series 2021 - Governmental Funds - Concluded

Balance as of December 31, 2020	\$ 0
Debt incurred during the year	7,665,000
Debt eliminated during the year	<u>(360,000)</u>
Balance as of December 31, 2021	<u>\$ 7,305,000</u>

Total Debt Obligations

Fiscal Year Ended	Loans	Bonds	Total
2022	\$ 562,038	\$ 482,285	\$ 1,044,323
2023	563,181	480,778	1,043,959
2024	547,894	478,768	1,026,662
2025	511,901	480,980	992,881
2026	481,815	482,295	964,110
2027-2031	208,115	2,403,919	2,612,034
2032-2036	83,246	2,397,051	2,480,297
2037-2040	<u>0</u>	<u>1,925,041</u>	<u>1,925,041</u>
Total Payments	2,958,190	9,131,117	12,089,307
Less Interest	<u>(224,969)</u>	<u>(1,826,117)</u>	<u>(2,051,086)</u>
Total Principal	<u>\$ 2,733,221</u>	<u>\$ 7,305,000</u>	<u>\$ 10,038,221</u>

NOTE M - Computation of Legal Debt Margin

The City of Du Quoin is considered a home rule municipality and therefore, not subject to a legal debt margin.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE N - Assessed Valuation and Taxes Levied

The City's property tax is levied each year on all real property located in the City upon the passing of the City's budget, appropriations ordinance, and tax levy. Property taxes are levied based on the assessed value of property as listed as of January 1 of the previous year. Assessed values are an approximation of market value. The property taxes attach as an enforceable lien on property as of January 1.

The County (Perry County, Illinois) extends, bills, and collects the City's property taxes. Residents may pay property taxes to the County in two installments. The property tax is paid to the City by the County as statute permits, which is generally shortly after the County's collection dates. The tax levy ordinance was approved on December 28, 2020. The City received tax distributions in October and December 2021.

	TAX LEVY YEARS 2020, 2019, 2018		
	2020	2019	2018
ASSESSED VALUATION	\$ 47,301,152	\$ 45,277,135	\$ 44,090,093
Library	0.1648	0.1634	0.1640
Firefighter's Pension	0.8450	0.7685	0.7349
Police Pension	0.7459	0.6768	0.6800
TIF #1	0.0000	0.0000	0.0000
TIF #2	0.0000	0.0000	0.0000
TIF #3	0.0000	0.0000	0.0000
Total	1.7557	1.6087	1.5789
	2020	2019	2018
TAX EXTENSIONS			
Library	\$ 77,952	\$ 73,983	\$ 70,560
Firefighter's Pension	399,695	347,955	324,018
Police Pension	352,819	306,436	299,813
Road and Bridge	37,653	37,354	36,374
TIF #1	107,762	99,730	78,998
TIF #2	42,249	42,802	20,865
TIF #3	42,066	42,092	32,011
Total	\$ 1,060,196	\$ 950,352	\$ 862,639
	2020	2019	2018
TAX COLLECTIONS			
Library	\$ 71,398	\$ 73,389	\$ 69,654
Firefighter's Pension	366,080	345,156	319,981
Police Pension	323,147	303,970	296,077
Road and Bridge	36,164	37,166	36,150
TIF #1	92,605	99,730	78,998
TIF #2	41,807	42,802	20,865
TIF #3	41,741	42,092	32,011
Total	\$ 972,942	\$ 944,305	\$ 853,736

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE O - Interfund Operating Transfers

Individual fund operating transfers for fiscal year 2021 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Governmental Funds</u>		
<i>Major Funds</i>		
General Fund	\$ 152,634	\$ 664,045
Business District Tax	108,088	0
Investment Pool	500,924	0
Motor Fuel Tax	0	146,724
Park	54,358	0
<i>Non-Major Funds</i>		
Drug Abuse	675	0
Public Library	0	654
TIF #1	22,975	0
TIF #3	0	22,975
Total Governmental Funds	839,654	834,398
Less Interfund Transfers	(834,398)	(834,398)
Net Governmental Fund Transfers	5,256	0
<u>Proprietary Funds</u>		
Waterworks and Sewage	0	566,142
Capital Improvements	559,561	0
Meter Deposit	1,325	0
Total Proprietary Funds	560,886	566,142
Less Interfund Transfers	(560,886)	(560,886)
Net Proprietary Fund Transfers	0	5,256
Total Transfers, Net	\$ 5,256	\$ 5,256

All transfers were for normal, routine costs of the City. All transfers were approved by the board.

NOTE P - Economic Dependence

The City is fiscally dependent on funding from Federal and State of Illinois sources. Due to State of Illinois financial restraints, state payment delays or eliminations are possible for the fiscal year ending December 31, 2022. Changes in the amounts received or timing of the amounts received from the State of Illinois, could result in cash flow problems for the City, and may require budget amendments and cuts of services.

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE Q - Subsequent Events

The City has evaluated subsequent events through June 15, 2022, the date which the financial statements were available to be issued.

NOTE R - Due From Other Governments

On November 17, 2015, the City of Du Quoin (City) entered into an Intergovernmental Agreement with the Du Quoin Community Unit School District #300, Illinois (District) in which the parties agreed that the District owes the City the sum of \$585,436 for funding advanced to the District by the City.

The District agreed to pay the City a total of 15 annual payments in the amount of \$39,029, beginning in 2015. The agreement will terminate upon the District's payment in full of the outstanding bonds issued for the construction of the high school facilities. As of December 31, 2021, the amount due to the city is \$312,233.

NOTE S - Revolving Loans Receivable

Below is a summary of the City of Du Quoin's Revolving Loan Program receivables as of December 31, 2021. This note receivable, which was reported in the General Fund, was repaid during the year.

<u>Borrower</u>	<u>Original Loan Amount</u>	<u>Date</u>	<u>Due Date</u>	<u>12/31/21 Balance</u>
Vicki Holmes	\$ 6,800	03/2016	04/2021	\$ 0
Total				<u>\$ 0</u>

CITY OF DUQUOIN, ILLINOIS
Notes to Basic Financial Statements - Continued
December 31, 2021

NOTE T - Components of Fund Balance

The following presents the various components of fund balance within the governmental funds:

	Major Governmental Funds					Nonmajor	Total
	General	Business	Investment	Motor	Park	Governmental	Governmental
Fund Balances:	Fund	District	Pool	Fuel Tax	Fund	Funds	Funds
<u>Nonspendable</u>							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Nonspendable	-	-	-	-	-	-	-
<u>Restricted</u>							
General Government	-	-	-	-	-	252,535	252,535
Transportation	-	-	-	522,807	-	-	522,807
Total Restricted	-	-	-	522,807	-	252,535	775,342
<u>Committed</u>							
General Government	-	803,965	-	-	-	-	803,965
Services	-	-	-	-	-	125,264	125,264
Total Committed	-	803,965	-	-	-	125,264	929,229
<u>Assigned</u>							
General Government	-	-	1,036,815	-	-	250	1,037,065
Public Safety	-	-	-	-	-	95,373	95,373
Services	-	-	-	-	505,367	-	505,367
Total Assigned	-	-	1,036,815	-	505,367	95,623	1,637,805
<u>Unassigned</u>							
General Government	1,186,126	-	-	-	-	-	1,186,126
Total Unassigned	1,186,126	-	-	-	-	-	1,186,126
Total Governmental Fund Balances	<u>\$ 1,186,126</u>	<u>\$ 803,965</u>	<u>\$ 1,036,815</u>	<u>\$ 522,807</u>	<u>\$ 505,367</u>	<u>\$ 473,422</u>	<u>\$ 4,528,502</u>

CITY OF DU QUOIN, ILLINOIS
Notes to Basic Financial Statements - Concluded
December 31, 2021

NOTE U - Capital Assets

Capital asset activity for the year ended December 31, 2021 is as follows:

Changes in Capital Assets

Year Ended December 31, 2021

	ASSETS			ACCUMULATED DEPRECIATION					Net
	Balance 1/1/21	Additions	Deletions	Balance 12/31/21	Balance 1/1/21	Current Provisions	Deductions	Balance 12/31/21	Book Value 12/31/21
GOVERNMENTAL ACTIVITIES									
<i>Non-Depreciable Capital Assets</i>									
Land	\$ 50,500	\$ -	\$ -	\$ 50,500	\$ -	\$ -	\$ -	\$ -	\$ 50,500
<i>Depreciable Capital Assets</i>									
Buildings and Plants	3,668,631	-	-	3,668,631	2,752,788	91,583	-	2,844,371	824,260
Land Improvements	2,346,988	-	-	2,346,988	962,425	130,380	-	1,092,805	1,254,183
Machinery and Equipment	2,246,084	152,030	48,000	2,350,114	2,060,988	80,438	48,000	2,093,426	256,688
Vehicles	1,618,664	-	-	1,618,664	1,455,255	50,477	-	1,505,732	112,932
Total Depreciable Capital Assets	9,880,367	152,030	48,000	9,984,397	7,231,456	352,878	48,000	7,536,334	2,448,063
TOTAL GOVERNMENTAL ACTIVITIES	9,930,867	152,030	48,000	10,034,897	7,231,456	352,878	48,000	7,536,334	2,498,563
BUSINESS-TYPE ACTIVITIES									
<i>Non-Depreciable Capital Assets</i>									
Project in Progress	-	51,628	-	51,628	-	-	-	-	51,628
<i>Depreciable Capital Assets</i>									
Buildings and Plants	8,468,732	-	-	8,468,732	3,219,440	212,018	-	3,431,458	5,037,274
Land Improvements	2,753,649	-	-	2,753,649	1,658,661	139,908	-	1,798,569	955,080
Machinery and Equipment	983,304	98,710	-	1,082,014	925,422	37,415	-	962,837	119,177
Vehicles	37,465	59,447	-	96,912	37,465	9,569	-	47,034	49,878
Total Depreciable Capital Assets	12,243,150	158,157	-	12,401,307	5,840,988	398,910	-	6,239,898	6,161,409
TOTAL BUSINESS-TYPE ACTIVITIES	12,243,150	209,785	-	12,452,935	5,840,988	398,910	-	6,239,898	6,213,037
TOTAL REPORTING ENTITY	<u>\$ 22,174,017</u>	<u>\$ 361,815</u>	<u>\$ 48,000</u>	<u>\$ 22,487,832</u>	<u>\$ 13,072,444</u>	<u>\$ 751,788</u>	<u>\$ 48,000</u>	<u>\$ 13,776,232</u>	<u>\$ 8,711,600</u>
Governmental Function	Governmental Activities								
Depreciation Expense:									
General Government	\$ 166,148								
Public Safety	130,700								
Services	27,033								
Transportation	28,997								
Total Depreciation Expense	<u>\$ 352,878</u>								

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DU QUOIN, ILLINOIS
Illinois Municipal Retirement Fund - Schedule of Funding Progress
December 31, 2021

CITY EMPLOYEES - EMPLOYER NUMBER 00498R

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Entry Age (b) Liability (AAL)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/21	\$ 11,054,956	\$ 9,601,094	\$ 1,453,862	115.14%	\$ 1,259,526	115.43%
12/31/20	\$ 9,734,909	\$ 9,386,447	\$ 348,462	103.71%	\$ 1,254,724	27.77%
12/31/19	\$ 8,866,613	\$ 9,225,034	\$ 358,421	96.11%	\$ 1,183,207	30.29%

On a market basis, the actuarial value of assets as of December 31, 2021 is \$11,054,956. On a market basis, the funded ratio would be 115.14%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with City of Du Quoin. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

CITY OF DU QUOIN, ILLINOIS
IMRF - Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2021

Last 10 Calendar Years
(Schedule to be built prospectively from 2014)

Calendar Year Ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 126,263	\$ 126,737	\$ 137,184	\$ 124,865	\$ 142,918	\$ 148,090	\$ 140,775	\$ 142,670
Interest on the Total Pension Liability	664,899	652,378	623,900	592,737	611,608	593,471	563,611	500,732
Benefit Changes	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(19,386)	(3,211)	198,034	225,600	(300,085)	(80,709)	80,638	270,258
Assumption Changes	-	(34,330)	-	227,257	(269,210)	(18,290)	9,019	304,727
Benefit Payments and Refunds	(557,129)	(580,161)	(542,011)	(406,529)	(449,107)	(389,500)	(387,393)	(350,648)
Net Change in Total Pension Liability	214,647	161,413	417,107	763,930	(263,876)	253,062	406,650	867,739
Total Pension Liability-Beginning	9,386,447	9,225,034	8,807,927	8,043,997	8,307,873	8,054,811	7,648,161	6,780,422
Total Pension Liability-Ending (a)	\$ 9,601,094	\$ 9,386,447	\$ 9,225,034	\$ 8,807,927	\$ 8,043,997	\$ 8,307,873	\$ 8,054,811	7,648,161
Plan Fiduciary Net Position								
Employer Contributions	\$ 145,979	\$ 148,559	\$ 99,864	\$ 120,368	\$ 154,155	\$ 160,480	\$ 160,909	\$ 161,734
Employee Contributions	56,680	56,464	53,244	47,564	55,808	57,035	59,255	99,355
Pension Plan Net Investment Income	1,691,667	1,303,978	1,407,636	(448,775)	1,272,782	479,821	34,282	397,248
Benefit Payments and Refunds	(557,129)	(580,161)	(542,011)	(406,529)	(449,107)	(389,500)	(387,393)	(350,648)
Other	(17,150)	(60,544)	230,236	167,219	(169,673)	89,895	69,089	75,221
Net Change in Plan Fiduciary Net Position	1,320,047	868,296	1,248,969	(520,153)	863,965	397,731	(63,858)	382,910
Plan Fiduciary Net Position-Beginning	9,734,909	8,866,613	7,617,644	8,137,797	7,273,832	6,876,101	6,939,959	6,557,049
Plan Fiduciary Net Position-Ending (b)	\$ 11,054,956	\$ 9,734,909	\$ 8,866,613	\$ 7,617,644	\$ 8,137,797	\$ 7,273,832	\$ 6,876,101	6,939,959
Net Pension Liability/(Asset) - Ending (a-b)	\$ (1,453,862)	\$ (348,462)	\$ 358,421	\$ 1,190,283	\$ (93,800)	\$ 1,034,041	\$ 1,178,710	\$ 708,202
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	115.14%	103.71%	96.11%	86.49%	101.17%	87.55%	85.37%	90.74%
Covered Valuation Payroll	\$ 1,259,526	\$ 1,254,724	\$ 1,183,207	\$ 1,281,603	\$ 1,240,191	\$ 1,263,629	\$ 1,316,772	\$ 1,232,057
Net Pension Liability as a Percentage of Covered Valuation Payroll	-115.43%	-27.77%	30.29%	92.87%	-7.56%	81.83%	89.52%	57.48%

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
IMRF - Multiyear Schedule of Contributions
December 31, 2021

Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 160,044	\$ 161,734	\$ (1,690)	\$ 1,232,057	13.13%
2015	160,910	160,910	-	1,316,772	12.22%
2016	160,481	160,481	-	1,263,629	12.70%
2017	154,156	154,156	-	1,240,191	12.43%
2018	156,099	120,368	35,731	1,281,603	9.39%
2019	99,863	99,863	-	1,183,207	8.44%
2020	148,559	148,559	-	1,254,724	11.84%
2021	145,979	145,979	-	1,259,526	11.59%

See Accompanying Notes to the Required Supplementary Information

MAJOR GOVERNMENTAL FUNDS

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
GENERAL FUND - All Departments
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive or (Negative)
Revenues				
Taxes	\$ 2,605,104	\$ 2,605,104	\$ 2,482,584	\$ (122,520)
Intergovernmental	2,074,788	2,074,788	3,156,352	1,081,564
Licenses and Permits	36,575	36,575	40,398	3,823
Fines and Penalties	55,200	55,200	31,355	(23,845)
Revenues from Services	8,308	8,308	5,741	(2,567)
Interest Income	366	366	515	149
Other	62,412	62,412	7,815,860	7,753,448
Total Revenues	<u>4,842,753</u>	<u>4,842,753</u>	<u>13,532,805</u>	<u>8,690,052</u>
Expenditures				
<i>Current</i>				
General Government	1,322,048	1,322,048	1,843,855	(521,807)
Public Safety	2,833,341	2,833,341	9,146,247	(6,312,906)
Transportation	629,957	629,957	682,504	(52,547)
<i>Capital Outlay</i>	83,500	83,500	152,030	(68,530)
<i>Debt Service</i>	-	-	459,424	(459,424)
Total Expenditures	<u>4,868,846</u>	<u>4,868,846</u>	<u>12,284,060</u>	<u>(7,415,214)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(26,093)</u>	<u>(26,093)</u>	<u>1,248,745</u>	<u>1,274,838</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	152,634	152,634
Operating Transfers Out	-	-	(664,045)	(664,045)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(511,411)</u>	<u>(511,411)</u>

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
GENERAL FUND - All Departments - Concluded
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Net Change in Fund Balance	<u>\$ (26,093)</u>	<u>\$ (26,093)</u>	737,334	<u>\$ 763,427</u>
Beginning Fund Balance			949,923	
GAAP Adjustments:				
Due From State of Illinois			(61,819)	
Property Tax Receivable			(1,741)	
Accounts Payable			(49,205)	
Other Payables			(2,566)	
Unearned Revenue			<u>(385,800)</u>	
Total GAAP Adjustments			<u>(501,131)</u>	
Ending Fund Balance			<u>\$ 1,186,126</u>	

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
GENERAL FUND - Administration Department
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Taxes				
Local Sales Tax	\$ 567,566	\$ 567,566	\$ 612,956	\$ 45,390
Electric Utilities Tax	392,670	392,670	413,353	20,683
Communications Utilities Tax	74,220	74,220	45,292	(28,928)
Franchise Tax	59,429	59,429	46,157	(13,272)
Intergovernmental				
Income Tax	96,253	96,253	129,037	32,784
Sales Tax	144,703	144,703	152,676	7,973
Personal Property Replacement Tax	1,903	1,903	7,991	6,088
Charitable Gaming Tax	1,767	1,767	1,347	(420)
Federal Operating Grant	-	-	555,912	555,912
State Operating Grant	-	-	137,313	137,313
Licenses and Permits	36,575	36,575	40,398	3,823
Fines and Penalties	200	200	180	(20)
Revenues from Services	4,588	4,588	5,741	1,153
Interest Income	366	366	515	149
Other	6,753	6,753	7,710,860	7,704,107
Total Revenues	<u>1,386,993</u>	<u>1,386,993</u>	<u>9,859,728</u>	<u>8,472,735</u>
Expenditures				
Current				
General Government				
Wages	266,015	266,015	313,411	(47,396)
Payroll Taxes	20,451	20,451	24,269	(3,818)
IMRF Contributions	28,358	28,358	29,667	(1,309)
Health Insurance	338,364	338,364	328,673	9,691
Clothing	1,250	1,250	1,166	84
Maintenance	5,750	5,750	10,084	(4,334)
Utilities	37,000	37,000	37,706	(706)
Gas/Oil/Grease	1,500	1,500	8,936	(7,436)
Postage	1,900	1,900	1,685	215
Professional Fees	50,200	50,200	32,732	17,468
Publications	3,000	3,000	3,361	(361)
Travel	100	100	222	(122)
Dues	2,500	2,500	3,207	(707)
Audit	22,500	22,500	21,250	1,250
Insurance	17,273	17,273	16,395	878
Supplies	15,975	15,975	28,657	(12,682)

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
GENERAL FUND - Administration Department - Concluded
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Expenditures - Continued				
<i>Current</i>				
General Government				
Rent	75	75	50	25
Projects	15,580	15,580	91,311	(75,731)
Grant Expense	-	-	72,858	(72,858)
Property Maintenance	30,500	30,500	55,166	(24,666)
Recycling	-	-	3,096	(3,096)
Airport	14,000	14,000	15,000	(1,000)
School District Sales Tax	433,278	433,278	513,751	(80,473)
Bank Charges	1,479	1,479	2,535	(1,056)
Other	15,000	15,000	228,667	(213,667)
<i>Capital Outlay</i>	20,000	20,000	-	20,000
<i>Debt Service</i>	-	-	445,228	(445,228)
Total Expenditures	<u>1,342,048</u>	<u>1,342,048</u>	<u>2,289,083</u>	<u>(947,035)</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>\$ 44,945</u>	 <u>\$ 44,945</u>	 <u>\$ 7,570,645</u>	 <u>\$ 7,525,700</u>

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
GENERAL FUND - Civil Defense Department
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Taxes				
Local Sales Tax	\$ 7,747	\$ 7,747	\$ 8,198	\$ 451
Intergovernmental				
Income Tax	6,766	6,766	8,854	2,088
Sales Tax	10,171	10,171	11,132	961
Personal Property Replacement Tax	134	134	666	532
Federal Operating Grant	18,200	18,200	18,200	-
Total Revenues	<u>43,018</u>	<u>43,018</u>	<u>47,050</u>	<u>4,032</u>
Expenditures				
<i>Current</i>				
Public Safety				
Wages	4,800	4,800	4,800	-
Payroll Taxes	496	496	486	10
IMRF Contributions	568	568	47	521
Clothing	1,000	1,000	-	1,000
Maintenance	8,907	8,907	14,149	(5,242)
Utilities	17,702	17,702	10,781	6,921
Gas/Oil/Grease	500	500	324	176
Travel	500	500	-	500
Dues	1,318	1,318	1,103	215
Supplies	3,225	3,225	9,792	(6,567)
Other	2,000	2,000	2,771	(771)
<i>Capital Outlay</i>	2,000	2,000	2,366	(366)
Total Expenditures	<u>43,016</u>	<u>43,016</u>	<u>46,619</u>	<u>(3,603)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 431</u>	<u>\$ 429</u>

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
GENERAL FUND - Fire Department
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive or (Negative)
Revenues				
Taxes				
Property Tax	365,275	365,275	259,437	(105,838)
Local Sales Tax	245,736	245,736	260,026	14,290
Intergovernmental				
Income Tax	214,602	214,602	280,836	66,234
Sales Tax	322,627	322,627	353,099	30,472
Personal Property Replacement Tax	31,119	31,119	11,258	(19,861)
Fire Tax	12,250	12,250	14,544	2,294
State Fair	8,000	8,000	3,859	(4,141)
State Capital Grant	-	-	25,300	25,300
Revenues From Services	3,720	3,720	-	(3,720)
Total Revenues	1,203,329	1,203,329	1,208,359	5,030
Expenditures				
<i>Current</i>				
Public Safety				
Wages	509,792	509,792	537,221	(27,429)
Payroll Taxes	11,555	11,555	12,837	(1,282)
Health Insurance	94,229	94,229	98,270	(4,041)
Pension Contributions	424,384	424,384	4,089,060	(3,664,676)
Clothing	4,500	4,500	4,247	253
Maintenance	56,350	56,350	51,204	5,146
Utilities	8,300	8,300	8,130	170
Gas/Oil/Grease	3,500	3,500	5,272	(1,772)
Postage	200	200	187	13
Professional Fees	2,000	2,000	-	2,000
Publications	750	750	508	242
Travel	8,250	8,250	2,745	5,505
Dues	2,500	2,500	2,983	(483)
Insurance	34,252	34,252	35,244	(992)
Supplies	7,750	7,750	3,037	4,713
Fire Tax Payout	12,250	12,250	14,544	(2,294)
Other	500	500	1,450	(950)
<i>Capital Outlay</i>	54,500	54,500	39,714	14,786
Total Expenditures	1,235,562	1,235,562	4,906,653	(3,671,091)
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (32,233)</u>	<u>\$ (32,233)</u>	<u>\$ (3,698,294)</u>	<u>\$ (3,666,061)</u>

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
GENERAL FUND - Police Department
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive or (Negative)
Revenues				
Taxes				
Property Tax	\$ 321,699	\$ 321,699	\$ 229,010	\$ (92,689)
Local Sales Tax	371,749	371,749	393,366	21,617
Intergovernmental				
Income Tax	324,649	324,649	424,847	100,198
Sales Tax	488,068	488,068	534,168	46,100
Personal Property Replacement Tax	6,418	6,418	30,618	24,200
School Resource Officer	18,840	18,840	8,990	(9,850)
Fines and Penalties	55,000	55,000	31,175	(23,825)
Other	900	900	355	(545)
Total Revenues	<u>1,587,323</u>	<u>1,587,323</u>	<u>1,652,529</u>	<u>65,206</u>
Expenditures				
<i>Current</i>				
Public Safety				
Wages	921,051	921,051	1,002,959	(81,908)
Payroll Taxes	34,566	34,566	36,883	(2,317)
IMRF Contributions	26,494	26,494	25,461	1,033
Health Insurance	154,100	154,100	160,019	(5,919)
Pension Contributions	352,789	352,789	2,861,834	(2,509,045)
Clothing	10,150	10,150	7,762	2,388
Maintenance	33,850	33,850	29,902	3,948
Utilities	10,500	10,500	10,241	259
Gas/Oil/Grease	16,000	16,000	28,926	(12,926)
Postage	250	250	289	(39)
Professional Fees	6,000	6,000	4,613	1,387
Publications	300	300	276	24
Travel	1,800	1,800	2,673	(873)
Dues	4,000	4,000	7,270	(3,270)
Insurance	25,642	25,642	24,633	1,009
Supplies	12,271	12,271	17,840	(5,569)
Rent	500	500	368	132
Other	1,000	1,000	13,106	(12,106)
<i>Capital Outlay</i>	<u>7,000</u>	<u>7,000</u>	<u>14,800</u>	<u>(7,800)</u>
Total Expenditures	<u>1,618,263</u>	<u>1,618,263</u>	<u>4,249,855</u>	<u>(2,631,592)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (30,940)</u>	<u>\$ (30,940)</u>	<u>\$ (2,597,326)</u>	<u>\$ (2,566,386)</u>

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
GENERAL FUND - Street Department
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive or (Negative)
Revenues				
Taxes				
Property Tax	\$ 31,860	\$ 31,860	\$ 37,915	\$ 6,055
Local Sales Tax	167,153	167,153	176,874	9,721
Intergovernmental				
Income Tax	145,976	145,976	191,029	45,053
Sales Tax	219,456	219,456	240,184	20,728
Personal Property Replacement Tax	2,886	2,886	14,492	11,606
Other	54,759	54,759	104,645	49,886
Total Revenues	<u>622,090</u>	<u>622,090</u>	<u>765,139</u>	<u>143,049</u>
Expenditures				
<i>Current</i>				
Transportation				
Wages	324,539	324,539	287,307	37,232
Payroll Taxes	27,619	27,619	23,929	3,690
IMRF Contribution	31,259	31,259	25,103	6,156
Health Insurance	60,423	60,423	55,668	4,755
Clothing	2,000	2,000	1,540	460
Maintenance	34,000	34,000	98,574	(64,574)
Utilities	54,000	54,000	35,565	18,435
Gas/Oil/Grease	10,000	10,000	25,412	(15,412)
Postage	100	100	151	(51)
Professional Fees	1,000	1,000	159	841
Publications	100	100	-	100
Travel	280	280	-	280
Insurance	21,587	21,587	21,718	(131)
Supplies	41,800	41,800	91,996	(50,196)
Rent	15,000	15,000	13,300	1,700
Projects	5,000	5,000	-	5,000
Other	1,250	1,250	2,082	(832)
<i>Capital Outlay</i>	-	-	95,150	(95,150)
<i>Debt Service</i>	-	-	14,196	(14,196)
Total Expenditures	<u>629,957</u>	<u>629,957</u>	<u>791,850</u>	<u>(161,893)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (7,867)</u>	<u>\$ (7,867)</u>	<u>\$ (26,711)</u>	<u>\$ (18,844)</u>

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
BUSINESS DISTRICT TAX FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Taxes				
Local Sales Tax	\$ 373,160	\$ 373,160	\$ 386,677	\$ 13,517
Interest Income	700	700	1,234	534
Total Revenues	<u>373,860</u>	<u>373,860</u>	<u>387,911</u>	<u>14,051</u>
Expenditures				
<i>Current</i>				
General Government				
Professional Fees	50,000	50,000	17,158	32,842
Business Developments	312,560	312,560	56,012	256,548
Infrastructure Improvements	-	-	44	(44)
Total Expenditures	<u>362,560</u>	<u>362,560</u>	<u>73,214</u>	<u>289,346</u>
Excess (Deficiency) of Revenues over Expenditures	<u>11,300</u>	<u>11,300</u>	<u>314,697</u>	<u>303,397</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	108,088	108,088
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>108,088</u>	<u>108,088</u>
Net Change in Fund Balance	<u>\$ 11,300</u>	<u>\$ 11,300</u>	<u>422,785</u>	<u>\$ 411,485</u>
Beginning Fund Balance			369,590	
GAAP Adjustments:				
Due From State of Illinois			11,590	
Total GAAP Adjustments			<u>11,590</u>	
Ending Fund Balance			<u>\$ 803,965</u>	

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
INVESTMENT POOL FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Intergovernmental				
Video Gaming Tax	\$ 109,014	\$ 109,014	\$ 186,157	\$ 77,143
Interest Income	2,000	2,000	567	(1,433)
Other	-	-	19,426	19,426
Total Revenues	<u>111,014</u>	<u>111,014</u>	<u>206,150</u>	<u>95,136</u>
Expenditures				
<i>Current</i>				
General Government				
Other	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>111,014</u>	<u>111,014</u>	<u>206,150</u>	<u>95,136</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	500,924	500,924
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>500,924</u>	<u>500,924</u>
Net Change in Fund Balance	<u>\$ 111,014</u>	<u>\$ 111,014</u>	<u>707,074</u>	<u>\$ 596,060</u>
Beginning Fund Balance			320,033	
GAAP Adjustments:				
Due From State of Illinois			9,708	
Total GAAP Adjustments			<u>9,708</u>	
Ending Fund Balance			<u>\$ 1,036,815</u>	

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
MOTOR FUEL TAX FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Intergovernmental				
Motor Fuel Tax Allotments	\$ 170,000	\$ 170,000	\$ 236,926	\$ 66,926
REBUILD IL Allotments	134,202	134,202	134,202	-
Interest Income	50	50	125	75
Total Revenues	<u>304,252</u>	<u>304,252</u>	<u>371,253</u>	<u>67,001</u>
Expenditures				
<i>Current</i>				
Transportation				
MFT Expense	120,000	120,000	196,704	(76,704)
Equipment Rental	110,000	110,000	-	110,000
Sidewalk Materials	20,000	20,000	-	20,000
Sidewalk Labor	20,000	20,000	1,264	18,736
Total Expenditures	<u>270,000</u>	<u>270,000</u>	<u>197,968</u>	<u>72,032</u>
Excess (Deficiency) of Revenues over Expenditures	<u>34,252</u>	<u>34,252</u>	<u>173,285</u>	<u>139,033</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	(146,724)	(146,724)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(146,724)</u>	<u>(146,724)</u>
Net Change in Fund Balance	<u>\$ 34,252</u>	<u>\$ 34,252</u>	26,561	<u>\$ (7,691)</u>
Beginning Fund Balance			485,330	
GAAP Adjustments:				
Due From State of Illinois			2,437	
Accounts Payable			8,479	
Total GAAP Adjustments			<u>10,916</u>	
Ending Fund Balance			<u>\$ 522,807</u>	

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
PARK FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Taxes				
Local Sales Tax	\$ 21,425	\$ 21,425	\$ 18,893	\$ (2,532)
Intergovernmental				
Income Tax	18,711	18,711	21,409	2,698
Sales Tax	28,130	28,130	26,188	(1,942)
Personal Property Tax	370	370	2,013	1,643
School District Loan Payment	39,029	39,029	39,029	-
Revenue from Services	26,900	26,900	22,704	(4,196)
Other	50	50	1,000	950
Total Revenues	<u>134,615</u>	<u>134,615</u>	<u>131,236</u>	<u>(3,379)</u>
Expenditures				
<i>Current</i>				
Services				
Wages	49,400	49,400	42,307	7,093
Payroll Taxes	5,100	5,100	4,284	816
Maintenance	12,700	12,700	5,173	7,527
Utilities	10,250	10,250	7,750	2,500
Postage	50	50	42	8
Professional Fees	1,800	1,800	-	1,800
Insurance	2,718	2,718	2,322	396
Supplies	15,500	15,500	19,600	(4,100)
Projects	2,600	2,600	50	2,550
Other	1,000	1,000	-	1,000
<i>Capital Outlay</i>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>116,118</u>	<u>116,118</u>	<u>81,528</u>	<u>34,590</u>
Excess (Deficiency) of Revenues over Expenditures	<u>18,497</u>	<u>18,497</u>	<u>49,708</u>	<u>31,211</u>

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
PARK FUND - Concluded
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	54,358	54,358
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	54,358	54,358
Net Change in Fund Balance	<u>\$ 18,497</u>	<u>\$ 18,497</u>	104,066	<u>\$ 85,569</u>
Beginning Fund Balance			440,501	
GAAP Adjustments:				
Due From Other Governments			(39,029)	
Accounts Payable			(171)	
Total GAAP Adjustments			<u>(39,200)</u>	
Ending Fund Balance			<u>\$ 505,367</u>	

See Accompanying Notes to the Required Supplementary Information

CITY OF DU QUOIN, ILLINOIS
Notes to Required Supplementary Information
December 31, 2021

NOTE A - Budgets and Budgetary Accounting

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

A. Budget adoption procedures:

- (1) In accordance with Chapter 2, Article X of the City of Du Quoin Code of Ordinances, prior to January 1, the City Clerk submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The City Council is required to adopt a budget prior to the beginning of the fiscal year to which it applies.
- (2) The budget is made available for public inspection for at least 10 days prior to passage.
- (3) At least one public hearing is conducted to obtain taxpayer comment.
- (4) The annual budget may be revised by a 2/3 vote of the members of the council.

B. The combined statement of revenues, expenditures, and changes in fund balance - budget and actual for the General, Special Revenue and Enterprise Funds present comparisons of legally adopted budgets with actual data.

C. The budget amounts shown in the financial statements are the final authorized amounts for the year. The budget is prepared on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. The schedule of revenues, expenditures, and changes in fund balance - original budget, final budget and actual are prepared on the cash basis of accounting with reconciliation to GAAP figures. This provides a more accurate comparison.

D. The budget was adopted on December 28, 2020.

NOTE B - Stewardship, Compliance and Accountability

During the fiscal year ended December 31, 2021 the following funds had expenditures in excess of their budget appropriation:

General Fund	\$	7,415,214
TIF #3 Fund		34,139
Tourism Hotel Tax Fund		8,674
Total	\$	<u>7,458,027</u>

The following funds did not have a budget appropriation:

Grant Fund

CITY OF DU QUOIN, ILLINOIS
Notes to Required Supplementary Information - Concluded
December 31, 2021

NOTE C - Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate

Valuation Date Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2021 Contribution Rates

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: Taxing bodies (Regular, SLEP, and ECO groups): 22-year closed period
Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.25%

Price Inflation: 2.50%

Salary Increases: 3.35% - 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 to 2016.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational 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 to non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation.

**OTHER SUPPLEMENTARY INFORMATION COMBINING AND
INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

CITY OF DU QUOIN, ILLINOIS
Combining Balance Sheet
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

SPECIAL REVENUE FUNDS

	Drug Abuse Fund	Grant Fund	Health Insurance Fund	Public Library Fund	Restricted Building Improvement	TIF #1 Fund	TIF #2 Fund	TIF #3 Fund	Tourism/ Hotel Tax Fund	Total Non-Major Funds
Assets and Deferred Outflows of Resources										
Assets										
Cash (Restricted)	\$ 94,724	\$ 250	\$ 169,254	\$ 120,105	\$ 22,224	\$ 19,926	\$ 23,394	\$ 17,737	\$ 8,993	\$ 476,607
Investments, at Cost	-	-	-	6,877	-	-	-	-	-	6,877
Due From State of Illinois	823	-	-	-	-	-	-	-	-	823
Property Tax Receivable	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>95,547</u>	<u>250</u>	<u>169,254</u>	<u>126,982</u>	<u>22,224</u>	<u>19,926</u>	<u>23,394</u>	<u>17,737</u>	<u>8,993</u>	<u>484,307</u>
Deferred Outflows of Resources										
None	-	-	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 95,547</u>	<u>\$ 250</u>	<u>\$ 169,254</u>	<u>\$ 126,982</u>	<u>\$ 22,224</u>	<u>\$ 19,926</u>	<u>\$ 23,394</u>	<u>\$ 17,737</u>	<u>\$ 8,993</u>	<u>\$ 484,307</u>
Liabilities, Deferred Inflows										
Resources, and Fund Balance										
Liabilities										
Accounts Payable	\$ 174	\$ -	\$ -	\$ 10,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,562
Other Payables	-	-	-	323	-	-	-	-	-	323
Total Liabilities	<u>174</u>	<u>-</u>	<u>-</u>	<u>10,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,885</u>
Deferred Inflows of Resources										
None	-	-	-	-	-	-	-	-	-	-
Fund Balance										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	169,254	-	22,224	19,926	23,394	17,737	-	252,535
Committed	-	-	-	116,271	-	-	-	-	8,993	125,264
Assigned	95,373	250	-	-	-	-	-	-	-	95,623
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>95,373</u>	<u>250</u>	<u>169,254</u>	<u>116,271</u>	<u>22,224</u>	<u>19,926</u>	<u>23,394</u>	<u>17,737</u>	<u>8,993</u>	<u>473,422</u>
Total Liabilities, Deferred Inflows										
of Resources, and Fund Balance	<u>\$ 95,547</u>	<u>\$ 250</u>	<u>\$ 169,254</u>	<u>\$ 126,982</u>	<u>\$ 22,224</u>	<u>\$ 19,926</u>	<u>\$ 23,394</u>	<u>\$ 17,737</u>	<u>\$ 8,993</u>	<u>\$ 484,307</u>

CITY OF DU QUOIN, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	SPECIAL REVENUE FUNDS									
	Drug Abuse Fund	Grant Fund	Health Insurance Fund	Public Library Fund	Restricted Building Improvement	TIF #1 Fund	TIF #2 Fund	TIF #3 Fund	Tourism/ Hotel Tax Fund	Total Non-Major Funds
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ 71,397	\$ -	\$ 92,603	\$ 41,806	\$ 41,740	\$ 31,301	\$ 278,847
Intergovernmental	8,589	29,609	-	27,612	-	-	-	-	-	65,810
Fines and Penalties	31,877	-	-	1,376	-	-	-	-	-	33,253
Revenues from Services	-	-	-	5,030	-	-	-	-	-	5,030
Interest Income	-	-	101	36	9	-	-	-	6	152
Other	-	-	-	3,432	-	-	2,400	-	-	5,832
Total Revenues	40,466	29,609	101	108,883	9	92,603	44,206	41,740	31,307	388,924
Expenditures										
<i>Current</i>										
General Government	-	29,609	13,320	-	-	133,179	32,617	44,639	32,034	285,398
Public Safety	12,259	-	-	-	-	-	-	-	-	12,259
Services	-	-	-	115,635	-	-	-	-	-	115,635
Transportation	-	-	-	-	-	-	-	-	-	-
<i>Capital Outlay</i>	-	-	-	-	-	-	-	-	-	-
<i>Debt Service</i>	-	-	-	-	-	-	-	-	-	-
Total Expenditures	12,259	29,609	13,320	115,635	-	133,179	32,617	44,639	32,034	413,292
Excess (Deficiency) of Revenues over Expenditures	28,207	-	(13,219)	(6,752)	9	(40,576)	11,589	(2,899)	(727)	(24,368)
Other Financing Sources (Uses)										
Operating Transfers In	675	-	-	-	-	22,975	-	-	-	23,650
Operating Transfers Out	-	-	-	(654)	-	-	-	(22,975)	-	(23,629)
Total Other Financing Sources (Uses)	675	-	-	(654)	-	22,975	-	(22,975)	-	21
Net Change in Fund Balance	28,882	-	(13,219)	(7,406)	9	(17,601)	11,589	(25,874)	(727)	(24,347)
Beginning Fund Balance	66,491	250	182,473	123,677	22,215	37,527	11,805	43,611	9,720	497,769
Ending Fund Balance	\$ 95,373	\$ 250	\$ 169,254	\$ 116,271	\$ 22,224	\$ 19,926	\$ 23,394	\$ 17,737	\$ 8,993	\$ 473,422

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
DRUG ABUSE FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive or (Negative)
Revenues				
Intergovernmental				
Sales Tax	\$ -	\$ -	\$ 7,766	\$ 7,766
Fines and Penalties	46,400	46,400	31,877	(14,523)
Total Revenues	<u>46,400</u>	<u>46,400</u>	<u>39,643</u>	<u>(6,757)</u>
Expenditures				
<i>Current</i>				
Public Welfare				
Maintenance	1,000	1,000	-	1,000
Supplies	8,000	8,000	3,818	4,182
Drug Fund	11,500	11,500	8,326	3,174
DUI Fund	3,500	3,500	510	2,990
Capital Outlay	9,300	9,300	-	9,300
Total Expenditures	<u>33,300</u>	<u>33,300</u>	<u>12,654</u>	<u>20,646</u>
Excess (Deficiency) of Revenues over Expenditures	<u>13,100</u>	<u>13,100</u>	<u>26,989</u>	<u>13,889</u>
Other Financing Sources/(Uses)				
Operating Transfers In	-	-	675	675
Operating Transfers Out	-	-	-	-
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>-</u>	<u>675</u>	<u>675</u>
Net Change in Fund Balance	<u>\$ 13,100</u>	<u>\$ 13,100</u>	27,664	<u>\$ 14,564</u>
Beginning Fund Balance			66,491	
GAAP Adjustments:				
Accounts Payable			1,218	
Total GAAP Adjustments			<u>1,218</u>	
Ending Fund Balance			<u>\$ 95,373</u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
HEALTH INSURANCE FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Interest Income	<u>\$ 35</u>	<u>\$ 35</u>	<u>\$ 101</u>	<u>\$ 66</u>
Total Revenues	<u>35</u>	<u>35</u>	<u>101</u>	<u>66</u>
Expenditures				
<i>Current</i>				
General Government				
Health Insurance Reimbursements	<u>37,500</u>	<u>37,500</u>	<u>13,320</u>	<u>24,180</u>
Total Expenditures	<u>37,500</u>	<u>37,500</u>	<u>13,320</u>	<u>24,180</u>
Excess (Deficiency) of Revenues over Expenditures	<u>35</u>	<u>35</u>	<u>(13,219)</u>	<u>24,246</u>
Other Financing Sources (Uses)				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u><u>\$ (37,465)</u></u>	<u><u>\$ (37,465)</u></u>	<u>(13,219)</u>	<u><u>\$ 24,246</u></u>
Beginning Fund Balance			182,473	
GAAP Adjustments:				
None			<u>-</u>	
Ending Fund Balance			<u><u>\$ 169,254</u></u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
PUBLIC LIBRARY FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Taxes				
Property Tax	\$ 79,000	\$ 79,000	\$ 79,288	\$ 288
Intergovernmental				
Personal Property Replacement Tax	5,100	5,100	16,215	11,115
Federal Operating Grant	2,000	2,000	2,386	386
State Operating Grant	7,150	7,150	9,011	1,861
Fines and Penalties	2,000	2,000	1,376	(624)
Revenue from Services	6,925	6,925	5,030	(1,895)
Interest Income	125	125	36	(89)
Other	5,500	5,500	3,432	(2,068)
Total Revenues	<u>107,800</u>	<u>107,800</u>	<u>116,774</u>	<u>8,974</u>
Expenditures				
<i>Current</i>				
Services				
Wages	48,500	48,500	47,487	1,013
Payroll Taxes	6,650	6,650	4,411	2,239
IMRF	3,500	3,500	3,349	151
Health Insurance	11,000	11,000	10,954	46
Maintenance	10,585	10,585	10,877	(292)
Postage	350	350	191	159
Supplies	1,950	1,950	1,762	188
Databases	100	100	561	(461)
Books/Magazines	11,400	11,400	9,788	1,612
Audio/Visual	2,000	2,000	220	1,780
Grants	9,000	9,000	10,271	(1,271)
Donations	1,500	1,500	4,219	(2,719)
Other	1,450	1,450	1,145	305
Total Expenditures	<u>107,985</u>	<u>107,985</u>	<u>105,235</u>	<u>2,750</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(185)</u>	<u>(185)</u>	<u>11,539</u>	<u>11,724</u>

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
PUBLIC LIBRARY FUND - Concluded
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(654)</u>	<u>(654)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(654)</u>	<u>(654)</u>
Net Change in Fund Balance	<u>\$ (185)</u>	<u>\$ (185)</u>	10,885	<u>\$ 11,070</u>
Beginning Fund Balance			123,677	
GAAP Adjustments:				
Property Tax Receivable			(7,891)	
Accounts Payable			(10,388)	
Other Payables			<u>(12)</u>	
Total GAAP Adjustments			<u>(18,291)</u>	
Ending Fund Balance			<u>\$ 116,271</u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
RESTRICTED BUILDING IMPROVEMENT FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Interest Income	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 9</u>	<u>\$ (6)</u>
Total Revenues	<u>15</u>	<u>15</u>	<u>9</u>	<u>(6)</u>
Expenditures				
<i>Current</i>				
General Government				
Other	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,985)</u>	<u>(3,985)</u>	<u>9</u>	<u>3,994</u>
Other Financing Sources (Uses)				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u><u>\$ (3,985)</u></u>	<u><u>\$ (3,985)</u></u>	<u>9</u>	<u><u>\$ 3,994</u></u>
Beginning Fund Balance			22,215	
GAAP Adjustments:				
None			<u>-</u>	
Total GAAP Adjustments			<u>-</u>	
Ending Fund Balance			<u><u>\$ 22,224</u></u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
TIF #1 FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Taxes				
Property Tax	<u>\$ 99,657</u>	<u>\$ 99,657</u>	<u>\$ 95,044</u>	<u>\$ (4,613)</u>
Total Revenues	<u>99,657</u>	<u>99,657</u>	<u>95,044</u>	<u>(4,613)</u>
Expenditures				
<i>Current</i>				
General Government				
Business Developments	79,100	79,100	133,179	(54,079)
Infrastructure Improvements	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Total Expenditures	<u>134,100</u>	<u>134,100</u>	<u>133,179</u>	<u>921</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(34,443)</u>	<u>(34,443)</u>	<u>(38,135)</u>	<u>(3,692)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	22,975	22,975
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>22,975</u>	<u>22,975</u>
Net Change in Fund Balance	<u><u>\$ (34,443)</u></u>	<u><u>\$ (34,443)</u></u>	<u>(15,160)</u>	<u><u>\$ 19,283</u></u>
Beginning Fund Balance			37,527	
GAAP Adjustments:				
Property Tax Receivable			<u>(2,441)</u>	
Total GAAP Adjustments			<u>(2,441)</u>	
Ending Fund Balance			<u><u>\$ 19,926</u></u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
TIF #2 FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Taxes				
Property Tax	\$ 42,771	\$ 42,771	\$ 42,386	\$ (385)
Other	-	-	2,400	2,400
Total Revenues	<u>42,771</u>	<u>42,771</u>	<u>44,786</u>	<u>2,015</u>
Expenditures				
<i>Current</i>				
General Government				
Business Developments	-	-	32,017	(32,017)
Infrastructure Improvements	39,889	39,889	600	39,289
Total Expenditures	<u>39,889</u>	<u>39,889</u>	<u>32,617</u>	<u>7,272</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,882</u>	<u>2,882</u>	<u>12,169</u>	<u>9,287</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,882</u>	<u>\$ 2,882</u>	12,169	<u>\$ 9,287</u>
Beginning Fund Balance			11,805	
GAAP Adjustments:				
Property Tax Receivable			(580)	
Total GAAP Adjustments			<u>(580)</u>	
Ending Fund Balance			<u>\$ 23,394</u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
TIF #3 FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive or (Negative)
Revenues				
Taxes				
Property Tax	<u>\$ 42,061</u>	<u>\$ 42,061</u>	<u>\$ 41,740</u>	<u>\$ (321)</u>
Total Revenues	<u>42,061</u>	<u>42,061</u>	<u>41,740</u>	<u>(321)</u>
Expenditures				
<i>Current</i>				
Other				
Business Developments	10,500	10,500	25,750	(15,250)
Infrastructure Improvements	<u>-</u>	<u>-</u>	<u>18,889</u>	<u>(18,889)</u>
Total Expenditures	<u>10,500</u>	<u>10,500</u>	<u>44,639</u>	<u>(34,139)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>31,561</u>	<u>31,561</u>	<u>(2,899)</u>	<u>(34,460)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(22,975)</u>	<u>(22,975)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(22,975)</u>	<u>(22,975)</u>
Net Change in Fund Balance	<u><u>\$ 31,561</u></u>	<u><u>\$ 31,561</u></u>	<u>(25,874)</u>	<u><u>\$ (57,435)</u></u>
Beginning Fund Balance			43,611	
GAAP Adjustments:				
None			<u>-</u>	
Total GAAP Adjustments			<u>-</u>	
Ending Fund Balance			<u><u>\$ 17,737</u></u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Original Budget, Final Budget, and Actual
TOURISM HOTEL TAX FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Taxes				
Hotel Tax	\$ 25,000	\$ 25,000	\$ 31,301	\$ 6,301
Interest Income	-	-	6	6
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>31,307</u>	<u>6,307</u>
Expenditures				
<i>Current</i>				
General Government				
Du Quoin Chamber of Commerce	25,000	25,000	33,674	(8,674)
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>33,674</u>	<u>(8,674)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(2,367)</u>	<u>(2,367)</u>
Other Financing Sources/(Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(2,367)	<u>\$ (2,367)</u>
Beginning Fund Balance			9,720	
GAAP Adjustments:				
Accounts Payable			1,640	
Total GAAP Adjustments			<u>1,640</u>	
Ending Fund Balance			<u>\$ 8,993</u>	

PROPRIETARY FUNDS

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenses, and Changes in Net Position
Original Budget, Final Budget, and Actual
WATERWORKS & SEWAGE FUND
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive or (Negative)
Operating Revenues				
Water and Sewer Revenue	\$ 2,603,434	\$ 2,603,434	\$ 2,764,006	\$ 160,572
Leachate Processing	12,065	12,065	12,843	778
Tap-on Fees	27,797	27,797	21,867	(5,930)
Reconnect Fees	23,142	23,142	26,151	3,009
Total Operating Revenues	2,666,438	2,666,438	2,824,867	158,429
Operating Expenses				
Water				
Wages	350,908	350,908	341,373	9,535
Payroll Taxes	29,223	29,223	27,807	1,416
IMRF Contributions	41,122	41,122	37,265	3,857
Health Insurance	96,347	96,347	82,059	14,288
Clothing	3,000	3,000	2,340	660
Maintenance	139,059	139,059	45,250	93,809
Utilities	7,210	7,210	8,602	(1,392)
Gas/Oil/Grease	8,640	8,640	13,270	(4,630)
Postage	13,500	13,500	14,240	(740)
Professional Fees	65,100	65,100	42,002	23,098
Publications	200	200	76	124
Travel	450	450	974	(524)
Dues	2,850	2,850	2,457	393
Insurance	29,802	29,802	29,696	106
Supplies	72,936	72,936	129,033	(56,097)
Water Purchases	541,795	541,795	565,507	(23,712)
Rent	33,120	33,120	-	33,120
Projects	53,278	53,278	43,106	10,172
Bank Charges	14,000	14,000	16,566	(2,566)
Other	9,600	9,600	6,457	3,143
Water Pollution Control Plant				
Wages	210,104	210,104	223,876	(13,772)
Payroll Taxes	17,113	17,113	17,746	(633)
IMRF Contributions	24,351	24,351	24,120	231
Health Insurance	35,007	35,007	33,744	1,263
Clothing	1,500	1,500	1,501	(1)
Maintenance	73,900	73,900	44,074	29,826
Utilities	106,710	106,710	96,118	10,592
Gas/Oil/Grease	3,000	3,000	6,401	(3,401)
Postage	300	300	207	93
Professional Fees	19,200	19,200	1,578	17,622
Publications	100	100	72	28
Travel	1,125	1,125	175	950
Dues	500	500	290	210
Permits	16,000	16,000	15,000	1,000
Insurance	78,289	78,289	77,271	1,018

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenses, and Changes in Net Position
Original Budget, Final Budget, and Actual
WATERWORKS & SEWAGE FUND - Concluded
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Operating Expenses				
Water Pollution Control Plant				
Supplies	86,580	86,580	91,058	(4,478)
Chemicals	27,350	27,350	7,789	19,561
Other	500	500	22,642	(22,142)
Capital Outlay	44,599	44,599	158,157	(113,558)
Debt Service	-	-	34,099	(34,099)
Total Operating Expenses	<u>2,258,368</u>	<u>2,258,368</u>	<u>2,263,998</u>	<u>(5,630)</u>
Operating Income (Loss)	<u>408,070</u>	<u>408,070</u>	<u>560,869</u>	<u>152,799</u>
Non-Operating Revenues/(Expenses)				
Debt Issuance	-	-	138,157	138,157
Interest Expense	-	-	(8,191)	(8,191)
Grant Income	490,000	490,000	1,798	(488,202)
Grant Expense	(490,000)	(490,000)	-	490,000
Total Non-Operating Revenues/(Expenses)	<u>-</u>	<u>-</u>	<u>131,764</u>	<u>131,764</u>
Operating Transfers				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	(566,142)	(566,142)
Total Operating Transfers	<u>-</u>	<u>-</u>	<u>(566,142)</u>	<u>(566,142)</u>
Net Income (Loss)	<u>\$ 408,070</u>	<u>\$ 408,070</u>	126,491	<u>\$ (281,579)</u>
Beginning Net Position			1,171,394	
GAAP Adjustments:				
Accounts Receivable			38,458	
Accounts Payable			2,873	
Other Payables			(453)	
Accrued Absences			3,510	
Capital Outlay			158,157	
Depreciation Expense			(75,869)	
Debt Issuance			(138,157)	
Debt Service			34,099	
Total GAAP Adjustments			<u>22,618</u>	
Ending Net Position			<u>\$ 1,320,503</u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenses, and Changes in Net Position
Original Budget, Final Budget, and Actual
CAPITAL IMPROVEMENTS FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Operating Expenses				
Debt Service	<u>\$ 394,859</u>	<u>\$ 394,859</u>	<u>\$ 395,115</u>	<u>\$ (256)</u>
Total Operating Expenses	<u>394,859</u>	<u>394,859</u>	<u>395,115</u>	<u>(256)</u>
Operating Income (Loss)	<u>(394,859)</u>	<u>(394,859)</u>	<u>(395,115)</u>	<u>(256)</u>
Non-Operating Revenues/(Expenses)				
Interest Income	150	150	43	(107)
Interest Expense	<u>(66,655)</u>	<u>(66,655)</u>	<u>(66,397)</u>	<u>258</u>
Total Non-Operating Revenues/(Expenses)	<u>(66,505)</u>	<u>(66,505)</u>	<u>(66,354)</u>	<u>151</u>
Operating Transfers				
Operating Transfers In	-	-	559,561	559,561
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Transfers	<u>-</u>	<u>-</u>	<u>559,561</u>	<u>559,561</u>
Net Income (Loss)	<u><u>\$ (461,364)</u></u>	<u><u>\$ (461,364)</u></u>	98,092	<u><u>\$ 559,456</u></u>
Beginning Net Position			3,250,790	
GAAP Adjustments:				
Debt Service			395,115	
Depreciation Expense			<u>(323,041)</u>	
Total GAAP Adjustments			<u>72,074</u>	
Ending Net Position			<u><u>\$ 3,420,956</u></u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Revenues, Expenses, and Changes in Net Position
Original Budget, Final Budget, and Actual
WATER METER DEPOSIT FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Operating Revenues				
Meter Deposits	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 12,450</u>	<u>\$ (7,550)</u>
Total Operating Revenues	<u>20,000</u>	<u>20,000</u>	<u>12,450</u>	<u>(7,550)</u>
Operating Expenses				
Meter Deposit Refunds	<u>9,000</u>	<u>9,000</u>	<u>12,855</u>	<u>(3,855)</u>
Total Operating Expenses	<u>9,000</u>	<u>9,000</u>	<u>12,855</u>	<u>(3,855)</u>
Operating Income/(Loss)	<u>11,000</u>	<u>11,000</u>	<u>(405)</u>	<u>(11,405)</u>
Non-Operating Revenues/(Expenses)				
Interest Income	15	15	43	28
Miscellaneous Expenses	-	-	(37)	(37)
Total Non-Operating Revenues/(Expenses)	<u>15</u>	<u>15</u>	<u>6</u>	<u>(9)</u>
Operating Transfers				
Operating Transfers In	-	-	1,325	1,325
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Transfers	<u>-</u>	<u>-</u>	<u>1,325</u>	<u>1,325</u>
Net Income (Loss)	<u><u>\$ 11,015</u></u>	<u><u>\$ 11,015</u></u>	926	<u><u>\$ (10,089)</u></u>
Beginning Net Position			5,420	
GAAP Adjustments:				
Other Payables			<u>405</u>	
Ending Net Position			<u><u>\$ 6,751</u></u>	

CITY OF DU QUOIN, ILLINOIS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

FINDING 1: 2021-01

(Repeated From Prior Year)

Uncollateralized cash held at banks.
(Significant Deficiency)

Criteria: Cash on deposit held at banks is FDIC insured up to \$250,000. All amounts held above that amount should be collateralized with securities held by the pledging institution's trust department or agent in the City's name.

Condition: Currently, the City has cash on deposit with banks that exceed the FDIC insured limits. While the bank does have pledged securities for the City's deposits, the coverage amount is not sufficient. This leaves the City's assets at risk of potential losses in the event of a bank or institutional failure.

Cause: The City has not monitored the balances of cash on deposit at the banks.

Effect or Potential Effect: In the event of a bank or institutional failure, the uncollateralized deposits held at the banks could present a substantial loss for the City.

Recommendation: The City and the banks should examine, on a monthly basis, their cash on deposit. Any amounts held over the FDIC insured limit should be collateralized with securities held by the pledging institution's trust department or agent in the City's name.

Management Response: Management agrees with the finding. The City will contact the banks to establish pledged securities to cover deposits held over the FDIC insured limits.

FINDING 2: 2021-02

(Repeated From Prior Year)

Accurate Transactions in the Cash Receipts Journal
(Significant Deficiency)

Criteria: Cash receipts need to be classified in the correct revenue account and within the correct fund.

Condition: Several errors in account classification made in the cash receipts process caused numerous reclassification entries to be made.

Cause: Revenue entries are structured so that amounts are improperly allocated among funds.

Effect or Potential Effect: Proper account classifications are critical to producing accurate financial statements from which informed business decisions can be made. The correcting entries that need to be made to correct previous mistakes wastes time and should be avoided.

Recommendation: Accurate account classifications should be made at the start of the cash receipts process with few, if any, exceptions. We suggest that steps be taken to implement procedures that ensure the accuracy of all transactions at their origin.

Management Response: Management is aware of the classification errors. They will discuss the matter with each department and make the recommended changes.

CITY OF DU QUOIN, ILLINOIS
Schedule of Findings and Questioned Costs - Concluded
For the Year Ended December 31, 2021

FINDING 3: 2021-03

Outstanding Deposits and Checks
(Material Weakness)

Criteria: Each month, the City should review any and all outstanding items for accurate reconciliations.

Condition: At the time of our audit, there were several large deposits and checks that had been outstanding for several months.

Cause: The City has not established adequate controls to review all outstanding items for each monthly bank reconciliation.

Effect or Potential Effect: Failure to track outstanding deposits and checks is an internal control deficiency and could result in material misstatements and fraud within the cash accounts.

Recommendation: We suggest that an accurate outstanding deposit and check list be kept for each bank account and periodic review of the lists be performed on a monthly basis.

Management Response: Management agrees with the finding. The City will discuss the matter with each department and make the recommended changes.

FINDING 4: 2021-04

Accurate General Ledger
(Material Weakness)

Criteria: The general ledger should be comprised of accurate account balances that are reconciled each month.

Condition: We noted that all account balances require extensive reconciliation and outside corroboration to finalize financial information that is reliable.

Cause: The software system allows for a one-sided entry. Personnel do not have a thorough understanding of required entries for fund related accounting.

Effect or Potential Effect: This has caused significant delays in producing financial statements at the end of each accounting period. This lack of reconciliation and the need for outside corroboration will continue to cause delays in the financial statements as well as allow for possible irregularities, including fraud, to exist and continue without notice.

Recommendation: We recommend that the City immediately reconcile the backlog of account balances and make future reconciliation of accounts on a consistent basis.

Management Response: Management is aware of the errors. They will discuss the matter with each department and make the recommended changes.

CITY OF DU QUOIN, ILLINOIS
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

FINDING 01:2020-01	Uncollateralized cash held at banks. (Significant Deficiency)
Condition:	Currently, the City has cash on deposit with banks that exceed the FDIC insured limits. Further, neither the banks nor the City hold adequate pledged securities to insure these deposits. This leaves the City's assets at risk of potential losses in the event of a bank or institutional failure.
Current Status:	Management agrees with the finding. While the City had the bank establish pledged securities on their deposits held at the bank, the coverage amount was not sufficient. The City will discuss this issue with the bank to ensure sufficient coverage throughout the year.
FINDING 02:2020-02	Financial Statements and Footnotes Must be Drafted by Management (Significant Deficiency)
Condition:	Several errors in account classification made in the cash receipts process caused numerous reclassification entries to be made.
Current Status:	Not corrected.



CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS Year Ending December 31, 2021

Corrective Action Plan

FINDING 1: 2021-01

Condition: Currently, the City has cash on deposit with banks that exceed the FDIC insured limits. While the bank does have pledged securities for the City's deposits, the coverage amount is not sufficient. This leaves the City's assets at risk of potential losses in the event of a bank or institutional failure.

Plan: The City will contact the banks to establish pledged securities to cover deposits held over the FDIC insured limits.

Anticipated Date of Completion: Unknown

Name of Contact Person: Ruth Hale, City Clerk

Management Response: Management agrees with the finding. The City will contact the banks to establish pledged securities to cover deposits held over the FDIC insured limits.



**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending December 31, 2021**

Corrective Action Plan

FINDING 2: 2021-02

Condition: Several errors in account classification made in the cash receipts process caused numerous reclassification entries to be made.

Plan: The City is restructuring the revenue entries so that each receipt is properly allocated and posted in the correct funds.

Anticipated Date of Completion: Unknown

Name of Contact Person: Ruth Hale, City Clerk

Management Response: Management is aware of the classification errors. They will discuss the matter with each department and make the recommended changes.



**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending December 31, 2021**

Corrective Action Plan

FINDING 2: 2021-03

Condition: At the time of our audit, there were several large deposits and checks that had been outstanding for several months.

Plan: The City will begin reviewing each outstanding item every month when the bank reconciliations are performed.

Anticipated Date of Completion: Unknown

Name of Contact Person: Ruth Hale, City Clerk

Management Response: Management agrees with the finding. The City will discuss the matter with each department and make the recommended changes.



**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending December 31, 2021**

Corrective Action Plan

FINDING 4: 2021-04

Condition: We noted that all account balances require extensive reconciliation and outside corroboration to finalize financial information that is reliable.

Plan: The City will immediately reconcile the backlog of account balances and make future reconciliation of accounts on a consistent basis.

Anticipated Date of Completion: Unknown

Name of Contact Person: Ruth Hale, City Clerk

Management Response: Management is aware of the errors. They will discuss the matter with each department and make the recommended changes.