

VILLAGE OF FOREST PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2020

VILLAGE OF FOREST PARK, ILLINOIS
ANNUAL FINANCIAL REPORT
Year Ended April 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
And Council of Commissioners
Village of Forest Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Forest Park (the "Village"), as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Forest Park Public Library (the "Library"), which represents the entire discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Library were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, historical pension and retirees' health plan information, and budgetary comparison information for the General Fund and Major Special Revenue Funds, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 Village's basic financial statements. The combining and individual fund financial statements and schedules and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplemental data has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2021 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.


Crowe LLP

Oak Brook, Illinois
March 3, 2021

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020

The management of the Village of Forest Park presents the financial statements with narrative overview and analysis of the financial activities for the fiscal year ended April 30, 2020. The Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes in net position, and currently known facts. It should be read in conjunction with the auditor's opinion beginning on page 1 and the Village's financial statements beginning on page 16.

Financial Highlights

At the close of FY2020, the Village of Forest Park recognized the onset of the economic impact from the Covid-19. The pandemic was declared a national emergency in March 2020. The Illinois Governor ordered a state-wide shelter in place order, shuttering businesses not classified as essential. Management and staff took action to minimize the financial impact while providing direction to ensure the safety of the community. This year-end report reflects the onset of revenue reductions as a result of Covid-19 mitigation. As presented on Statement 1, total assets increased 4.0% in FY2020. Total primary government cash increased 6.6%. Year-end receivables from the state decreased (\$264,953) or (13.5%), a direct result of mitigation actions. Noncurrent assets reflect a gain from Illinois Municipal Retirement Fund (IMRF) based on the 2019 calendar year valuation, and capital asset infrastructure projects. Current liabilities overall increased 1.5% from prior year due to obligations from new installment loans authorized in FY2020. Noncurrent liabilities have increased 11.4%. The long-term net pension liability for Police Pension and Firefighters Pension funds combined as of fiscal year end is \$92,137,291, a 16% increase from prior year. Contributing factors are retirements that have increased benefit payments, and the market downturn brought on by the pandemic, negatively impacting the return on investments with the valuation period ending April 30, 2020.

Statement of Activities (Statement 2) compares program revenues to primary government expenses. For the Governmental activities, program revenues do not offset expenses, and the shortfall is made up from general revenues such as taxes and operating transfers. For the Business type activities, the charges for services offset the operating expenses. Governmental fund revenues, in conjunction with other financing sources, exceeded expenditures, resulting in a gain in fund balances of \$705,229 as shown on Statement 5. The Proprietary fund reflects a gain of \$900,649 in net position as shown on Statement 8. Fund detail is as follows:

The General fund recognized a loss of (\$120,986). Collected General fund revenues (excluding operating transfers and other financing sources) in FY2020 decreased (2.9%) or (\$520,435) from FY2019, and reached 88.1% of budget expectation, short by (\$2,347,710). Principal variances of budget to actual include:

- Property tax collections \$133,551 or 2.8% over budget; increased \$216,419 from prior year
- Local share of State sales and use taxes over budget by \$107,988 or 2.8%, an additional \$141,974 over FY2019 allocations
- Utility taxes (\$79,272) or (5.5%) under budget and (\$103,089) less than prior year
- Licenses and Permits were (\$156,834) or (11.2%) under budget and (\$633,380) less than prior year
- Parking revenues were (\$88,456) or (17.0%) short of budget
- Grants not awarded during FY2020 reduced budgeted revenues by (\$2,214,086)

Expenditures in the General fund reached 85.5% of expectation, under budget by (\$3,301,105), and \$218,545 over prior year. As has been consecutive years' results, departments within the General fund remained under budget. Expenditure variances include:

- Office of Public Affairs ended at 90.2% of budget. Reductions from budget to actual of (\$701,503) were associated with consultant fees, deferral of assets and equipment, and budgeted retirements not recognized.
- Office of Accounts and Finance ended at 75.9% of budget. Reductions from budget to actual of (\$2,744,102) were primarily due to grants that were not awarded or deferred until FY2021, insurance premiums, deferral of replacement equipment and budgeted retirements not recognized.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020

- Office of and Health and Safety reached 93.4% of budgeted expenditures; Office of Streets and Public Improvement reached 86.9% of budget. Office of Public Property exceeded budget by \$370,403 or 22.6% due to the purchase of parking pay stations for the Madison Street and Circle Avenue business districts.
- General fund wages were budgeted at 5.4% increase from FY2019 year-end in consideration of full staffing and eligible retirements; actual was a 0.3% increase or \$23,660. Benefits were budgeted at 6.1% increase and ended at (1.2%) or (\$59,450) less than prior year.
- Other financing sources in the General fund totaled \$2,038,976 and included the annual operating transfer from the Water fund to cover the approximate cost of unallocated expenses, and from the Motor Fuel Tax and VIP funds to reimburse for eligible expenses, and loan proceeds for the purchase of parking pay stations and a replacement vehicle.

The VIP fund ended at 66.5% of budgeted revenue and 64.9% of budgeted expenditures. Year-end recognized a reduction in fund balance by (\$80,626). Non-Home Rule sales tax revenues ended at 97.1% of budgeted expectation, and (\$61,366) less than FY2019 year-end. Other factors from budgeted to actual revenue reductions include a grant deferred into next fiscal year, and an inter-governmental agreement with the Village of River Forest for their portion of the Madison Street (DesPlaines to Park Avenue) project. This has been an open project since 2013; revenue from this agreement has been deferred again due to invoice delays from State of Illinois. Expenditures reductions were attributed to the grant and Madison Street project. Improvement projects included a green alley improvement and resurfacing projects.

Property tax revenues in the three active TIF funds exceeded budget in each fund, and collectively were \$401,065 over prior year-end. The Mall TIF collected the final year of incremental tax revenues in FY2018 as the TIF expired; current year revenues consist of interest only. The TIF will remain upon until the Roosevelt Road construction project is finalized by the State. Collective expenditures for the active TIF funds were under budget expectation by (\$2,699,428). The Brown Street Station TIF infrastructure improvement project will carry over into next fiscal year, and preliminary expenses on the South Area Sewer Separation project were recognized in the Roosevelt TIFs. The collective fund balances for the active TIFs reflect a gain of \$740,276.

In the Non-major Special Revenue funds, revenues remained below budgeted expectation in all funds except the Motor Fuel Tax fund. This variance was due to the allotment of the Transportation Renewal Fund that originated with the new rate structure in July 2019; these allocations totaled \$189,169 in new revenue for FY2020. Expenditures and operating transfers remained at or under budget expectation for all funds except the Police Federal Seizure fund for training and asset purchases.

In the proprietary fund (Statement 8), the Water fund charges for services were short of budgeted expectation by (\$149,190) or (2.8%). Charges for services vary both by rates and consumption. Rates charged to users from the Village increased by 0.82% in June 2019 to mirror the increase passed on from the City of Chicago. Service to Brookfield-North Riverside terminated in September 2018. Excluding this service, consumption for all other rates decreased from FY2019 by (3.5%). This resulted in expenditure reductions for purchased water, reaching 94.6% of budget. Additional operating expenses reached 21.6% of budgeted expectation, due to grant, asset, and infrastructure deferral into next fiscal year. Water fund actual expenditures relating to watermain and sewer improvement projects, were reduced by (\$459,424) in order to recognize the capital asset gain from infrastructure improvements. Note 4 of this report reflects the changes in capital assets. With these adjustments, the water fund recognized a net gain of \$900,649. This increase in net position will secure continued infrastructure improvements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial

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MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020

statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements (Statements 1 and 2) are designed to provide readers with a broad overview of Village finances in a manner similar to a private-sector business. The statement of net position presents information on all of the assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the Village is improving or declining. The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The Governmental Activities reflect the Village's basic services: administration (which includes wages and benefits), public safety, streets and alleys, and community outreach. Property taxes, shared state taxes, and local utility taxes finance the majority of these services. The Business-type Activities (also called Proprietary Funds) reflect private sector-type operations, where the fees for services typically cover all or most of the costs of operations, including depreciation. The component unit, shown only in the Government-wide financials, is the Forest Park Public Library. Though a separate legal entity, the Library is included because by statute the Village is financially accountable for it.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

During FY2020, the Village maintained twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for six major governmental funds: General, Brown Street Station TIF, Roosevelt/Hannah TIF, 2002 Bond (Mall TIF), Illinois Municipal Retirement Fund, and VIP. Six special revenue funds are considered to be Non-major funds. Individual fund information for these Non-major governmental funds is provided in Exhibits 8 through 15. The Village maintains one type of proprietary fund to account for water and sewer operations, the Water fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund financial statement provides separate information for the Water fund, which is considered to be a major operating fund of the Village.

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Fiduciary funds are used to account for resources held for the benefit of others, in this case for Firefighter and Police retirees. Fiduciary fund activities are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

Notes to the Financial Statements

The notes are an integral part of the basic financial statements. They provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following chart reflects the condensed Statement of Net Position (in thousands):

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---------------------------------------|--------------------------------|---------------|---------------------------------|-------------|---------------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Assets | | | | | | |
| Cash and investments | \$ 15,407.0 | \$ 15,026.9 | \$ 3,781.1 | \$ 2,969.3 | \$ 19,188.1 | \$ 17,996.2 |
| Current assets | 5,204.4 | 5,580.5 | 836.5 | 747.6 | 6,040.9 | 6,328.1 |
| Noncurrent assets | 37,946.0 | 36,332.1 | 10,980.5 | 10,673.4 | 48,926.5 | 47,005.5 |
| Total assets | 58,557.4 | 56,939.5 | 15,598.1 | 14,390.3 | 74,155.5 | 71,329.7 |
| Deferred Outflows of Resources | | | | | | |
| Deferred loss on refunding | 168.3 | 198.9 | - | - | 168.3 | 198.9 |
| Deferred Pension Outflows | 19,113.0 | 20,833.4 | 29.5 | 91.6 | 19,142.4 | 20,925.0 |
| Deferred OPEB outflows | 206.2 | 95.6 | - | - | 206.2 | 95.6 |
| Liabilities | | | | | | |
| Current liabilities | 5,758.9 | 6,248.0 | (106.9) | (677.3) | 5,652.0 | 5,570.7 |
| Noncurrent liabilities | 100,559.9 | 89,753.4 | 791.2 | 1,262.6 | 101,351.1 | 91,016.1 |
| Total liabilities | 106,318.8 | 96,001.4 | 684.3 | 585.3 | 107,003.0 | 96,586.8 |
| Deferred Inflows of Resources | | | | | | |
| Unavailable property tax revenue | 2,613.9 | 2,613.9 | - | - | 2,613.9 | 2,613.9 |
| Deferred Pension inflows | 2,380.2 | 2,224.1 | 166.7 | 20.6 | 2,546.9 | 2,244.8 |
| Net Position | | | | | | |
| Invested in capital assets, net | 32,129.6 | 29,801.0 | 9,762.3 | 9,084.9 | 41,891.9 | 38,885.9 |
| Restricted | 13,830.6 | 13,885.6 | - | - | 13,830.6 | 13,885.6 |
| Unrestricted | (79,228.1) | (66,458.7) | 5,014.3 | 4,791.0 | (74,213.8) | (61,667.6) |
| Total Net Position | \$ (33,267.9) | \$ (22,772.1) | \$ 14,776.6 | \$ 13,875.9 | \$ (18,491.4) | \$ (8,896.2) |

Source: Statement 1

Total assets have increased by \$2,825,702, or 4.0%, over prior year due to end of year cash balances, infrastructure improvements, and equipment. Cash and current assets of \$25,228,986 are 4.5 times current liabilities of \$5,651,978,

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a ratio consistent with prior fiscal years. This ratio shows that the Village's ability to pay current bills in a timely fashion has continued. Total liabilities have increased \$10,416,282 or 10.8% due to long-term pension benefit obligations. Net position is represented by capital assets such as buildings and other structures, parking lots, and infrastructure net of any outstanding debt, and funds that are restricted for debt service and construction projects. Unrestricted assets can be used to finance day-to-day operations without constraints established by legal requirements.

The following chart reflects the condensed Statement of Activities (in thousands):

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---------------------------------------|-------------------------|--------------|--------------------------|------------|--------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Fees/Fines/Charges for services | \$ 4,865.9 | \$ 5,649.5 | \$ 5,314.9 | \$ 5,813.1 | \$ 10,180.8 | \$ 11,462.6 |
| Operating grants/contributions | 249.1 | 378.2 | - | - | 249.1 | 378.2 |
| Capital grants/contributions | 500.1 | 500.0 | - | - | 500.1 | 500.0 |
| General Revenues: | | | | | | |
| Property taxes | 7,947.3 | 7,318.5 | - | - | 7,947.3 | 7,318.5 |
| Other taxes | 7,761.0 | 8,082.7 | - | - | 7,761.0 | 8,082.7 |
| Intergovernmental revenues | 1,680.6 | 1,374.8 | - | - | 1,680.6 | 1,374.8 |
| Other revenues | 187.4 | 147.4 | 10.0 | 7.3 | 197.4 | 154.7 |
| Total Revenues | 23,191.4 | 23,451.0 | 5,324.9 | 5,820.4 | 28,516.3 | 29,271.5 |
| Expenses | | | | | | |
| General government | 7,470.8 | 7,334.1 | - | - | 7,470.8 | 7,334.1 |
| Police protection | 10,658.6 | 10,027.4 | - | - | 10,658.6 | 10,027.4 |
| Fire protection | 10,575.0 | 8,245.8 | - | - | 10,575.0 | 8,245.8 |
| Health and safety | 373.1 | 298.7 | - | - | 373.1 | 298.7 |
| Community outreach | 560.1 | 560.2 | - | - | 560.1 | 560.2 |
| Public works | 4,760.7 | 5,049.9 | - | - | 4,760.7 | 5,049.9 |
| Interest on debt | 188.9 | 215.6 | - | - | 188.9 | 215.6 |
| Water and sewer | - | - | 3,524.2 | 3,870.0 | 3,524.2 | 3,870.0 |
| Total Expenses | 34,587.2 | 31,731.6 | 3,524.2 | 3,870.0 | 38,111.5 | 35,601.7 |
| Transfers Out / (In) | 900.0 | 900.0 | (900.0) | (900.0) | - | - |
| Change in Net Position | \$ (10,495.8) | \$ (7,380.6) | \$ 900.6 | \$ 1,050.4 | \$ (9,595.2) | \$ (6,330.2) |
| Net position beginning balance | (22,772.1) | (15,391.5) | 13,875.9 | 12,825.5 | (8,896.2) | (2,566.0) |
| Net position end of year | (33,267.9) | (22,772.1) | 14,776.6 | 13,875.9 | (18,491.4) | (8,896.2) |

Source: Statement 2

Governmental Activities revenue declined (\$259,667) or (1.1%) compared to fiscal year 2019. All categories except property taxes and intergovernmental revenues reflect reductions. The principle sources of FY2020 revenue for the Governmental Activities are property taxes at 34.3%, State taxes at 33.5%, and fees/fines/charges for services at 21.0%. Total expenses in Governmental Activities increased by \$2,855,585 or 9.0%, attributed to pension expenses. The categories of Police protection and Fire protection comprise 55.7% of the total Primary Government expenses; this ratio has increased over several fiscal year. Business-type Activities (Water fund) revenues decreased by (\$495,521) or (8.5%), and expenses including debt and depreciation decreased by (8.9%) or (\$345,775).

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Governmental Funds

Basic services of the Village are reported in the General fund, which is the primary major fund in the governmental group. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs.

The changes in the various governmental funds balances are shown (in thousands) below:

| | <u>Major Funds</u> | | | | | | <u>Non-major Funds</u> | | <u>As of 4/30/19 Total Governmental Funds</u> |
|--|---------------------|-------------------------------------|---------------------------------|---------------------------|---|--------------------|----------------------------------|-------------------------------------|---|
| | <u>General Fund</u> | <u>Brown Street Station TIF</u> | <u>Roosevelt/Hannah TIF</u> | <u>2002 Bond Fund</u> | <u>Illinois Municipal Retirement Fund</u> | <u>VIP Fund</u> | <u>Special Revenue Funds</u> | <u>Total Governmental Funds</u> | |
| Revenues | \$ 17,330.68 | \$ 577.15 | \$ 1,197.41 | \$ 7.81 | \$ 313.19 | \$ 2,037.72 | \$ 1,762.15 | \$ 23,226.11 | \$ 23,402.70 |
| Expenditures | 19,490.64 | 1,675.93 | 45.00 | 22.81 | 164.25 | 1,577.94 | 710.19 | 23,686.76 | 22,233.61 |
| Excess (deficiency) of revenues over expenditures | (2,159.96) | (1,098.79) | 1,152.41 | (14.99) | 148.93 | 459.79 | 1,051.97 | (460.65) | 1,169.09 |
| Transfer in (out) | 1,773.10 | - | - | - | - | (540.41) | (332.69) | 900.00 | 900.00 |
| Loan Proceeds | 265.88 | - | - | - | - | - | - | 265.88 | - |
| Net change in fund balances | (120.99) | (1,098.79) | 1,152.41 | (14.99) | 148.93 | (80.63) | 719.28 | 705.23 | 2,069.09 |
| Beginning fund balance | (421.87) | 5,077.80 | 4,625.86 | 109.12 | (415.12) | 1,722.05 | 2,416.79 | 13,114.62 | 11,045.53 |
| End of year fund balances | <u>\$ (542.86)</u> | <u>\$ 3,979.02</u> | <u>\$ 5,778.27</u> | <u>\$ 94.12</u> | <u>\$ (266.19)</u> | <u>\$ 1,641.42</u> | <u>\$ 3,136.07</u> | <u>\$ 13,819.85</u> | <u>\$ 13,114.62</u> |

Source: Statement 5

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020**

Proprietary Funds

Proprietary funds are business-type activities where customers pay for the services provided. The proprietary fund is the Water fund and is considered a major operating fund.

The change in the net position of the proprietary fund is shown below (in thousands):

| | 2020 | 2019 | % change |
|-----------------------------------|--------------------|--------------------|---------------------------|
| | Water Fund | Water Fund | 2020 from 2019 |
| Operating revenues | \$ 5,314.9 | \$ 5,813.1 | -8.6% |
| Operating expenses | 3,487.2 | 3,795.0 | -8.1% |
| Operating income / (loss) | 1,827.7 | 2,018.1 | -9.4% |
| Non operating revenues | 10.0 | 7.3 | |
| Non operating expenses | (37.0) | (75.1) | |
| Transfers in (out) | (900.0) | (900.0) | 0.0% |
| Net change in net position | 900.6 | 1,050.4 | -14.3% |
| Net position at beginning of year | 13,875.9 | 12,825.5 | 8.2% |
| Net position at end of year | <u>\$ 14,776.6</u> | <u>\$ 13,875.9</u> | <u>6.5%</u> |

Source: Statement 8

Water fund revenues reflect billable consumption, grant revenues, meter installation charges, late fee penalties, and investment earnings. For FY2020, overall revenues were down (\$495,521) or (8.5%). Revenues from water billing will vary both by rates and consumption. Billed consumption decreased (3.5%) from FY2019. Service rates on properties are subject to change, such as de-conversion from multi-family to single, rate reduction when eligible for senior classification, and suspended accounts due to vacancies. The Village passed through the 0.82% rate increase imposed by the City of Chicago effective June 1, 2019. Water fund expenses include purchased water from the City of Chicago, debt service, infrastructure maintenance and improvement, depreciation, personnel, and grants. Operating expenses decreased (\$319,445) or (8.3%) from prior year, primarily due to less water purchased and maintenance at the water pumping station. Water service to Brookfield North Riverside discontinued as of September 2018. Transfers from the Water fund to the General fund cover the approximate cost to the Village of unallocated expenses, such as liability insurance, pension, payroll taxes, and other employment benefits and costs, and intangible property rights. For fiscal year 2020 the transfer out was \$900,000.

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020**

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule (in thousands):

| | 2020 | | | 2019 | | |
|--|------------------|-----------------|------------------|------------------|-----------------|----------------|
| | Final Budget | Actual | Variance | Final Budget | Actual | Variance |
| Revenues: | | | | | | |
| Taxes | \$ 11,704.0 | \$ 11,906.2 | \$ 202.1 | \$ 11,433.9 | \$ 11,731.1 | \$ 297.1 |
| Licenses and permits | 1,394.4 | 1,237.6 | (156.8) | 1,544.9 | 1,871.0 | 326.1 |
| Fees for services | 2,301.8 | 2,183.3 | (118.4) | 2,285.3 | 2,211.9 | (73.3) |
| Grant revenue | 2,252.9 | 38.8 | (2,214.1) | 1,092.7 | 109.4 | (983.4) |
| Parking revenue | 610.1 | 521.6 | (88.5) | 601.7 | 627.9 | 26.1 |
| Fines | 1,239.3 | 1,271.3 | 32.0 | 1,357.0 | 1,086.6 | (270.3) |
| Interest on investment | 15.7 | 26.1 | 10.4 | 11.7 | 22.1 | 10.4 |
| Other | 160.2 | 145.7 | (14.4) | 175.1 | 191.2 | 16.1 |
| Total Revenues | 19,678.4 | 17,330.7 | (2,347.7) | 18,502.4 | 17,851.1 | (651.3) |
| Expenditures: | | | | | | |
| Office of Public Affairs | 7,168.9 | 6,467.4 | 701.5 | 7,453.3 | 6,637.8 | 815.6 |
| Office of Accounts & Finance | 11,369.5 | 8,625.4 | 2,744.1 | 10,048.8 | 8,622.1 | 1,426.7 |
| Office of Public Property | 1,640.6 | 2,011.0 | (370.4) | 1,628.9 | 1,609.0 | 19.8 |
| Office of Streets & Public Improvement | 1,684.0 | 1,464.1 | 219.9 | 1,480.0 | 1,502.0 | (21.9) |
| Office of Health & Safety | 410.5 | 383.5 | 27.0 | 375.8 | 354.0 | 21.8 |
| Debt Service Payments | 518.2 | 539.2 | (21.0) | 607.2 | 547.2 | 60.0 |
| Total Expenditures | 22,791.7 | 19,490.6 | 3,301.1 | 21,594.0 | 19,272.1 | 2,321.9 |
| Excess (deficiency) of revenues over expenditures: | (3,113.4) | (2,160.0) | 953.4 | (3,091.7) | (1,421.0) | 1,670.7 |
| Other financing sources: | | | | | | |
| Operating Transfers In / (Out) | 1,327.3 | 1,773.1 | 445.8 | 1,200.0 | 1,274.0 | 74.0 |
| Loan Proceeds | 23.5 | 265.9 | 242.4 | - | - | - |
| Total other financing sources | 1,350.8 | 2,039.0 | 688.2 | 1,200.0 | 1,274.0 | 74.0 |
| Net Change to Fund Balance | (1,762.6) | (121.0) | 1,641.6 | (1,891.7) | (147.0) | 1,744.6 |

Source: RSI-10

FY2020 General fund revenues met 88.1% of budget expectation, and expenditures met 85.5%. Revenues were (\$520,412) or (2.9%) less than prior year. Property taxes, local share of state taxes, fines, and interest on investments reflected improvements from budget. Expenditures increased \$218,545 or 1.1% compared to prior year due to the capital purchase of the parking pay stations and fleet maintenance in the Office of Public Property. Operating transfers from the Water fund, Motor Fuel Tax fund, and VIP fund totaled \$1,773,099, and loan proceeds offset the purchases of the pay stations and a replacement vehicle in the Fire Department. State shared revenues were improving prior to Covid mitigations. This trend along with the continuous review of expenditures resulted in a net loss of (\$120,986) for current year, well below budget and the loss recognized in prior year.

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION

Governmental Activities Change in Capital Assets (in thousands)

| | Balance as of April 30, 2019 | Net Additions/ (Deletions) | Balance as of April 30, 2020 |
|-------------------------------------|---|---------------------------------------|---|
| Non-Depreciable Assets | | | |
| Land | \$ 5,365.4 | - | \$ 5,365.4 |
| Construction in Progress | 349.4 | 2,147.9 | 2,497.3 |
| Non-Depreciable Assets Total | 5,714.8 | 2,147.9 | 7,862.7 |
| Other Capital Assets | | | |
| Infrastructure | 48,805.8 | 166.1 | 48,972.0 |
| Buildings and improvements | 4,943.0 | - | 4,943.0 |
| Fixtures/Equipment | 5,816.5 | 561.5 | 6,378.0 |
| Accum. Depreciation | (28,948.1) | (1,535.9) | (30,484.0) |
| Net Capital Assets | \$ 36,332.1 | \$ 1,339.6 | \$ 37,671.7 |

Source: Note 4

Infrastructure additions include the completion of a green alley in partnership with Metropolitan Water Reclamation District. Construction in progress includes the continuation of 2019 resurfacing projects, and preliminary costs related to CDBG applications. Equipment included a replacement vehicle, alerting system, and cardiac monitor for Fire Department; replacement vehicles, license plate reader, and body camera sever for Police Department; and replacement of an emergency siren, fuel system, and parking pay terminals in Public Property. Funding sources included VIP, General, TIFs, and the Police Federal and State seizure accounts. Proceeds from sales of depreciated assets and insurance proceeds partially offset the expense of the replacement equipment.

Business-Type Activities Change in Capital Assets (in thousands)

| | Balance as of April 30, 2019 | Net Additions/ (Deletions) | Balance as of April 30, 2020 |
|-------------------------------|---|---------------------------------------|---|
| Non-Depreciable Assets | | | |
| Construction in Progress | \$ 259.0 | \$ 393.7 | \$ 652.7 |
| Other Capital Assets | | | |
| Infrastructure | 681.9 | | 681.9 |
| Buildings and improvements | 257.3 | - | 257.3 |
| Fixtures/Equipment | 12,859.7 | 65.8 | 12,925.4 |
| Accum. Depreciation | (3,384.4) | (176.4) | (3,560.8) |
| Net Capital Assets | \$ 10,673.4 | \$ 283.1 | \$ 10,956.4 |

Source: Note 4

Infrastructure additions include watermain and sewer improvements in conjunction with the resurfacing project and alley improvement projects. Construction in progress includes preliminary costs associated with the South Area Sewer Separation improvement project.

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020

Debt Administration

At April 30, 2020, the Village had following long term obligations:

| | <u>Ending balance</u> | <u>Principal due within one year</u> |
|---|-----------------------|--|
| Governmental Activities | | |
| G.O. Alternative Revenue Refunding, 2012 | 3,865,000 | 600,000 |
| Premium on Bonds | 151,484 | - |
| Total Bonds | <u>\$ 4,016,484</u> | <u>\$ 600,000</u> |
| G.O. Debt Certificate Series 2011 | 563,336 | 277,464 |
| Loans Payable | 1,130,666 | 320,974 |
| Net Pension Asset and Liabilities | 92,137,291 | - |
| Other Post Employment Benefits Liability | 3,867,791 | - |
| Compensated Absences | 852,253 | 809,533 |
| Total Governmental Long-term Debt | <u>\$ 102,567,821</u> | <u>\$ 2,007,971</u> |
| Business-type Activities | | |
| G.O. Debt Certificate Series 2011 | \$ 106,664 | \$ 52,536 |
| Loan Payable | 1,087,462 | 352,686 |
| Net Pension Liabilities | (24,067) | - |
| Compensated Absences | 14,633 | 12,322 |
| Total Business-type Long-term Debt | <u>\$ 1,184,692</u> | <u>\$ 417,544</u> |

Source: Note 5

The governmental G.O. bond principal payment of \$600,000 due in fiscal year 2021 is payable from the VIP fund which is financed through one percent Non-Home Rule sales tax. Interest rates on the bond range from 2.0 to 3.0 percent, and the debt expires 12/2025. The G.O. Debt Certificate Series 2011 is split between the General fund (84.1%) and Water fund (15.9%) with interest rates ranging from 2.0 to 3.0 percent. This debt expires 11/2021. Bank loans payable include the FY2014 LED loan at a term of 10 years at 3.25% interest, replacement equipment and vehicles financed in FY2018 at a term of 7.5 years at 3.25% interest, and two new loans in FY2020: a replacement vehicle at a 5 year term, 3.5% interest and the parking pay stations at a 2 year term at 3.25%. These loans are all paid from the General fund. The Business type (Water fund) loan is the IL EPA water main project, a 20 year term at 2.675 percent that expires in 02/2023.

The actuarial value of net pension obligations and other post-employment benefits are required under the Governmental Accounting Standards Board (GASB) to be reported. These amounts will vary as actuarial experience in the various retirement funds fluctuate from year to year. FY2020 Primary Government year-end net pension liability allocation is as follows: Police Pension comprises 48.7%, Fire Pension 51.3%.

Under Illinois law, the Village's outstanding debt is limited to 8.625% of the assessed valuations in our jurisdiction. Assessed valuation per the 2019 levy is \$353,567,531. The Village's debt limit under this law is \$30,495,200 compared to legal debt outstanding at April 30, 2020, of \$4,535,000.

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2020 final numbers and the budget projections for 2021 continue to present many challenges to Forest Park. To say that 2020 was a difficult year financially would be a gross understatement. The global pandemic that attacked this country in the first quarter had devastating impacts on small communities like Forest Park. In most every category on the balance sheet, Forest Park lost revenue over the previous year. In late March Village Hall was closed in an effort to protect employees and discourage residents from leaving their homes. In effect, after mid-March all but emergency functions of Village hall were stopped. That meant no revenue for vehicle stickers, parking permits, parking tickets, or commuter parking lots. Court calls for local ordinance violations were stopped and did not resume until mid-summer. For a period of time all businesses were closed so sales tax revenue was extremely low, and to ease the burden on business owners the deadline for license renewals was extended into summer of 2020. Parking pay boxes were placed throughout the business community in January 2020 as a revenue enhancer. Prior to the decision to turn off the pay stations and offer free parking for the few open businesses, the Village was seeing revenues of approximately \$30,000 per month. The main sales tax supplier in Forest Park is Walmart. Due to the pandemic, store hours were cut and capacity reduced for several months, reducing sales and tax revenues. In May, due to social unrest in surrounding areas, Walmart closed for several weeks and altered hours for several months. Things have not now nor will they ever return to "normal". Pension obligations for all labor unions continue to grow, and the Village currently commits 51% of the annual levy to fund these obligations. Without help from the State of Illinois and some additional revenue streams this downward trend is likely to continue. To reduce the impact of the revenue losses, management took action and laid off part-time employees, seasonal employees did not return, negotiations were held with all five labor unions for wage freezes and concessions from May through October, and principal payments on the installment loans were deferred until November. These items when taken in totality have helped, however revenue has not returned to expectation and expenses continue to grow.

On the positive side, housing in Forest Park continues its upward trend, and in many cases Forest Park has seen a higher increase in home sale prices than many other suburban Chicago locations. Historically low interest rates continue to spur home sales and redevelopment. Several new housing developments that started in FY2019 are completed and fully occupied. New homes built in the Village have sold at historically high prices, and many more have been marketed and sold as complete gut/rehabs. Property owners continue to seek permits for major renovations and property improvements, and this is reflected in the permit revenue. In fiscal year 2020 the Village Council approved some funding for the Chamber of Commerce, and by working collaboratively, arrived at new and inexpensive ways to keep the business district vibrant. The Forest Park Community Center was forced to cancel all programming but attained the training and credentials required to become a virtual classroom site for approximately 50 students with fees paid by the School District. All of these factors are an indicator that Forest Park remains a desirable place to invest, live, and work.

Current infrastructure projects, completed and in progress, total over 7 million dollars and include alley reconstruction, street resurfacing, watermain replacement, and a sewer separation project. As in the past these projects are paid for with a combination of VIP, TIF, MFT or Water funds. The Village continues to seek and implement innovative ways to improve infrastructure while limiting impact on the General fund. From the 1.0% Non-Home Rule sales tax, one half of the annual revenue is committed to debt service payments on the General Obligation Refunding Bonds, Series 2012, and one half to public infrastructure improvements. Projections are down as several of the sales tax providers have been working at reduced levels or closed altogether due to the pandemic. Cash flow remains an issue so Forest Park will scale back construction for 2021 by working on projects that have grant funding approved. The State has increased the tax on Motor Fuel and additionally is now allowing non-home rule municipal governments to add an additional \$0.03 to fuel sold. Forest Park has passed an ordinance to place a \$0.02 tax on fuel sold within the Village, however revenue is difficult to determine as so many people drove less due to the pandemic. The Village continues to seek funding opportunities and received almost 2 million dollar in funding

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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from Metropolitan Water Reclamation District for a large sewer separation project. This project is substantially complete and will provide some much needed storm water relief to many residents. The Village has been notified of a \$750,000 award from the State for the demolition of vacant buildings on Village owned property. Once the buildings are down the Village will begin a process to determine the best use for the site, potentially providing economic development.

As always, the Village looks for ways to increase revenue to the General fund and limit expenses in an effort to close the gap. The 2020 tax levy as adopted by Village Council approved funds over the CPI of 2.3%. This allows for the potential to procure maximum funds in the event the Equalized Assessed Valuation increases as it did prior year. The Village will once again use the benefits of P.A. 93-0689, which allows an additional property tax levy solely for the use of fire pension obligations. That measure has been approved and an additional \$167,728 will be levied toward the fire pension fund. Management continues to explore many cost-saving methods, including reductions in insurance premiums, fuel, telephone, and credit card fees. Favorable terms were once again negotiated for the Village's general liability carrier and health insurance carrier for FY2021. Blue Cross Blue Shield, the healthcare provider for the Village, has agreed to provide a renewal with no additional charges. Discussions occur on an ongoing basis with all vendors. As a direct result of expenses related to Covid-19 mitigation, the Village applied for and will receive eligible cost reimbursements from Cook County through the CARES act as well as FEMA.

The Village's major operating fund is comprised of the General and Water funds. For FY2021, General fund revenues were budgeted with an overall reduction of (0.5%) compared to FY2020 year-end. The reduction is due to the impact of Covid-19. Increases in budgeted revenues are found in property tax per the levy increase, grants due to applications, and parking revenue due to the pay stations added in late FY2020. The Water fund reflects an increase of 50.3% in budgeted revenues reflecting the funding from the Metropolitan Water Reclamation District for the sewer separation project, and a sewer tax that was approved by Village Council in June 2020. Water revenues tied to service rates will reflect the 2.45% increase as a pass thru from the City of Chicago effective June 2020.

As a Non-Home Rule community, the Village of Forest Park is limited in the ability and resources to generate additional revenues and relies on taxes for more than half of the required revenues to fund day to day operations. Property taxes and state-shared revenues represent over 50% of General fund revenues. The allocation of more than 50% of the tax levy to pensions annually is a crippling blow. Home rule municipalities can simply raise property taxes to cover this ever expanding drain of revenues but Forest Park is tied to CPI in accordance with State of Illinois law. In each of the last several fiscal years the new money from property tax levy has been less than \$200,000. Shared taxes are in continual threat of reduction from the State, and administrative fees on locally imposed taxes collected by the State range from 0.50% to 1.60%. Additionally the Village is required to comply with State enforced unfunded mandates. Future Councils and staff will have to explore more revenue enhancing options and lobby the State for some additional Non-Home rule abilities.

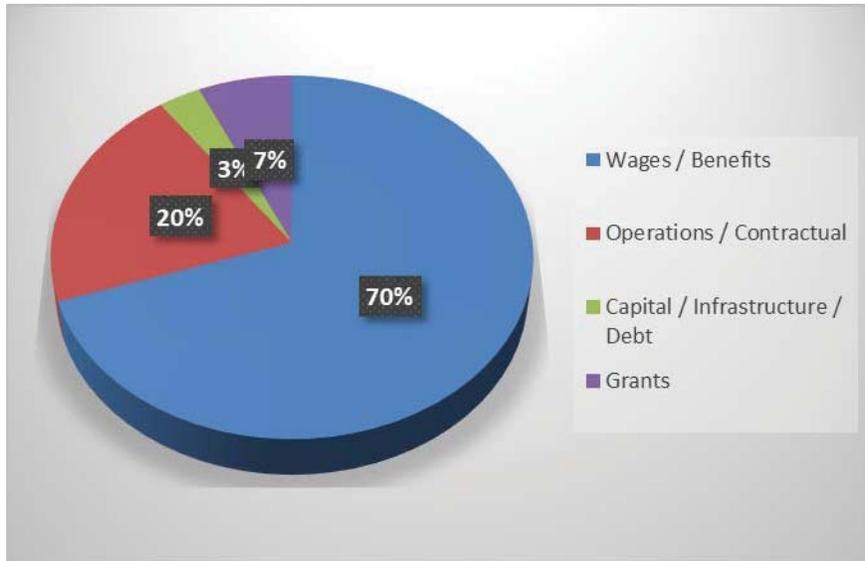
Expenditures for FY2021 were budgeted with a 13.5% increase from FY2020 year-end for the General fund, and 157% for the Water fund. General fund expenditures are attributed to grant expenditures, computer equipment and assets, potential retirements, pension contributions, and general increases in costs to provide services. Due to the pandemic and loss of revenue, all eligible expenses for Police training and equipment was allocated to the state and federal seizure funds. Community programs and services were reduced or eliminated, and vacant positions were left unfilled. Water fund additional expenses include the sewer infrastructure project, water and sewer improvements, and operating costs.

Wages and benefits continue to be the major portion of the General fund expenditures. The budgeted increase in overall wages for FY2021 is 8.4% or \$765,557 compared to FY2020 year-end. This incorporates potential retirements,

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2020**

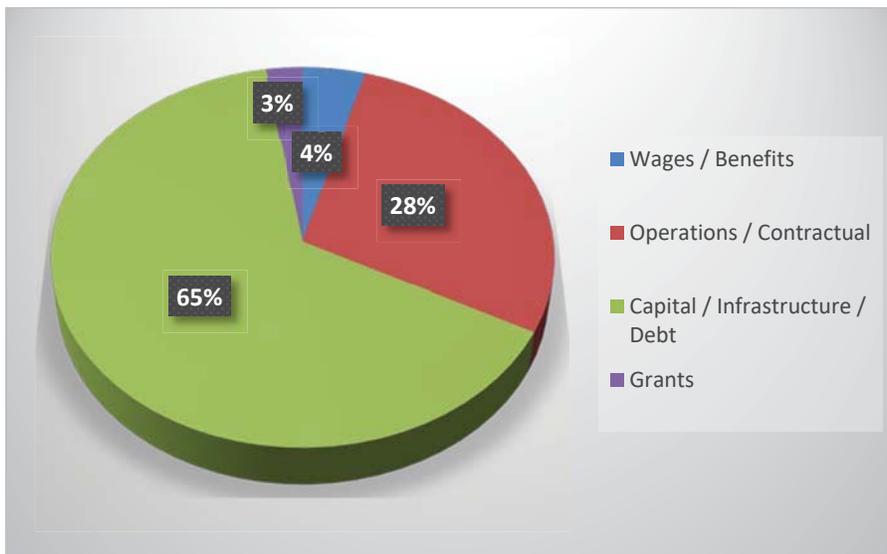
and full staffing as the budget was prepared prior to wage concessions and layoff of part-time and seasonal employees. Benefits were budgeted with an increase of 9.6% or \$472,451 from prior year-end due to increased pension contributions, contractual provisions, and insurance premiums. Capital is budgeted with an additional \$104,100 for replacement equipment and loan installments for the pay stations; operations an additional \$48,172, and grants an additional \$1,472,925. The chart below represents FY2021 General fund budget expenditures. These percentages have remained fairly level over the last ten years.

FY2021 General Fund Budget Expenditures



Water fund costs are broken down below as comparison. Wages reflect a \$16,375 or 5.6% increase from FY2020 year-end; benefits are budgeted with an additional \$2,100 or 2.4%, capital with an additional \$5,594,610 due to the sewer project, operations reduced (\$193,750), and grants an additional \$226,490 from a State grant for a generator at the water pumping station.

FY2021 Water Fund Budget Expenditures



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In the other funds, VIP revenues for FY2021 were budgeted with a 12.7% increase from FY2020 year-end due to intergovernmental and grant revenues. For FY2020 the 1.5% administrative fee imposed by the State for collection and remittance of the Non-Home Rule sales tax equaled \$28,574. Budgeted expenditures increased by 80.7% from FY2020 year-end for additional infrastructure improvements. The TIF funds collectively were budgeted in FY2021 with a (15.9%) reduction in revenues, and expenditures were budgeted with an additional \$853,811 which will include fund reserves for Roosevelt Road and the water tower improvement projects within the TIF districts. These projects will span more than one fiscal year.

Non-major funds were budgeted for FY2021 with a collective (2.4%) reduction in revenues, and an 11.8% increase in collective expenditures. The Motor Fuel Tax revenues and reserves are committed to ongoing infrastructure projects, and the purchases of Police Department assets and training has been reallocated to the State and Federal Seizure funds to alleviate the General fund budget.

Budget and funding strategies must be constantly assessed Village-wide. While the largest expense recognized by the Village is personnel, any reduction in personnel would equate to reduction in services. With the economy still in recovery, the Village is cognizant of the impact of increased fees paid by residents. However the need to provide quality services and safety that our residents expect made this decision inevitable. Staff continues to aggressively seek lower costs and will continue to negotiate contracts to reduce expenses for the future. It is incumbent upon the Village to review other revenue options to sustain the level of safety and service to the community. In all, infrastructure updates, economic development efforts, and continued strong support of the business community will ensure a continued solid sales tax base. Through these combined efforts Forest Park will continue to thrive.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, investors, and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Village Clerk, Village of Forest Park, at 517 DesPlaines Avenue, Forest Park, Illinois, 60130.

STATEMENT OF NET POSITION
April 30, 2020

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|--------------------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 15,407,040 | \$ 3,781,060 | \$ 19,188,100 | \$ 1,557,882 |
| Receivables: | | | | |
| Property tax receivable | 2,613,934 | - | 2,613,934 | 989,209 |
| Due from other governments | 1,695,139 | - | 1,695,139 | 17,709 |
| Accounts receivable | 472,305 | 834,918 | 1,307,223 | - |
| Prepaid items | 422,990 | 1,600 | 424,590 | 10,272 |
| Total current assets | 20,611,408 | 4,617,578 | 25,228,986 | 2,575,072 |
| Noncurrent assets: | | | | |
| Net pension asset | 274,274 | 24,067 | 298,341 | 70,437 |
| Capital assets not being depreciated | 7,862,743 | 652,663 | 8,515,406 | 134 |
| Capital assets being depreciated, net | 29,808,960 | 10,303,766 | 40,112,726 | 2,816,337 |
| Total noncurrent assets | 37,945,977 | 10,980,496 | 48,926,473 | 2,886,908 |
| Total assets | 58,557,385 | 15,598,074 | 74,155,459 | 5,461,980 |
| DEFERRED OUTFLOW OF RESOURCES | | | | |
| Deferred loss on refunding | 168,340 | - | 168,340 | - |
| Deferred pension outflows | 19,112,975 | 29,460 | 19,142,435 | 107,525 |
| Deferred OPEB outflows | 206,244 | - | 206,244 | - |
| Total deferred outflow of resources | 19,487,559 | 29,460 | 19,517,019 | 107,525 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 1,198,795 | 931,341 | 2,130,136 | - |
| Accrued payroll | 29,597 | - | 29,597 | 17,833 |
| Other liabilities | 77,801 | 8,915 | 86,716 | - |
| Unearned revenue | 870,972 | 41,867 | 912,839 | - |
| Internal balances | 1,515,472 | (1,515,472) | - | - |
| Interest payable | 58,307 | 8,868 | 67,175 | - |
| Long-term obligations, due within one year | | | | |
| Compensated absences | 809,533 | 12,322 | 821,855 | - |
| Bonds payable | 600,000 | - | 600,000 | - |
| Debt certificates payable | 277,464 | 52,536 | 330,000 | - |
| Loans payable | 320,974 | 352,686 | 673,660 | - |
| Total current liabilities | 5,758,915 | (106,937) | 5,651,978 | 17,833 |
| Noncurrent liabilities: | | | | |
| Long-term obligations, due in more than one year | | | | |
| Compensated absences | 42,720 | 2,311 | 45,031 | - |
| Bonds payable | 3,416,484 | - | 3,416,484 | - |
| Debt certificates payable | 285,872 | 54,128 | 340,000 | - |
| Loans payable | 809,692 | 734,776 | 1,544,468 | - |
| Net pension liabilities | 92,137,291 | - | 92,137,291 | - |
| Total Other post employment benefit liability | 3,867,791 | - | 3,867,791 | - |
| Total noncurrent liabilities | 100,559,850 | 791,215 | 101,351,065 | - |
| Total liabilities | 106,318,765 | 684,278 | 107,003,043 | 17,833 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Property tax revenue | 2,613,934 | - | 2,613,934 | 989,209 |
| Deferred pension inflows | 2,380,188 | 166,693 | 2,546,881 | 212,661 |
| Total deferred inflow of resources | 4,994,122 | 166,693 | 5,160,815 | 1,201,870 |
| NET POSITION | | | | |
| Net investment in capital assets | 32,129,557 | 9,762,303 | 41,891,860 | 2,816,471 |
| Restricted for: | | | | |
| Debt service | 35,815 | - | 35,815 | - |
| Capital projects | 1,641,420 | - | 1,641,420 | - |
| Public safety | 440,129 | - | 440,129 | - |
| Playground/Recreation | 625,738 | - | 625,738 | - |
| Economic development | 9,757,286 | - | 9,757,286 | - |
| Streets & highway | 1,330,191 | - | 1,330,191 | - |
| Other purposes | - | - | - | 140,838 |
| Unrestricted | (79,228,079) | 5,014,260 | (74,213,819) | 1,392,493 |
| Total net position | \$ (33,267,943) | \$ 14,776,563 | \$ (18,491,380) | \$ 4,349,802 |

See accompanying notes to the financial statements.

STATEMENT OF ACTIVITIES
Year Ended April 30, 2020

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit |
|--------------------------------------|----------------------|------------------------------------|------------------------------------|----------------------------------|---|--------------------------|------------------------|-----------------------|
| | | Fees, Fines & Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 7,455,708 | \$ 3,679,983 | \$ 123,830 | \$ - | \$ (3,651,895) | | \$ (3,651,895) | |
| Police protection | 10,658,556 | 211,058 | 15,622 | - | (10,431,876) | | (10,431,876) | |
| Fire protection | 10,574,985 | - | 23,221 | 500,138 | (10,051,626) | | (10,051,626) | |
| Health and safety | 373,113 | - | - | - | (373,113) | | (373,113) | |
| Community outreach | 560,072 | 2,328 | - | - | (557,744) | | (557,744) | |
| Public works | 4,775,849 | 972,531 | 86,434 | - | (3,716,884) | | (3,716,884) | |
| Interest on debt | 188,936 | - | - | - | (188,936) | | (188,936) | |
| Total governmental activities | <u>34,587,219</u> | <u>4,865,900</u> | <u>249,107</u> | <u>500,138</u> | <u>(28,972,074)</u> | | <u>(28,972,074)</u> | |
| Business-type activities: | | | | | | | | |
| Water operations | 3,412,042 | 5,314,881 | - | - | - | \$ 1,902,839 | 1,902,839 | |
| Sewer operations | 112,199 | - | - | - | - | (112,199) | (112,199) | |
| Total business-type activities: | <u>3,524,241</u> | <u>5,314,881</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,790,640</u> | <u>1,790,640</u> | |
| Total primary government | <u>\$ 38,111,460</u> | <u>\$ 10,180,781</u> | <u>\$ 249,107</u> | <u>\$ 500,138</u> | <u>(28,972,074)</u> | <u>1,790,640</u> | <u>(27,181,434)</u> | |
| Component unit | | | | | | | | |
| Public library | <u>\$ 1,677,824</u> | <u>\$ 21,435</u> | <u>\$ 67,709</u> | <u>\$ -</u> | | | | <u>\$ (1,588,680)</u> |
| General revenues: | | | | | | | | |
| Property taxes | | | | | 7,947,315 | - | 7,947,315 | 1,854,782 |
| Sales tax | | | | | 5,249,038 | - | 5,249,038 | - |
| Income tax | | | | | 1,393,446 | - | 1,393,446 | - |
| Utility tax | | | | | 1,118,467 | - | 1,118,467 | - |
| Intergovernmental revenue | | | | | 1,680,563 | - | 1,680,563 | 44,949 |
| Investment earnings | | | | | 168,945 | 10,009 | 178,954 | 32,697 |
| Other general revenues | | | | | 18,458 | - | 18,458 | 6,888 |
| Transfers | | | | | 900,000 | (900,000) | - | - |
| Total general revenues and transfers | | | | | <u>18,476,232</u> | <u>(889,991)</u> | <u>17,586,241</u> | <u>1,939,316</u> |
| Change in net position | | | | | (10,495,842) | 900,649 | (9,595,193) | 350,636 |
| Net position, beginning of year | | | | | <u>(22,772,101)</u> | <u>13,875,914</u> | <u>(8,896,187)</u> | <u>3,999,166</u> |
| Net position, end of year | | | | | <u>\$ (33,267,943)</u> | <u>\$ 14,776,563</u> | <u>\$ (18,491,380)</u> | <u>\$ 4,349,802</u> |

VILLAGE OF FOREST PARK, ILLINOIS

 GOVERNMENTAL FUNDS
 BALANCE SHEET
 April 30, 2020

| | Major Funds | | | | | | | Total Governmental Funds |
|---|---------------------|-------------------------------------|-----------------------------------|-------------------|---|---------------------|-----------------------------------|--------------------------------|
| | General Fund | Brown Street Station TIF Fund | Roosevelt / Hannah TIF Fund | 2002 Bond Fund | Illinois Municipal Retirement Fund | VIP Program Fund | Nonmajor Governmental Funds | |
| ASSETS | | | | | | | | |
| Cash and investments | \$ - | \$ 3,989,220 | \$ 5,783,452 | \$ 998,211 | \$ - | \$ 1,519,281 | \$ 3,116,876 | \$ 15,407,040 |
| Receivables: | | | | | | | | |
| Property tax receivable | 2,307,555 | - | - | - | 140,127 | - | 166,252 | 2,613,934 |
| Due from other governments | 1,236,467 | - | - | - | - | 383,386 | 75,286 | 1,695,139 |
| Accounts receivable | 436,769 | - | - | - | - | - | 35,536 | 472,305 |
| Interfund receivable | 325,499 | - | - | - | - | - | - | 325,499 |
| Advances receivable | 4,801 | - | - | - | - | - | - | 4,801 |
| Prepaid items | 422,990 | - | - | - | - | - | - | 422,990 |
| Total assets | <u>\$ 4,734,081</u> | <u>\$ 3,989,220</u> | <u>\$ 5,783,452</u> | <u>\$ 998,211</u> | <u>\$ 140,127</u> | <u>\$ 1,902,667</u> | <u>\$ 3,393,950</u> | <u>\$ 20,941,708</u> |
| LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 102,631 | \$ - | \$ 2,660 | \$ 902,683 | \$ - | \$ 145,293 | \$ 45,528 | \$ 1,198,795 |
| Accrued payroll | 29,597 | - | - | - | - | - | - | 29,597 |
| Other liabilities | 77,801 | - | - | - | - | - | - | 77,801 |
| Unearned revenue | 870,972 | - | - | - | - | - | - | 870,972 |
| Interfund payable | 608,050 | 10,201 | 2,525 | 1,406 | 261,389 | 3,876 | 46,102 | 933,549 |
| Advances payable | 907,422 | - | - | - | 4,801 | - | - | 912,223 |
| Total liabilities | <u>2,596,473</u> | <u>10,201</u> | <u>5,185</u> | <u>904,089</u> | <u>266,190</u> | <u>149,169</u> | <u>91,630</u> | <u>4,022,937</u> |
| Deferred inflow of resources | | | | | | | | |
| Property taxes | 2,307,555 | - | - | - | 140,127 | - | 166,252 | 2,613,934 |
| Unavailable revenue | 372,908 | - | - | - | - | 112,078 | - | 484,986 |
| Total deferred inflow of resources | <u>2,680,463</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>140,127</u> | <u>112,078</u> | <u>166,252</u> | <u>3,098,920</u> |
| Fund balance | | | | | | | | |
| Nonspendable | | | | | | | | |
| Prepaid items | 422,990 | - | - | - | - | - | - | 422,990 |
| Advances | 4,801 | - | - | - | - | - | - | 4,801 |
| Restricted | | | | | | | | |
| Economic development | - | 3,979,019 | 5,778,267 | - | - | - | 1,407,954 | 11,165,240 |
| Public safety | - | - | - | - | - | - | 440,129 | 440,129 |
| Streets & highways | - | - | - | - | - | 1,641,420 | 1,330,191 | 2,971,611 |
| Debt service | - | - | - | 94,122 | - | - | - | 94,122 |
| Playground/Recreation | 625,738 | - | - | - | - | - | - | 625,738 |
| Unassigned | (1,596,384) | - | - | - | (266,190) | - | (42,206) | (1,904,780) |
| Total fund balance | <u>(542,855)</u> | <u>3,979,019</u> | <u>5,778,267</u> | <u>94,122</u> | <u>(266,190)</u> | <u>1,641,420</u> | <u>3,136,068</u> | <u>13,819,851</u> |
| Total liabilities, deferred inflow of resources and fund balance | <u>\$ 4,734,081</u> | <u>\$ 3,989,220</u> | <u>\$ 5,783,452</u> | <u>\$ 998,211</u> | <u>\$ 140,127</u> | <u>\$ 1,902,667</u> | <u>\$ 3,393,950</u> | <u>\$ 20,941,708</u> |

See accompanying notes to the financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
April 30, 2020

| | | |
|--|---------------------|------------------------|
| Total fund balances - governmental funds | | \$ 13,819,851 |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p> | | |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p> | | |
| Capital assets | \$ 68,155,680 | |
| Accumulated depreciation | <u>(30,483,977)</u> | |
| Net capital assets | | 37,671,703 |
| <p>Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds:</p> | | |
| Net pension asset | 274,274 | |
| Sales taxes receivable | 372,908 | |
| Other taxes receivable | 110,717 | |
| Intergovernmental receivable | <u>1,361</u> | |
| Total unavailable revenue | | 759,260 |
| <p>Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.</p> | | |
| | | (58,307) |
| <p>Long term debt activities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities and deferred outflows in governmental funds. These consist of :</p> | | |
| Bonds payable | (4,016,484) | |
| Debt certificates payable | (563,336) | |
| Deferred outflow - loss on refunding | 168,340 | |
| Loans payable | (1,130,666) | |
| Compensated absences | (852,253) | |
| Net pension liabilities | (92,137,291) | |
| Deferred outflow - pension activities | 19,112,975 | |
| Deferred inflow - pension activities | (2,380,188) | |
| OPEB liability | (3,867,791) | |
| Deferred outflow - OPEB activities | <u>206,244</u> | |
| Total long-term liabilities and deferred outflows | | <u>(85,460,450)</u> |
| Net position of governmental activities | | <u>\$ (33,267,943)</u> |

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2020

| | Major Funds | | | | | | | Total Governmental Funds |
|---|---------------------|-------------------------------|-----------------------------|------------------|------------------------------------|---------------------|-----------------------------|--------------------------|
| | General Fund | Brown Street Station TIF Fund | Roosevelt / Hannah TIF Fund | 2002 Bond Fund | Illinois Municipal Retirement Fund | VIP Program Fund | Nonmajor Governmental Funds | |
| Revenues | | | | | | | | |
| Property tax | \$ 4,898,957 | \$ 542,975 | \$ 1,158,616 | \$ - | \$ 300,496 | \$ - | \$ 1,046,271 | \$ 7,947,315 |
| Sales tax | 3,502,918 | - | - | - | - | 1,882,741 | - | 5,385,659 |
| Income tax | 1,393,446 | - | - | - | - | - | - | 1,393,446 |
| Utility taxes | 1,361,978 | - | - | - | - | - | - | 1,361,978 |
| Intergovernmental | 748,891 | - | - | - | 12,689 | - | 569,427 | 1,331,007 |
| Licenses and permits | 1,237,591 | - | - | - | - | - | - | 1,237,591 |
| Fees for services | 2,183,314 | - | - | - | - | - | - | 2,183,314 |
| Grant revenue | 38,843 | - | - | - | - | 123,830 | 104,268 | 266,941 |
| Parking revenue | 521,594 | - | - | - | - | - | - | 521,594 |
| Fines | 1,271,279 | - | - | - | - | - | - | 1,271,279 |
| Interest on investments | 26,130 | 34,174 | 38,793 | 7,814 | - | 31,149 | 30,885 | 168,945 |
| Other revenue | 145,739 | - | - | - | - | - | 11,300 | 157,039 |
| Total revenues | <u>17,330,680</u> | <u>577,149</u> | <u>1,197,409</u> | <u>7,814</u> | <u>313,185</u> | <u>2,037,720</u> | <u>1,762,151</u> | <u>23,226,108</u> |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| Office of public affairs | 6,467,399 | - | - | - | - | - | 339,237 | 6,806,636 |
| Office of accounts and finance | 8,625,427 | - | - | 2,554 | 164,254 | - | 324,833 | 9,117,068 |
| Office of public property | 2,011,043 | - | - | - | - | - | - | 2,011,043 |
| Office of streets and public improvement | 1,464,106 | - | - | - | - | - | 11,234 | 1,475,340 |
| Office of health and safety | 383,460 | - | - | - | - | - | - | 383,460 |
| Capital Outlay | - | 1,675,934 | 44,999 | 20,253 | - | 864,585 | 30,981 | 2,636,752 |
| Debt service: | | | | | | | | |
| Principal retired | 479,901 | - | - | - | - | 580,000 | 3,311 | 1,063,212 |
| Interest and charges | 59,306 | - | - | - | - | 133,350 | 589 | 193,245 |
| Total expenditures | <u>19,490,642</u> | <u>1,675,934</u> | <u>44,999</u> | <u>22,807</u> | <u>164,254</u> | <u>1,577,935</u> | <u>710,185</u> | <u>23,686,756</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,159,962)</u> | <u>(1,098,785)</u> | <u>1,152,410</u> | <u>(14,993)</u> | <u>148,931</u> | <u>459,785</u> | <u>1,051,966</u> | <u>(460,648)</u> |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | 1,773,099 | - | - | - | - | - | - | 1,773,099 |
| Transfers out | - | - | - | - | - | (540,411) | (332,688) | (873,099) |
| Loan proceeds | 265,877 | - | - | - | - | - | - | 265,877 |
| Total other financing sources (uses) | <u>2,038,976</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(540,411)</u> | <u>(332,688)</u> | <u>1,165,877</u> |
| Net change in fund balances | <u>(120,986)</u> | <u>(1,098,785)</u> | <u>1,152,410</u> | <u>(14,993)</u> | <u>148,931</u> | <u>(80,626)</u> | <u>719,278</u> | <u>705,229</u> |
| Fund balances at beginning of year | <u>(421,869)</u> | <u>5,077,804</u> | <u>4,625,857</u> | <u>109,115</u> | <u>(415,121)</u> | <u>1,722,046</u> | <u>2,416,790</u> | <u>13,114,622</u> |
| Fund balances at end of year | <u>\$ (542,855)</u> | <u>\$ 3,979,019</u> | <u>\$ 5,778,267</u> | <u>\$ 94,122</u> | <u>\$ (266,190)</u> | <u>\$ 1,641,420</u> | <u>\$ 3,136,068</u> | <u>\$ 13,819,851</u> |

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
Year Ended April 30, 2020

Net change in total fund balances \$ 705,229

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

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds.

| | | |
|---|----------------|----------|
| Sales taxes received from the state of Illinois | \$ (136,621) | |
| Other taxes received | <u>101,890</u> | |
| Total change in unavailable revenues | | (34,731) |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

| | | |
|---|---------------|--------------|
| Change in net pension liability and deferred items | (12,996,857) | |
| Change in total other postemployment benefit liability and deferred items | (283,827) | |
| Change in compensated absences | (26,932) | |
| Change in accrued interest on debt | 11,647 | |
| Amortization of deferred loss on refunding | (30,608) | |
| Amortization of bond premium | <u>23,270</u> | |
| Total expenses of non-current resources | | (13,303,307) |

Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

| | | |
|--|--------------------|-----------|
| Capital expenditures | 3,065,399 | |
| Depreciation | <u>(1,725,767)</u> | |
| Capital expenditures in excess of depreciation | | 1,339,632 |

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.

| | | |
|---------------------------|----------------|-----------|
| General obligation bonds | 580,000 | |
| Debt certificates payable | 269,056 | |
| Loans payable | <u>214,156</u> | |
| Total retirement of debt | | 1,063,212 |

In governmental funds, long-term debt is considered an other financing source (use), but in the statement of net position, debt is reported as a liability. In the current period, proceeds were received from:

| | | |
|-------|--|------------------|
| Loans | | <u>(265,877)</u> |
|-------|--|------------------|

Change in net position of governmental activities \$ (10,495,842)

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
April 30, 2020

| | Major Fund |
|--|----------------------|
| | Water Fund |
| ASSETS AND DEFERRED OUTFLOW OF RESOURCES | |
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 3,781,060 |
| Receivables: | |
| Accounts receivable | 834,918 |
| Interfund receivable | 608,050 |
| Advances receivable | 907,422 |
| Prepays | 1,600 |
| Total current assets | 6,133,050 |
| Noncurrent assets: | |
| Net pension liability | 24,067 |
| Capital assets not being depreciated | 652,663 |
| Capital assets being depreciated, net | 10,303,766 |
| Total noncurrent assets | 10,956,429 |
| Total assets | 17,113,546 |
| DEFERRED OUTFLOW OF RESOURCES | |
| Deferred pension outflows | 29,460 |
| TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES | \$ 17,143,006 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 931,341 |
| Other liabilities | 8,915 |
| Unearned revenue | 41,867 |
| Compensated absences | 12,322 |
| Debt certificates payable | 52,536 |
| Loans payable | 352,686 |
| Interest payable | 8,868 |
| Total current liabilities | 1,408,535 |
| Noncurrent liabilities: | |
| Compensated absences | 2,311 |
| Debt certificates payable | 54,128 |
| Loans payable | 734,776 |
| Total noncurrent liabilities | 30,352,712 |
| Total liabilities | 2,199,750 |
| DEFERRED INFLOW OF RESOURCES | |
| Deferred pension inflows | 166,693 |
| NET POSITION | |
| Net Investment in capital assets | 9,762,303 |
| Unrestricted | 5,014,260 |
| Total net position | 14,776,563 |
| Total liabilities, deferred inflow of resources, and net position | \$ 17,143,006 |

PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 Year Ended April 30, 2020

| | <u>Major Fund</u> |
|--|-----------------------|
| | <u>Water Fund</u> |
| Operating revenues | |
| Charges for services | \$ 5,312,542 |
| Other revenue | 2,339 |
| Total operating revenues | <u>5,314,881</u> |
| Operating expenses | |
| Operations | 3,310,849 |
| Depreciation | 176,374 |
| Total operating expenses | <u>3,487,223</u> |
| Operating income (loss) | <u>1,827,658</u> |
| Nonoperating revenues and (expenses) | |
| Interest revenue | 10,009 |
| Interest expense | <u>(37,018)</u> |
| Total nonoperating revenues and (expenses) | <u>(27,009)</u> |
| Income (loss) before transfers | <u>1,800,649</u> |
| Transfers out | <u>(900,000)</u> |
| Change in net position | <u>900,649</u> |
| Net position at beginning of year | <u>13,875,914</u> |
| Net position at end of year | <u>\$ 14,776,563</u> |

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended April 30, 2020

| | Major Fund |
|---|---------------|
| | Water Fund |
| Cash flows from operating activities: | |
| Cash received from customers | \$ 5,218,686 |
| Cash payments for goods and services | (2,354,840) |
| Cash payments to employees for services | (176,967) |
| Net cash provided by operating activities: | 2,686,879 |
| Cash flows from noncapital financing activities: | |
| Transfers out | (900,000) |
| Interfund borrowing | 125,482 |
| Net cash used for noncapital financing activities: | (774,518) |
| Cash flows from capital and related financing activities: | |
| Purchase of capital assets | (675,509) |
| Principal paid on debt | (394,381) |
| Interest paid on debt | (40,706) |
| Net cash used for capital and related financing activities: | (1,110,596) |
| Cash flows from investing activities: | |
| Interest received | 10,009 |
| Net cash provided by investing activities: | 10,009 |
| Net increase (decrease) in cash and cash equivalents | 811,774 |
| Cash and cash equivalents, beginning of year | 2,969,286 |
| Cash and cash equivalents, end of year | \$ 3,781,060 |
| Reconciliation of operating income to | |
| Net cash provided by operating activities: | |
| Operating income (loss) | \$ 1,827,658 |
| Adjustments to reconcile operating income | |
| to net cash provided by (used for) operating activities: | |
| Depreciation | 176,374 |
| Decrease (increase) in accounts receivable | (98,534) |
| Decrease (increase) in prepaids | 9,633 |
| Decrease (increase) in net pension asset/liability | (90,281) |
| Decrease (increase) in deferred outflow - pension | 62,141 |
| Increase (decrease) in accounts payable | 652,892 |
| Increase (decrease) in unearned revenue | 2,339 |
| Increase (decrease) in other liabilities | - |
| Increase (decrease) in compensated absences | (1,391) |
| Increase (decrease) in deferred inflow - pension | 146,048 |
| Total adjustments | 859,221 |
| Net cash provided by (used for) operating activities: | \$ 2,686,879 |

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
April 30, 2020

| | |
|--------------------------------------|----------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 2,290,923 |
| Investments | |
| Corporate bonds | 3,820,916 |
| Government securities | 9,200,396 |
| Mutual funds | 19,555,258 |
| Insurance contracts | <u>1,468,404</u> |
| Total investments | 34,044,974 |
| Interest receivable | 66,912 |
| Prepaid items | <u>9,921</u> |
| Total assets | <u>36,412,730</u> |
| LIABILITIES | |
| Accounts payable | <u>6,945</u> |
| Total liabilities | <u>6,945</u> |
| NET POSITION | |
| Net Position restricted for pensions | <u>\$ 36,405,785</u> |

STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION
PENSION TRUST FUNDS
Year Ended April 30, 2020

| | |
|---|----------------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 2,215,325 |
| Plan members | <u>559,104</u> |
| Total contributions | <u>2,774,429</u> |
| Investment earnings | |
| Net change in fair value of investments | (74,977) |
| Interest | (137,519) |
| Less investment expense | <u>(89,412)</u> |
| Net investment income | <u>(301,908)</u> |
| Total additions | <u>2,472,521</u> |
| DEDUCTIONS | |
| Benefits and refunds | 4,225,226 |
| Administrative expenses | <u>89,632</u> |
| Total deductions | <u>4,314,858</u> |
| Change in plan net position | (1,842,337) |
| Plan net position at beginning of year | <u>38,248,122</u> |
| Plan net position at end of year | <u>\$ 36,405,785</u> |

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Forest Park (Village) was incorporated in 1856 under the provisions of the Illinois Revised Statutes, as amended. The Village operates under a Mayor-Commissioner form of government. Education and social services are provided by separate governing bodies that are beyond the direct or indirect control of the Village's government. The accounting policies of the Village of Forest Park conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies.

Financial Reporting Entity: The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, under which these basic financial statements include all organizations, activities, functions and component units for which the Village is financially accountable, or that are fiscally dependent upon the Village or that would cause these financial statements to be misleading to exclude. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden with the Village.

In conformity with GAAP, the Village's Police and Firefighters' Pension Funds have been included as fiduciary component units in the Village's basic financial statements. Although they are separate legal entities, these funds exist to provide pension benefits for the Village's police officers and firefighters. Thus, their financial information has been included within the Village's basic financial statements as fiduciary funds.

The Forest Park Public Library is included in the reporting entity because of its operational and financial relationship with the Village of Forest Park. The Forest Park Public Library meets the criteria for discrete presentation and is shown in the component unit column in the Government-wide financial statements. The Forest Park Public Library is reported in a separate column to emphasize that it is legally separate from the Village of Forest Park. The Forest Park Public Library has issued separate financial statements for the year ended April 30, 2020. Separate financial statements can be obtained by contacting its office at 7555 Jackson Boulevard, Forest Park, Illinois 60130.

Basis of Presentation: The Village's basic financial statements consist of Government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The Government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the Village as a whole. In the Government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (proprietary funds), which rely to a significant extent on fees and charges for support. The Government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, deferred inflows, fund equity, 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.

Measurement Focus and Basis of Accounting:

Government-wide Financial Statements – The Government-wide financial statements, component unit financial statements, fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows, deferred inflows and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounts, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities: (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the “grossing up” effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental 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.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred loss on refunding of debt, change in pension assumptions, change in OPEB plan assumptions, loss on pension investments, differences between expected and actual experience and contributions subsequent to the measurement date. Changes in pension plan assumptions, change in OPEB plan assumptions, and differences between expected and actual experience are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan. Losses on pension investments are deferred and amortized over five years. Contributions subsequent to the measurement date are recognized in the next year.

In addition to liabilities, statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Village has only one type of item which arises only under the modified accrual basis of accounting that qualifies for reporting in this category.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: other taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Under the full accrual basis of accounting, in accordance with the requirements of GASB Statement No. 65, property tax revenues that are levied but intended to fund future periods are considered to be deferred inflows of resources. Additionally, certain amounts related to pensions must be deferred. Differences between expected and actual experience and changes in pension plan assumptions are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan.

Fund Financial Statements – 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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes, and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating revenues and expenses and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities. When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the Government-wide financial statements are prepared because of the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the Government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

General Fund – The General Fund, sometimes referred to by the Village as the General Corporate Fund, is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Brown Street Station TIF Fund – This TIF fund is a special revenue fund used to accumulate incremental property tax revenues from the area in far north Forest Park. This is a mix of commercial and residential area TIF and funds will be used to improve streetscapes and for future development.

Roosevelt / Hannah TIF Fund – This TIF fund is a special revenue fund used to accumulate incremental property tax revenues from its specific area in Forest Park. This is a commercial area TIF and funds will be used to improve streetscapes and for future development.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2002 Bond Fund – The 2002 Bond Account is a debt service fund used to pay principal and interest on a \$5,765,000 general obligation bond. The original TIF was divided in 2001 and currently comprises the Wal-Mart property, including the parking lot. The bond debt service is totally funded by incremental property taxes paid by Wal-Mart.

Illinois Municipal Retirement Fund – This is a special revenue fund used to account for pension contributions to the Illinois Municipal Retirement Fund. Revenue to finance the contributions is derived primarily from local property taxes.

VIP Program Fund – This is a capital projects fund with pledged revenues from the Non-Home Rule Municipal Sales Taxes, at 1.0%. These revenues are committed to public infrastructure improvements and debt service on the \$6,745,000 General Obligation Refunding Bonds, Series 2012 current principal from the refunded \$9,600,000 General Obligation Bonds (Alternate Revenue Source) Series 2005.

Proprietary Funds: Proprietary funds are used to account for those Village activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The Village reports the following major proprietary funds:

Water Fund – This fund accounts for the revenues and expenses related to the operation of the Village's water and sewer. Revenues are generated through charges to users based upon water and sewer consumption.

Governmental Funds: In addition to the general fund type mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds – The Debt Service Funds are used to account for the Village's accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

Fiduciary Funds: Fiduciary Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the pension trust funds.

Cash, Cash Equivalents, and Investments

Separate checking accounts are maintained to satisfy legal restrictions or as authorized by the Village Council. The Village maintains a cash checking account pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is included on the combined balance sheet as "cash." The deposits and investments of the pension trust funds are held separately from those of other funds.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All investments are reported at fair value, which generally represents quoted market price as of the last business day of the year. Gains or losses on the sale or maturity of investments are recorded as current investment income at the date of sale or maturity. Cash equivalents are stated at cost.

The Village maintains an investment pool that is available for use by all funds except the pension trust funds. Village investments are in either certificates of deposit with local financial institutions or deposits with the Illinois Funds Money Market Fund.

The value of the Illinois Funds Money Market Fund and Illinois Metropolitan Investment Fund equates to the number of shares owned as of April 30, 2020. These deposits are regulated by the Comptroller of the State of Illinois.

Cash Flows: For purposes of the statement of cash flows for the Proprietary Funds, the Village considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Capital Assets: Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is provided on the straight-line basis as described below.

Public domain infrastructure capital assets including roads, curbs and gutters, drainage systems, and lighting systems are also capitalized. Depreciation of the assets listed below is computed using the straight-line method over the following estimated useful lives:

| | |
|------------------------|-------------|
| Buildings | 100 Years |
| Equipment | 3-20 Years |
| Infrastructure - roads | 30-40 Years |
| Infrastructure - water | 100 Years |
| Building improvement | 100 Years |

Accrued Vacation: Per the Village's policy, full-time permanent employees of the Village other than firefighters in the Fire Department, police officers in the Police Department, and members of the Local 705 Teamsters Union shall be entitled to paid vacations based on the following years of service:

| | |
|------------------|-----------------|
| Less than 1 year | Nothing |
| After 1 year | 10 working days |
| After 8 years | 15 working days |
| After 15 years | 20 working days |

For each year of service over 15 years, one additional vacation day up to a maximum of 25 working days.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vacation time must be taken within one year in which the time is earned.

Members of the firefighters and police officers unions and Local 705 Teamsters union are entitled to and receive vacation benefits as stated in the current contracts.

Unavailable Revenue: The Village reports unavailable revenues on its financial statements. Unavailable revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unavailable revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet or statement of net position and revenue is recognized.

Net Position and Fund Balances: Net position represents the difference between assets and deferred outflows and deferred inflows and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Fund Balance - The components of fund balance include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation. Restricted fund balances reported on the Village's Governmental Funds Balance Sheet mainly include restricted property tax levies, bond proceeds, and grant awards.
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. Fund Balance of the Village may be committed for a specific source by passing of a Board Resolution by the Village Council. Amendments or modifications of the committed fund balance must be also by approved by passing of a Board Resolution by the Village Council.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Village Council designated for that purpose. The intended use is established by an official designated for that purpose. The Village has not designated anyone for this purpose. However, GASB 54 has outlined that fund balance outside of the general fund is to fall in this category if there is not a deficit fund balance for the fund.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, if there is a deficit balance in another governmental fund, it will be reported as a negative amount in that fund's unassigned classification.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance. If there is an expenditure incurred for purposes for which restricted or unrestricted fund position could be used, then the Village will consider restricted fund position to be spent first, then unrestricted fund position.

Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary net position is classified as held in trust for employee's pension benefits on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the Village believes it is in compliance with all significant restrictions.

Post-Employment Health Care Benefits: The Village provides health insurance to its retired employees, with over 20 years of service, at their own expense.

Interfund Receivables and Payables: Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances." All receivables are shown net of an allowance for uncollectibles.

Long-Term Debt: In the Government-wide financial statements and in the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police Pension Plan and additions to/deductions from the Police Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Police Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Pension Plan and additions to/deductions from the Firefighters' Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Water Expense Accrual: During the year ended April 30, 2020, the Village replaced a water meter which was not reading. Due to this, the Village did not receive invoices for water from the City of Chicago for the period from December 16, 2019 to March 19, 2020. The Village has accrued \$702,713 at April 30, 2020 as an estimate for water consumed during this time based on historical usage while they await resolution with the City of Chicago.

Use of Estimates: The preparation of the basic financial statements in conformity with GAAP requires Village's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and/or the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, but the Village believes that the differences will be insignificant.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Village

At year end, the carrying amount of the Village's (excluding the Police and Firefighters' Pension Funds) deposits were \$19,185,537. In addition, the Village maintained four petty cash accounts with a carrying value of \$2,563. The balances in the bank were \$19,252,267.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality (that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard & Poor's). The Village Council, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. As of April 30, 2020, the Village bank balances were fully collateralized.

Concentration of Credit Risk – The Village places no limit on the amount it may invest in any one issuer.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The following is a reconciliation between Note 2 and the basic financial statements of the primary government:

| <u>Note 2</u> | | <u>Financial Statements</u> | |
|---|----------------------|----------------------------------|----------------------|
| Carrying value of cash and cash equivalents | \$ 19,185,537 | Statement 1 (Primary Government) | |
| | | Cash and investments | \$ 19,188,100 |
| Petty cash | <u>2,563</u> | Total financial statements | <u>\$ 19,188,100</u> |
| Total per Note 2 | <u>\$ 19,188,100</u> | | |

Police Pension Fund

At April 30, 2020, the Police Pension Fund's carrying amount of cash and bank balances were \$1,342,974. As of April 30, 2020, the full bank balance was collateralized with securities of the U.S. government held in the Police Pension Fund's name by a financial institution acting as the fund's agent. The Police Pension Fund is authorized to invest in Illinois Funds Money Market deposits, deeply discounted federal securities (strips, etc.), certificates of deposit, guaranteed investment contracts, and stocks and mutual funds.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Fund's investments at April 30, 2020:

| <u>Investment type</u> | <u>Investment Maturities</u> | | | | |
|-------------------------|------------------------------|---------------------------|--------------------------|-------------------------|-------------------------------|
| | <u>Fair Value</u> | <u>Less Than One Year</u> | <u>One to Five Years</u> | <u>Six to Ten Years</u> | <u>Greater Than Ten Years</u> |
| Governmental securities | \$ 6,141,899 | \$ 95,192 | \$ 2,479,301 | \$ 1,177,823 | \$ 2,389,583 |
| Corporate bonds | <u>1,705,693</u> | <u>544,423</u> | <u>159,880</u> | <u>925,455</u> | <u>75,935</u> |
| Totals | <u>7,847,592</u> | <u>\$ 639,615</u> | <u>\$ 2,639,181</u> | <u>\$ 2,103,278</u> | <u>\$ 2,465,518</u> |

Investments not sensitive to risk:

| | |
|---------------------|----------------------|
| Mutual funds | 11,116,494 |
| Insurance contracts | <u>1,468,404</u> |
| Total investments | <u>\$ 20,432,490</u> |

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Police Pension Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Fund's policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality (that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard & Poor's). The Police Pension Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. One of the U.S. Treasury Department's objectives for conservatorships is to protect bondholders. As such, declines in fair value below cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end the Pension Fund's intent is to hold the bonds until they recover.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit ratings for the Police Pension Fund's investments in debt securities at April 30, 2020 (excluding investments explicitly guaranteed by the U.S. Government and investments in mutual funds, which are not considered to have credit risk) were as follows:

| Disclosure Ratings for Debt Securities (Moody's/S&P) (As a percentage of total fair value for debt securities) | | | | | |
|---|------------|--------------|----------------|----------------|--------------|
| <u>Investment Type</u> | <u>A/A</u> | <u>AA/AA</u> | <u>AAA/AAA</u> | <u>BBB/BAA</u> | <u>NR/NR</u> |
| Governmental securities | 0% | 2% | 56% | 0% | 48% |
| Corporate bonds | 48% | 15% | 0% | 37% | 0% |

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police Pension Fund's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AAA/Aaa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. The Police Pension Fund was fully collateralized as of April 30, 2020.

Concentration of Credit Risk – The Village places no limit on the amount the Police Pension Fund may invest in any one issuer. Other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments, there were no other investments in a single issuer that exceeded 5% of the total investments of the Police Pension Fund.

Firefighters' Pension Fund

At April 30, 2020, the Firefighters' Pension Fund's carrying amount of demand deposits and bank balances were \$947,949. As of April 30, 2020, the full bank balance was collateralized.

The Firefighters' Pension Fund is authorized to invest in Illinois Funds Money Market deposits, deeply discounted federal securities (strips, etc.), certificates of deposit, guaranteed investment contracts, and stocks and mutual funds.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Fund's investments at April 30, 2020.

| <u>Investment type</u> | <u>Fair Value</u> | <u>Investment Maturities</u> | | | |
|-------------------------|-------------------|-------------------------------|------------------------------|-----------------------------|-----------------------------------|
| | | <u>Less Than One Year</u> | <u>One to Five Years</u> | <u>Six to Ten Years</u> | <u>Greater Than Ten Years</u> |
| Governmental securities | \$ 3,058,497 | \$ 95,086 | \$ 1,221,877 | \$ 1,137,691 | \$ 603,843 |
| Corporate bonds | 2,115,223 | 75,815 | 917,180 | 108,150 | 1,014,078 |
| Total | <u>5,173,720</u> | <u>\$ 170,901</u> | <u>\$ 2,267,307</u> | <u>\$ 1,494,203</u> | <u>\$ 773,668</u> |

Investments not sensitive to risk:

| | |
|-------------------|----------------------|
| Mutual funds | 8,438,764 |
| Total investments | <u>\$ 13,612,484</u> |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended April 30, 2020

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Firefighters’ Pension Fund’s investment policy, the fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities; additionally the fixed income portfolio is structured allowing for duration between three and eight years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters’ Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements the Illinois Pension Code. The Firefighters’ Pension Fund’s investment policy also prescribes “that investments be made in a prudent manner. That is, with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person would use considering the primary objective of preserving one’s capital.”

Credit ratings for the Firefighters’ Pension Fund’s investments in debt securities at April 30, 2020 (excluding investments explicitly guaranteed by the U.S. Government and investments in mutual funds, which are not considered to have credit risk) were as follows:

| Disclosure Ratings for Debt Securities (S&P) | | | | | |
|---|------------|--------------|----------------|----------------|--------------|
| (As a percentage of total fair value for debt securities) | | | | | |
| <u>Investment Type</u> | <u>A/A</u> | <u>AA/AA</u> | <u>AAA/AAA</u> | <u>BBB/BAA</u> | <u>NR/NR</u> |
| Governmental securities | 0% | 2% | 65% | 0% | 33% |
| Corporate bonds | 43% | 13% | 0% | 44% | 0% |

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Firefighters’ Pension Fund’s deposits may not be returned to it. At year end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters’ Pension Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the fund’s deposits with financial institutions.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Firefighters’ Pension Fund’s investment in a single issuer. The Fund does not have a formal written policy with regards to concentration of credit risk for investments. At April 30, 2020, other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments the Village did not have any investments in a single issuer that exceeded 5%.

The Fund’s investment policy has a stated target that 55 to 75 percent of its portfolio be in fixed income securities, 35 to 45 percent target in equities with the remaining 2 to 10 percent cash and equivalents.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The following is a reconciliation between the Note 2 and the basic financial statements of the fiduciary funds:

| <u>Note 2</u> | | <u>Financial Statements</u> | |
|--|----------------------|-----------------------------|----------------------|
| | | Statement 10 | |
| Carrying value of cash and cash equivalents (police \$1,342,974 firefighters' \$947,949) | \$ 2,290,923 | Cash and cash equivalents | \$ 2,290,923 |
| Carrying value of investments (police \$20,432,490, firefighters' \$13,612,484) | <u>30,044,974</u> | Investments | <u>30,044,974</u> |
| Total Note 2 | <u>\$ 32,335,897</u> | Total financial statements | <u>\$ 32,335,897</u> |

Fair Value Measurement and Application

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. To value mortgage-backed securities, pricing vendors use a variety of techniques to estimate value. These estimates may be based on certain factors that affect the value of the security, including liquidity risk. The Police Pension's insurance contracts are valued using cash surrender values. The fair value of corporate bonds is determined using recently executed transactions, market price quotations, bond spreads, credit default swap spreads, or at the money volatility and/or volatility skew, adjusted for any basis difference between cash and derivative instruments. The fair value of agency mortgage pass-through pool securities, which are classified within federal agencies in the table below, is model-driven based on spreads of a comparable to-be-announced security. As of April 30, 2020, the fiduciary funds' investments are valued as follows:

| | | <u>Fair Value Measurements Using</u> | | |
|-------------------------------|-----------------------|---|--|--|
| | | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
| <u>Investment type</u> | <u>Fair Value</u> | | | |
| Police pension: | | | | |
| Corporate bonds | \$ 1,705,693 | \$ - | \$ 1,705,693 | \$ - |
| Governmental securities | 6,141,899 | 6,141,899 | - | - |
| Mutual funds | 11,116,494 | 11,116,494 | - | - |
| Insurance contracts | 1,468,404 | - | - | 1,468,404 |
| Police pension total | <u>20,432,490</u> | <u>17,258,393</u> | <u>1,705,693</u> | <u>1,468,404</u> |
| Firefighters' pension: | | | | |
| Corporate bonds | 2,115,223 | - | 2,115,223 | - |
| Governmental securities | 3,058,497 | 3,058,497 | - | - |
| Equity mutual funds | 8,438,764 | 8,438,764 | - | - |
| Firefighters' pension total | <u>13,612,484</u> | <u>11,497,261</u> | <u>2,115,223</u> | <u>-</u> |
| Totals | <u>\$ 34,044,974</u> | <u>\$ 28,755,654</u> | <u>\$ 3,820,916</u> | <u>\$ 1,468,404</u> |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 3 - PROPERTY TAX REVENUE RECOGNITION

Property taxes for 2019 were attached as an enforceable lien upon Board approval on December 16, 2019 on property values assessed as of January 1, 2019. Taxes are levied by December of the subsequent year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments on or about March 1 and September 1. The County collects such taxes and remits them to the Village periodically. The Village receives the majority of its real estate taxes in March and October. The property tax revenue in the financial statements represents approximately one-half of the 2018 and one-half of the 2019 property tax levies.

Property taxes for the current 2019 tax levy are received in two installments in March 2020 and August 2020.

Property taxes receivable, constituting primarily the second installment due in August 2020, is recorded as unavailable revenue since the Village budgets for these revenues to be used to finance the operations of fiscal year 2021.

In the final tax extension, the County Clerk provides for an allowance for loss and cost of 3% for all tax levying funds except debt service, which has a 5% factor. All uncollected taxes over six years old are written off. An allowance for uncollectible taxes is established for all uncollected taxes over two years old. The receivable for uncollected taxes from the current levy is offset by a liability for unavailable revenue property taxes.

The Public Library (Library) receives its own distribution of real estate taxes directly from the Cook County Collector to the Library's own money market account.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 4 - CAPITAL ASSETS

A summary of changes in the Village's capital assets for the period from May 1, 2019 through April 30, 2020 follows:

| | Balance at Beginning of <u>Year</u> | <u>Additions</u> | <u>Deletions</u> | Balance at End of <u>Year</u> |
|--|---|---------------------|-------------------|-------------------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 5,365,407 | \$ - | \$ - | \$ 5,365,407 |
| Construction in Progress | <u>349,404</u> | <u>2,434,686</u> | <u>286,754</u> | <u>2,497,336</u> |
| Total capital assets not being depreciated, net | <u>5,714,811</u> | <u>2,434,686</u> | <u>286,754</u> | <u>7,862,743</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure | 48,805,842 | 288,752 | 122,640 | 48,971,954 |
| Building and improvements | 4,942,977 | - | - | 4,942,977 |
| Fixtures and equipment | <u>5,816,511</u> | <u>628,715</u> | <u>67,220</u> | <u>6,378,006</u> |
| Subtotal | <u>59,565,330</u> | <u>917,467</u> | <u>189,860</u> | <u>60,292,937</u> |
| Accumulated depreciation | | | | |
| Infrastructure | (22,519,946) | (1,370,670) | (122,640) | (23,767,976) |
| Building and improvements | (2,324,926) | (46,285) | - | (2,371,211) |
| Fixtures and equipment | <u>(4,103,198)</u> | <u>(308,812)</u> | <u>(67,220)</u> | <u>(4,344,790)</u> |
| Total accumulated depreciation | <u>(28,948,070)</u> | <u>(1,725,767)</u> | <u>(189,860)</u> | <u>(30,483,977)</u> |
| Total capital assets being depreciated, net | <u>30,617,260</u> | <u>(808,300)</u> | <u>-</u> | <u>29,808,960</u> |
| Governmental activities, net | <u>\$ 36,332,071</u> | <u>\$ 1,626,386</u> | <u>\$ 286,754</u> | <u>\$ 37,671,703</u> |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 4 - CAPITAL ASSETS (Continued)

| | Balance at Beginning of Year | Additions | Deletions | Balance at End of Year |
|--|------------------------------------|------------|-----------|------------------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Construction in Progress | \$ 258,999 | \$ 459,424 | \$ 65,760 | \$ 652,663 |
| Capital assets being depreciated: | | | | |
| Building and improvements | 681,887 | - | - | 681,887 |
| Fixtures and equipment | 257,262 | - | - | 257,262 |
| Infrastructure | 12,859,663 | 65,760 | - | 12,925,423 |
| Subtotal | 13,798,812 | 65,760 | - | 13,864,572 |
| Accumulated depreciation | | | | |
| Building and improvements | (309,582) | (7,790) | - | (317,372) |
| Fixtures and equipment | (216,497) | (11,560) | - | (228,057) |
| Infrastructure | (2,858,353) | (157,024) | - | (3,015,377) |
| Total accumulated depreciation | (3,384,432) | (176,374) | - | (3,560,806) |
| Total capital assets being depreciated, net | 10,414,380 | (110,614) | - | 10,303,766 |
| Business-type activities, net | \$ 10,673,379 | \$ 348,810 | \$ 65,760 | \$ 10,956,429 |

Depreciation expense of \$1,725,767 and \$176,374 for the Village's governmental and business-type activities, respectively, was charged to the following functions:

| Governmental Activities | Amount | Business-Type Activities | Amount |
|----------------------------|--------------|----------------------------|------------|
| General government | \$ 52,104 | Water | \$ 176,374 |
| Health and public safety | 11,633 | Total depreciation expense | \$ 176,374 |
| Parking | 9,123 | | |
| Public works | 1,433,152 | | |
| Police protection | 78,998 | | |
| Fire protection | 140,757 | | |
| Total depreciation expense | \$ 1,725,767 | | |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligation transactions of the Village for the year ended April 30, 2020:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year | Principal Due Within One Year |
|--|---------------------------------|---------------------|--------------------|---------------------------|-------------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Bonds: | | | | | |
| G.O. Alternative Revenue Refunding, 2012 | \$ 4,445,000 | \$ - | \$ 580,000 | \$ 3,865,000 | \$ 600,000 |
| Premium on Bonds | 174,754 | - | 23,270 | 151,484 | - |
| Total Bonds | <u>4,619,754</u> | <u>-</u> | <u>603,270</u> | <u>4,016,484</u> | <u>600,000</u> |
| G.O. Debt Certificates Series 2011 | 832,392 | - | 269,056 | 563,336 | 277,464 |
| Loans Payable | 1,078,945 | 265,877 | 214,156 | 1,130,666 | 320,974 |
| Net Pension Liability - Police Pension | 41,259,743 | 5,228,428 | 1,583,748 | 44,904,423 | - |
| Net Pension Liability - Fire Pension | 38,195,050 | 10,228,771 | 1,190,953 | 47,232,868 | - |
| Net Pension (Asset) Liability - IMRF | 1,287,825 | 1,819,960 | 3,382,059 | (274,274) | - |
| Total OPEB Liability | 3,473,322 | 516,640 | 122,171 | 3,867,791 | - |
| Compensated Absences | 825,321 | 805,832 | 778,900 | 852,253 | 809,533 |
| Total Governmental Long-Term Debt | <u>\$91,572,352</u> | <u>\$18,865,508</u> | <u>\$8,144,313</u> | <u>\$102,293,547</u> | <u>\$2,007,971</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | |
| G.O. Debt Certificates Series 2011 | \$ 157,608 | \$ - | \$ 50,944 | \$ 106,664 | \$ 52,536 |
| Loan Payable | 1,430,899 | - | 343,437 | 1,087,462 | 352,686 |
| Net Pension (Asset) Liability - IMRF | 66,214 | 206,490 | 296,771 | (24,067) | - |
| Compensated Absences | 16,024 | 12,360 | 13,751 | 14,633 | 12,322 |
| Total Business-type Long-Term Debt | <u>\$ 1,670,745</u> | <u>\$ 218,850</u> | <u>\$ 704,903</u> | <u>\$ 1,184,692</u> | <u>\$ 417,544</u> |

Components of Long-Term Obligations: Long-term obligations of the governmental activities at April 30, 2020 consist of the following individual issues:

General Obligation Debt Certificates Series 2011 \$3,055,000 principal to current refund the General Obligation Debt Certificates Series 2001, due in annual installments, interest payable each May 1 and November 1, matures serially through November 1, 2021, with interest ranging from 2% to 3%. The principal is payable from the General Fund and Water Fund (Enterprise Fund).

General Obligation Refunding Bonds Series 2012 \$6,745,000 principal to current refund the General Obligation Bonds series 2005, due in annual installments, interest payable each June 1 and December 1, matures serially through December 1, 2025, with interest ranging from 2% to 3%. The amount outstanding of the defeased bonds are \$4,255,000.

Loan Payable \$1,303,292 principal is for the purchase of street lights, formerly due May 15, 2013 with an interest rate of 3.25% was refinanced into a \$1,291,407 loan, due in installments of \$76,148, principal and interest payable semiannually, with an interest rate of 3.25%. Final maturity is on March 30, 2024. The principal is payable from the General Fund.

Loan Payable \$477,874 principal is for the purchase of equipment including an ambulance, trailer, chipper, loader, telephone system, and vehicle. Formerly due June 1, 2017 with an interest rate of 3.50%, it was refinanced into a \$471,407 loan, due in installments of \$5,989, principal and interest payable monthly, with an interest rate of 3.25%. Final maturity is on February 25, 2025. The principal is payable from the General Fund.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

Loan Payable \$240,000 principal is for the purchase of parking meter boxes, due in installments of \$10,339, principal and interest payable monthly, with an interest rate of 3.25%. Final maturity is on February 5, 2022. The principal is payable from the General Fund.

Loan Payable \$25,877 principal is for the purchase of a vehicle, due in installments of \$471, principal and interest payable monthly, with an interest rate of 3.50%. Final maturity is on July 1, 2024. The principal is payable from the General Fund. The Foreign Fire Insurance Tax Board has an agreement to reimburse the Village for the purchase of the vehicle in annual installments of \$5,200 over 5 years.

Debt Service Requirements to Maturity

A schedule of all future principal and interest obligations for the Village's general obligation bonds and debt certificates is as follows:

| Year Ending <u>April 30.</u> | <u>Debt Certificates 2011 *</u> | | <u>GO Refunding Bonds 2012</u> | |
|---------------------------------|---------------------------------|------------------|--------------------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2021 | \$ 330,000 | \$ 20,100 | \$ 600,000 | \$ 115,950 |
| 2022 | 340,000 | 10,200 | 615,000 | 97,950 |
| 2023 | - | - | 635,000 | 79,500 |
| 2024 | - | - | 650,000 | 60,450 |
| 2025 | - | - | 675,000 | 40,950 |
| 2026 | - | - | 690,000 | 20,700 |
| Totals | <u>\$ 670,000</u> | <u>\$ 30,300</u> | <u>\$ 3,865,000</u> | <u>\$ 415,500</u> |

*The repayment schedule for the Debt Certificates is for both governmental and business-type activities.

A schedule of future principal and interest for equipment loans of the Village is as follows:

| Year Ending <u>April 30.</u> | <u>Parking Lot Loan</u> | | <u>Vehicle Loan</u> | | <u>LED Lights Loan</u> | |
|---------------------------------|-------------------------|-----------------|---------------------|-----------------|------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2021 | \$ 118,668 | \$ 5,403 | \$ 4,950 | \$ 700 | \$ 134,986 | \$ 17,311 |
| 2022 | 101,735 | 1,529 | 5,124 | 525 | 139,371 | 12,925 |
| 2023 | - | - | 5,306 | 343 | 143,938 | 8,359 |
| 2024 | - | - | 5,495 | 154 | 148,650 | 3,648 |
| 2025 | - | - | 1,400 | 8 | - | - |
| Totals | <u>\$ 220,403</u> | <u>\$ 6,932</u> | <u>\$ 22,275</u> | <u>\$ 1,730</u> | <u>\$ 566,945</u> | <u>\$ 42,243</u> |

| Year Ending <u>April 30.</u> | <u>Equipment Note</u> | | <u>Total Loans Payable</u> | |
|---------------------------------|-----------------------|------------------|----------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2021 | \$ 62,370 | \$ 9,496 | \$ 320,974 | \$ 32,910 |
| 2022 | 64,410 | 7,455 | 310,640 | 22,434 |
| 2023 | 66,535 | 5,332 | 215,779 | 14,034 |
| 2024 | 68,724 | 3,139 | 222,869 | 6,941 |
| 2025 | 59,004 | 883 | 60,404 | 891 |
| Totals | <u>\$ 321,043</u> | <u>\$ 26,305</u> | <u>\$ 1,130,666</u> | <u>\$ 77,210</u> |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

Legal Debt Margin: Villages under Illinois law are subject to a debt limit since they are not home-rule units. Currently, the total outstanding debt of non-referendum bonding of Illinois villages is 8.625% of their assessed valuations. The Village at April 30, 2020 satisfies this requirement as follows:

| | | |
|--|------------|----------------|
| Assessed valuation for 2019 | | \$ 353,567,531 |
| At maximum outstanding debt rate | | 8.625% |
| Maximum debt | | 30,495,200 |
| Legal debt outstanding at April 30, 2020 | | |
| Series 2011 | \$ 670,000 | |
| Series 2012 | 3,865,000 | |
| Legal debt outstanding at April 30, 2020 | | 4,535,000 |
| Remaining Legal Debt Margin | | \$ 25,960,200 |

Business-Type Long-Term Debt: I.E.P.A. Loans issued June 13, 2002, and February 1, 2005 principal and interest payable each October 29 and April 29, matures serially starting October 29, 2003 through April 29, 2023, with an interest rate of 2.675%. The Village has been approved to borrow a total of \$8,076,363. The principal and interest are payable from the Water Fund. A schedule of all future debt obligations follows:

EPA Loan Schedule

Year Ending

April 30,

Principal

Interest

| | | |
|--------|--------------|-----------|
| 2021 | \$ 352,686 | \$ 26,729 |
| 2022 | 362,183 | 17,232 |
| 2023 | 372,593 | 7,478 |
| Totals | \$ 1,087,462 | \$ 51,439 |

NOTE 6 – INTERFUND ACTIVITY

The following transfers occurred during fiscal year 2020:

| | Transfer In | Transfer Out |
|--|--------------|--------------|
| Major Governmental Fund - General Fund | \$ 1,773,099 | \$ - |
| Major Governmental Fund - VIP Program Fund | - | 540,411 |
| Nonmajor Governmental Fund - Motor Fuel Tax Fund | - | 332,688 |
| Major Enterprise Fund - Water Fund | - | 900,000 |
| Total Transfers | \$ 1,773,099 | \$ 1,773,099 |

The transfers represent both routine and non-routine items. Generally, routine transfers occur to meet the operating purposes of another fund, such as the transfers by the Water of \$900,000, to the General Fund for unallocated operating and overhead expenses. Other routine transfers occur to reimburse the General Fund for road repair and maintenance expenditures covered by the Motor Fuel Tax and expenditures on behalf of TIF districts and debt service funds. Transfers to/from other funds offset one another and are therefore not reported in the Government-wide statement of activities.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 6 – INTERFUND ACTIVITY

The following interfund/advance balances existed as of April 30, 2020:

| | Advance/ Due From | Advance/ Due To |
|---|----------------------|--------------------|
| Major Governmental Fund - General Fund | \$ 4,801 | \$ 907,422 |
| Major Governmental Fund - IMRF | - | 4,801 |
| Proprietary Fund - Water Fund | 907,422 | - |
| Total Advances | \$ 912,223 | \$ 912,223 |
| | | |
| Major Governmental Fund - General Fund | \$ 325,499 | \$ 608,050 |
| Major Governmental Fund - Brown Street Station TIF Fund | - | 10,201 |
| Major Governmental Fund - Roosevelt/Hannah TIF Fund | - | 2,525 |
| Major Governmental Fund - 2002 Bond Fund | - | 1,406 |
| Major Governmental Fund - VIP Program Fund | - | 3,876 |
| Major Governmental Fund - IMRF | - | 261,389 |
| Nonmajor Governmental Funds | - | 46,102 |
| Proprietary Fund - Water Fund | 608,050 | - |
| Total Interfunds | \$ 933,549 | \$ 933,549 |

All interfund balances are temporary balances resulting mainly from funds being loaned by the Water fund for expenditures.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

Plan Description - The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent 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 County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

All three IMRF 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, 2019 the following employees were covered by the benefit terms:

| | |
|---|-------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 185 |
| Active Plan Members – Village | 50 |
| Active Plan Members – Library | <u>18</u> |
| Total | <u><u>253</u></u> |

Contributions: As set by statute, the Village’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village and Library’s annual required contribution rate for calendar year 2019 were 5.60%. For the fiscal year ended April 30, 2020, the Village contributed \$183,457 and the Library contributed \$49,902 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Net Pension Liability: The Village's net pension (asset) liability for IMRF was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension (asset) liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Actuarial Cost Method | Aggregate Entry Age Normal |
| Asset Valuation Method | Market value of assets |
| Price Inflation | 2.50% |
| Salary Increases | 3.35% to 14.25%, including inflation |
| Investment Rate of Return | 7.25% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016 |
| Mortality | For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. |

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2019 Illinois Municipal Retirement Fund annual actuarial valuation. The investment rate of return of 7.25% is unchanged from the prior year rate. There were no other significant changes in assumptions. There were no benefit changes since the prior measurement date. The Village is not aware of any changes that have occurred subsequent to the measurement date that are expected to have a significant effect on the net pension liability.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Expected return on pension plan investments: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|--------------------------|---|
| Domestic Equity | 37.00% | 5.75% |
| International Equity | 18.00% | 6.50% |
| Fixed Income | 28.00% | 3.25% |
| Real Estate | 9.00% | 5.20% |
| Alternative Investments | 7.00% | 3.60%-7.60% |
| Cash Equivalents | 1.00% | 1.85% |
| | <u>100.00%</u> | |

Discount rate: A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rates 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% which is the resulting single discount rate. This rate is unchanged from the previous measurement date. The last year the plan is expected to be fully funded is December 31, 2119.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in the Net Pension (Asset)/Liability for the IMRF plan - Village

| | Increase (Decrease) | | |
|-------------------------------------|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension (Asset)/Liability |
| | (a) | (b) | (a) - (b) |
| Balances at December 31, 2018 | \$ 19,975,199 | \$ 18,621,160 | \$ 1,354,039 |
| Changes for the year: | | | |
| Service Cost | 298,621 | - | 298,621 |
| Interest | 1,501,132 | - | 1,501,132 |
| Actuarial Experience | 229,635 | - | 229,635 |
| Assumption Changes | - | - | - |
| Contributions - Employer | - | 166,114 | (166,114) |
| Contributions - Employee | - | 133,486 | (133,486) |
| Net Investment Income | - | 3,379,229 | (3,379,229) |
| Benefit payments, including refunds | (899,695) | (899,695) | - |
| Other (net Transfer) | - | 2,939 | (2,939) |
| Net Changes | <u>1,129,693</u> | <u>2,782,073</u> | <u>(1,652,380)</u> |
| Balances at December 31, 2019 | <u>\$ 21,104,892</u> | <u>\$ 21,403,233</u> | <u>\$ (298,341)</u> |

Changes in the Net Pension (Asset)/Liability for the IMRF plan - Component Unit - Library

| | Increase (Decrease) | | |
|-------------------------------------|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension (Asset)/Liability |
| | (a) | (b) | (a) - (b) |
| Balances at December 31, 2018 | \$ 4,924,733 | \$ 4,527,823 | \$ 396,910 |
| Changes for the year: | | | |
| Service Cost | 70,502 | - | 70,502 |
| Interest | 277,180 | - | 277,180 |
| Actuarial Experience | 54,215 | - | 54,215 |
| Assumption Changes | - | - | - |
| Contributions - Employer | - | 39,219 | (39,219) |
| Contributions - Employee | - | 31,515 | (31,515) |
| Net Investment Income | - | 797,816 | (797,816) |
| Benefit payments, including refunds | (212,412) | (212,412) | - |
| Other (net Transfer) | - | 694 | (694) |
| Net Changes | <u>189,485</u> | <u>656,832</u> | <u>(467,347)</u> |
| Balances at December 31, 2019 | <u>\$ 5,114,218</u> | <u>\$ 5,184,655</u> | <u>\$ (70,437)</u> |

Sensitivity of the net pension (asset)/liability to changes in the discount rate: The following presents the net pension (asset)/liability of the Village, calculated using the discount rate of 7.25%, as well as what the Village's net pension (asset)/liability for IMRF plan would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

| IMRF Plan | 1% Decrease 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|--|----------------------|-----------------------------------|----------------------|
| Village's Net Pension (Asset)/Liability | \$ 2,420,543 | \$ (298,341) | \$ (2,487,052) |
| Component Unit - Library's Net Pension (Asset)/Liability | 571,475 | (70,437) | (587,178) |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2020 the Village recognized pension expense of \$238,906 and the Library recognized pension expense of \$15,619 for the IMRF plan. At April 30, 2020, the Village reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

| | Village | | Component Unit - Library | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| <u>Deferred Amounts Related to Pensions</u> | | | | |
| Deferred Amounts to be Recognized in Pension Expense in Future Periods | | | | |
| Differences between expected and actual experience | \$ 180,072 | \$ 41,305 | \$ 42,514 | \$ 9,752 |
| Changes of assumptions | 185,135 | 38,855 | 43,686 | 9,173 |
| Change in proportionate share | 94,030 | 94,030 | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 820,589 | - | 193,736 |
| Total Deferred Amounts to be recognized in pension expense in future periods | <u>459,237</u> | <u>994,779</u> | <u>86,200</u> | <u>212,661</u> |
| Pension Contributions made subsequent to the Measurement Date | <u>76,107</u> | - | <u>21,325</u> | - |
| Total Deferred Amounts Related to Pensions | <u>\$ 535,344</u> | <u>\$ 994,779</u> | <u>\$ 107,525</u> | <u>\$ 212,661</u> |

\$76,107 and \$21,325 reported as deferred outflows of resources related to pensions resulting from Village and Library contributions subsequent to the measurement date, respectively, will be recognized as a reduction of net pension (asset)/liability in the reporting year ended April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending | Village | Component Unit - Library |
|-----------------|--|--|
| | Net Deferred Outflows/ (Inflows) of Resources | Net Deferred Outflows/ (Inflows) of Resources |
| <u>April 30</u> | | |
| 2021 | \$ (24,431) | \$ (5,768) |
| 2022 | (183,925) | (43,424) |
| 2023 | 81,423 | 19,223 |
| 2024 | (408,609) | (96,492) |
| Thereafter | - | - |
| Total | <u>\$ (535,542)</u> | <u>\$ (126,461)</u> |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

POLICE PENSION

Plan Description: Police sworn personnel are covered by the Police Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. There is no separate, audited GAAP-basis Police Pension Plan report available.

At April 30, 2020, the Police Pension Fund plan membership consisted of:

| | |
|--|----|
| Inactive employees or beneficiaries currently receiving benefits | 44 |
| Inactive employees entitled to but not yet receiving benefits | 2 |
| Active Employees | 35 |
| Total | 81 |

The following is a summary of the Police Pension Fund plan as provided for in Illinois Compiled Statutes.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly pension of a police officer who retires with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee-contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for fiscal year 2020 were \$1,236,629. According to the State Statute, effective January 1, 2011, the Village has until the year 2041 to fund 90% of the past service costs for the Police Pension Plan.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended April 30, 2020, the Village's contribution was 36.57% of covered payroll. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Basis of Accounting - The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to net plan assets are recorded when earned and deductions from net plan assets are recorded when the time related liabilities are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Fixed-income securities are reported at fair market value. Short-term investments are reported a cost which approximates market value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. Gains and losses of investments represent the increase (decrease) of cost over market value.

Net Pension Liability: The Village's net pension liability for the Police Pension plan was measured as of April 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions (economic)

| | |
|-------------------------------------|---|
| Actuarial cost method | Entry Age Normal - Percentage of Pay |
| Asset valuation method | Five-year linear smoothing |
| Compensation increase | 0-2 years, 8.00%; 3+years, 4.00% |
| Projected increase in total payroll | 4.00% |
| Inflation | 2.50% |
| Investment rate of return | 6.00% |
| Municipal bond rate | 2.92%, High-quality tax-exempt 20-year general obligation |
| Cost of living increases | 1.25% per annual simple increase for Tier II |
| Compensation limit increase | 2.50% per annum increase for benefits for Tier II |
| Administrative expenses | \$63,000, assumed to increase at the inflation rate in future years |

Mortality rates were based on the PubS-2010 Healthy/Disabled and projected generationally with mortality improvement scale MP-2019 for healthy and disabled participants. The RP-2014 Mortality table adjusted to 2006 with projected generationally with mortality improvements scale MP-2019 was used for survivor beneficiaries.

Assumption changes: The assumed administrative expenses payable from the Fund was increased from \$62,000 to \$63,000. The mortality table assumptions were changed from the RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement scale MP-2018 to the PubS-2010 Healthy/Disabled and projected generationally with mortality improvement Scale MP-2019 for healthy and disable participants and to RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement scale MP-2019 for survivor beneficiaries.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Expected return on pension plan investments: The long-term expected rate of return on the Fund's investments has been selected as the best estimate of future investment return experience over the life of the Fund (from a participant's hire through the satisfaction of all benefit payments to the participants). The assumption was determined using a building-block approach based upon best-estimate ranges of expected future rates of return developed for each significant asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. The expected rate of return provided represent geometric averages. The expected rate of return and target allocation for each significant asset class has been provided by the professional investment advisor for the Fund and are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------|----------------------|---|
| U.S. Large Cap Equity | 27.00% | 5.69% |
| U.S. Mid Cap Equity | 3.00% | 6.08% |
| U.S. Small Cap Equity | 3.00% | 5.30% |
| International Developed | 16.00% | 4.71% |
| Emerging Markets | 8.00% | 6.28% |
| REITS | 3.00% | 4.71% |
| Fixed Income Securities | 37.00% | 1.37% |
| Cash | 3.00% | 0.79% |
| Total | <u>100.00%</u> | |

Discount rate: The discount rate is 6.00% at April 30, 2020, which is unchanged from the previous valuation. For each future year, the fiduciary net position of the Fund is determined by accounting for all projected future cash flows into and out of the Fund. Projected contributions into the Fund reflect current employee contribution rates (which are assumed to be unchanged) and expected employer contributions (based upon projected actuarially determined contributions under the funding contribution policy and actual historical and expected contribution patterns for the employer). To the extent the fiduciary net position of the Fund is sufficient to provide for the projected benefit payments in a given future year, the benefit payments are discounted using the long-term expected rate of return. If the fiduciary net position of the Fund is not sufficient to provide for the projected benefit payments in a given future year, the benefit payments are discounted using the municipal bond rate. The discount rate assumption is the single equivalent discount rate which would result in the same discounted value of future benefit payments determined pursuant to the description above. Because the Fund's projected fiduciary net position is always projected to be sufficient to cover the projected benefit payment of the Fund, the discount rate is equal to the long-term expected rate of return.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in the Net Pension Liability for the Police Pension plan:

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a) - (b) |
| Balances at May 1, 2019 | \$ 63,945,128 | \$ 22,685,385 | \$ 41,259,743 |
| Changes for the year: | | | |
| Service cost | 1,198,593 | - | 1,198,593 |
| Interest | 3,765,546 | - | 3,765,546 |
| Actuarial experience | - | - | - |
| Differences between expected and actual experience | 379,521 | - | 379,521 |
| Change in assumptions | (197,914) | - | (197,914) |
| Contributions - employer | - | 1,236,629 | (1,236,629) |
| Contributions - employee | - | 347,119 | (347,119) |
| Net investment income | - | (33,735) | 33,735 |
| Benefit payments, including refunds | (2,372,054) | (2,372,054) | - |
| Administrative expense | - | (48,947) | 48,947 |
| Net changes | <u>2,773,692</u> | <u>(870,988)</u> | <u>3,644,680</u> |
| Balances at April 30, 2020 | <u>\$ 66,718,820</u> | <u>\$ 21,814,397</u> | <u>\$ 44,904,423</u> |

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Village, calculated using the discount rate of 6.00%, as well as what the Village's net pension liability for Police Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

| | 1% Decrease 5.00% | Current Discount Rate 6.00% | 1% Increase 7.00% |
|---|-------------------------|-----------------------------------|-------------------------|
| Net Pension Liability - Police Pension plan | \$ 55,848,694 | \$ 44,904,423 | \$ 36,188,957 |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2020 the Village recognized pension expense of \$6,925,283 for the Police Pension plan. At April 30, 2020, the Village reported deferred inflows or resources and deferred outflows or resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 993,275 | \$ 121,485 |
| Changes of assumptions | 1,328,238 | 308,081 |
| Net difference between projected and actual earnings on investments | 1,284,651 | - |
| Total | <u>\$ 3,606,164</u> | <u>\$ 429,566</u> |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

| Year Ended April 30 | |
|------------------------|---------------------|
| 2021 | \$ 920,854 |
| 2022 | 1,028,297 |
| 2023 | 917,175 |
| 2024 | 310,272 |
| Total | <u>\$ 3,176,598</u> |

Rate of Return: For the year ended April 30, 2020, the annual money-weighted rate of return on Police pension plan investments, net of pension plan investment expense, was -0.16% percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

FIREFIGHTERS' PENSION

Plan Description: Firefighter sworn personnel are covered by the Firefighters' Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. There is no separate audited Firefighter's Pension Plan report available.

At April 30, 2020, the Firefighters' Pension Fund plan membership consisted of:

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 31 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active Employees | <u>23</u> |
| Total | <u>54</u> |

The following is a summary of the Firefighters' Pension Fund plan as provided for in Illinois State Statutes.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary.

Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions: Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts (not less than 9 1/4%) necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for 2020 were \$978,696. According to the State Statute, effective January 1, 2011, the Village has until the year 2041 to fund 90% of the past service costs for the Firefighters' Pension Plan. For the year ended April 30, 2020, the Village's contribution was 43.02% of covered payroll. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Basis of Accounting: The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to net plan assets are recorded when earned and deductions from net plan assets are recorded when the time related liabilities are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Fixed-income securities are reported at fair market values. Short-term investments are reported at cost which approximates market value. Investment income is recognized when earned. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. Gains and losses of investments represent the increase (decrease) of cost over market value.

Net Pension Liability: The Village's net pension liability for the Firefighters' Pension plan was measured as of April 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions (economic)

| | |
|-------------------------------------|---|
| Actuarial cost method | Entry Age Normal - Percentage of Pay |
| Asset valuation method | Five-year linear smoothing |
| Compensation increase | 0-2 years, 8.00%; 3+ years, 4.00% |
| Projected increase in total payroll | 4.00% |
| Inflation | 2.50% |
| Investment rate of return | 6.50% |
| Municipal bond rate | 2.92%, High-quality tax-exempt 20-year general obligation |
| Cost of living increases | 1.25% per annual simple increase for Tier II |
| Compensation limit increase | 2.50% per annum increase for benefits for Tier II |
| Administrative expense | \$39,000, assumed to increase at the inflation rate in future years |

Mortality rates were based on the PubS-2010 Healthy/Disabled and projected generationally with mortality improvement scale MP-2019 for healthy and disabled participants. The RP-2014 Mortality table adjusted to 2006 with projected generationally with mortality improvements scale MP-2019 was used for survivor beneficiaries.

Assumption changes: The assumed administrative expenses payable from the Fund was updated from \$34,000 to \$39,000. The mortality table assumptions were changed from the RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement scale MP-2018 to the PubS-2010 Healthy/Disabled and projected generationally with mortality improvement Scale MP-2019 for healthy and disable participants and to RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement scale MP-2019 for survivor beneficiaries. The assumed discount rate decreased from 4.84% to 4.10%.

Expected return on pension plan investments: The long-term expected rate of return on the Fund's investments has been selected as the best estimate of future investment return experience over the life of the Fund (from a participant's hire through the satisfaction of all benefit payments to the participants). The assumption was determined using a building-block approach based upon best-estimate ranges of expected future rates of return developed for each significant asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. The expected rate of return provided represent geometric averages. The expected rate of return and target allocation for each significant asset class has been provided by the professional investment advisor for the Fund and are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------------|-------------------|--|
| U.S. Large Cap Equity | 27% | 5.69% |
| U.S. Mid Cap Equity | 3% | 6.08% |
| U.S. Small Cap Equity | 3% | 5.30% |
| International Equity | 16% | 4.71% |
| Emerging Markets Equity | 8% | 6.28% |
| Real Estate Investment Trust | 3% | 4.71% |
| Fixed Income | 37% | 1.37% |
| Cash | 3% | 0.79% |
| Total | <u>100%</u> | |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Discount rate: The discount rate is 4.10% at April 30, 2020 which is a decrease of 0.74% from the discount rate of 4.84% at April 30, 2019. For each future year, the fiduciary net position of the Fund is determined by accounting for all projected future cash flows into and out of the Fund. Projected contributions into the Fund reflect current employee contribution rates (which are assumed to be unchanged) and expected employer contributions (based upon projected actuarially determined contributions under the funding contribution policy and actual historical and expected contribution patterns for the employer). To the extent the fiduciary net position of the Fund is sufficient to provide for the projected benefit payments in a given future year, the benefit payments are discounted using the long-term expected rate of return. If the fiduciary net position of the Fund is not sufficient to provide for the projected benefit payments in a given future year, the benefit payments are discounted using the municipal bond rate. The discount rate assumption is the single equivalent discount rate which would result in the same discounted value of future benefit payments determined pursuant to the description above. The municipal bond rate of the Fidelity Municipal General Obligation AA index as of April 30, 2020 was 2.92% and was used for the years of 2040-2063 in the projections.

Changes in the Firefighters' Net Pension Liability:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances at May 1, 2019 | \$ 53,757,787 | \$ 15,562,737 | \$ 38,195,050 |
| Changes for the year: | | | |
| Service cost | 1,229,126 | - | 1,229,126 |
| Interest | 2,557,030 | - | 2,557,030 |
| Differences between expected and actual experience | (268,946) | - | (268,946) |
| Changes in assumptions | 6,402,431 | - | 6,402,431 |
| Contributions - employer | - | 978,696 | (978,696) |
| Contributions - employee | - | 211,985 | (211,985) |
| Net investment income | - | (268,173) | 268,173 |
| Benefit payments, including refunds | (1,853,172) | (1,853,172) | - |
| Administrative expense | - | (40,685) | 40,685 |
| Net changes | 8,066,469 | (971,349) | 9,037,818 |
| Balances at April 30, 2020 | <u>\$ 61,824,256</u> | <u>\$ 14,591,388</u> | <u>\$ 47,232,868</u> |

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Village, calculated using the discount rate of 4.10%, as well as what the Village's net pension liability for the Firefighters' Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

| | 1% Decrease 3.10% | Current Discount Rate 4.10% | 1% Increase 5.10% |
|--|-------------------------|-----------------------------------|-------------------------|
| Net Pension Liability Firefighters' Pension plan | \$ 58,226,384 | \$ 47,232,868 | \$ 38,566,099 |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2020 the Village recognized pension expense of \$8,364,974 for the Firefighters' Pension plan.

At April 30, 2020, the Village reported deferred inflows or resources and deferred outflows or resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 97,017 | \$ 1,032,708 |
| Changes of assumptions | 13,968,681 | 89,828 |
| Net difference between projected and actual earnings on investments | 935,229 | - |
| Total | \$ 15,000,927 | \$ 1,122,536 |

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

| Year Ended April 30 | \$ | |
|------------------------|----|------------|
| 2021 | \$ | 4,473,839 |
| 2022 | | 4,559,691 |
| 2023 | | 4,593,481 |
| 2024 | | 251,380 |
| Total | \$ | 13,878,391 |

Rate of Return: For the year ended April 30, 2020, the annual money-weighted rate of return on the Firefighters' pension plan investments, net of pension plan investment expense, was -1.74 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Pension Plan Information

Fiduciary Net Position:

| | Police Pension <u>Trust Fund</u> | Firefighters' Pension <u>Trust Fund</u> | <u>Total</u> |
|--------------------------------------|--|---|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,342,974 | \$ 947,949 | \$ 2,290,923 |
| Investments | | | |
| Corporate bonds | 1,705,693 | 2,115,223 | 3,820,916 |
| Government securities | 6,141,899 | 3,058,497 | 9,200,396 |
| Mutual funds | 11,116,494 | 8,438,764 | 19,555,258 |
| Insurance contracts | 1,468,404 | - | 1,468,404 |
| Total investments | 20,432,490 | 13,612,484 | 34,044,974 |
| Interest receivable | 33,492 | 33,420 | 66,912 |
| Prepaid items | 8,644 | 1,277 | 9,921 |
| Total assets | <u>21,817,600</u> | <u>14,595,130</u> | <u>36,412,730</u> |
| LIABILITIES | | | |
| Accounts payable | 3,203 | 3,742 | 6,945 |
| Total liabilities | <u>3,203</u> | <u>3,742</u> | <u>6,945</u> |
| NET POSITION | | | |
| Net position restricted for pensions | <u>\$21,814,397</u> | <u>\$14,591,388</u> | <u>\$36,405,785</u> |

Changes in Plan Net Position:

| | Police Pension <u>Trust Fund</u> | Firefighters' Pension <u>Trust Fund</u> | <u>Total</u> |
|---|--|---|---------------------|
| ADDITIONS | | | |
| Contributions | | | |
| Employer | \$ 1,236,629 | \$ 978,696 | \$ 2,215,325 |
| Plan members | 347,119 | 211,985 | 559,104 |
| Total contributions | <u>1,583,748</u> | <u>1,190,681</u> | <u>2,774,429</u> |
| Investment earnings | | | |
| Net Change in Fair Value of Investments | 624,942 | (699,919) | (74,977) |
| Interest | (606,472) | 468,953 | (137,519) |
| Less investment Expense | (52,205) | (37,207) | (89,412) |
| Net investment income | <u>(33,735)</u> | <u>(268,173)</u> | <u>(301,908)</u> |
| Total additions | <u>1,550,013</u> | <u>922,508</u> | <u>2,472,521</u> |
| DEDUCTIONS | | | |
| Benefits and refunds | 2,372,054 | 1,853,172 | 4,225,226 |
| Administrative expenses | 48,947 | 40,685 | 89,632 |
| Total deductions | <u>2,421,001</u> | <u>1,893,857</u> | <u>4,314,858</u> |
| Increase (decrease) in net position | (870,988) | (971,349) | (1,842,337) |
| Plan net position at beginning of year | <u>22,685,385</u> | <u>15,562,737</u> | <u>38,248,122</u> |
| Plan net position at end of year | <u>\$21,814,397</u> | <u>\$14,591,388</u> | <u>\$36,405,785</u> |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Summary:

| | IMRF | Police Pension Fund | Firefighters' Pension Fund | Total |
|--------------------------------|------------|------------------------|-------------------------------|------------|
| Net Pension Asset | \$ 368,778 | \$ - | \$ - | \$ 368,778 |
| Net Pension Liability | - | 44,904,423 | 47,232,868 | 92,137,291 |
| Deferred Outflows of Resources | 642,869 | 3,606,164 | 15,000,927 | 19,249,960 |
| Deferred Inflows of Resources | 1,207,440 | 429,566 | 1,122,536 | 2,759,542 |
| Pension Expense | 238,905 | 6,925,283 | 8,364,974 | 15,529,162 |

| | Governmental Activities | Business-Type Activities | Library | Total |
|--------------------------------|----------------------------|-----------------------------|-----------|------------|
| Net Pension Asset | \$ 274,274 | \$ 24,067 | \$ 70,437 | \$ 368,778 |
| Net Pension Liability | 92,137,291 | - | - | 92,137,291 |
| Deferred Outflows of Resources | 19,112,975 | 29,460 | 107,525 | 19,249,960 |
| Deferred Inflows of Resources | 2,380,188 | 166,693 | 212,661 | 2,759,542 |
| Pension Expense | 15,499,629 | 13,914 | 15,619 | 15,529,162 |

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Village of Forest Park Health Insurance for Retired Employees

Plan Description. The Village provides benefits under the Health Insurance Plan (the “Plan”) for Retired Employees pursuant to the Illinois Insurance Code, Chapter 215, Article 5, Section 367. Group Accident and Health Insurance Continuance Privilege (with separate provisions for respective municipal employees). The Plan is a single employer OPEB plan. Employees who retire or become disabled and who are eligible to begin receiving pension benefits pursuant to the Illinois Pension Code may continue welfare benefit coverage under the municipality’s group policy. For this purpose, a fire or police employee is eligible if they have attained the requisite years of creditable services to receive a pension benefit; a municipal employee is eligible if they have attained both the requisite age and requisite years or creditable service to receive a pension benefit. The employee need only be eligible; they do not need to have commenced their pension benefits. The Plan provides continuation of medical prescription drug, vision, and dental group insurance coverage. Retirees and their spouses may continue insurance coverage under the Plan for their lifetimes, provided they pay the required premium for coverage.

The Village Council has the authority of establishing and amending benefits offered by this plan. There is no separate, audited GAAP-basis postemployment benefit plan report available. At May 1, 2019 (the most recent actuarial valuation date), the OPEB plan membership consisted of:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 16 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active employees | 93 |
| Total | 109 |

Contributions: The Plan does not have an actuarially determined contribution as the current total OPEB Liability is an unfunded obligation. The Village does not have a trust dedicated to the payment of OPEB benefits. The Village did make benefit payments from other Village resources for the year ended April 30, 2020 of \$122,171.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability: The Village's total OPEB liability was measured as of April 30, 2020 and the total OPEB liability was determined by an actuarial valuation as of the prior year using the following actuarial methods and assumptions:

| <u>Actuarial Assumptions (economic)</u> | |
|---|--|
| Discount rate used for the total OPEB liability | 2.92% |
| Fidelity Municipal G.O. AA Index rate | 2.92% |
| Projected individual salary increases | 4.00% |
| Premium ranges - claims | \$4,527 - \$15,011 |
| Initial healthcare cost trend rate | 6.50% |
| Ultimate healthcare cost trend rate | 4.00% |
| <u>Actuarial Assumptions (demographic)</u> | |
| Mortality table | PubS-2010 Healthy/Disabled Retiree Mortality Table projected generationally with mortality improvement Scale MP-2019 for healthy participants and disabled retirees, respectively. RP-2014 Study, with Blue Collar Adjustment. Improved generationally using MP-2019 Improvement Rates for survivor beneficiaries. |
| Retirement rates | For IMRF employees, 7.25%-33.00% for age 55 depending on years of service to 20%-50% for age 69 depending on years of service before 100% being used for age 70+. For Police, 35% for age 50 to 50% for age 55-59 before 100% being used for age 60+. For Fire 25% for age 50 to 40% for age 55-59 before 100% being used for age 60+. |
| Withdrawal rates | For IMRF Employees withdrawal rates at 24% for 0 years of service to 5.5% for 7 years of service. After 7 years, starting at age 20 the rate is 4.10% to 2.0% at age 50+. Rates from the September 26, 2012 Illinois Department of Insurance Experience Study for Police and Fire Participants. |
| Disability rates | Rates from the September 26, 2012 Illinois Department of Insurance Experience Study for Police and Fire Participants. |
| Marriage | 80% of active participants are assumed to be married at retirement and elect to cover their spouse. |

Assumption changes: The assumed rate on Fidelity Municipal G.O. AA Index rate was changed from 3.35% to 2.92% for the current year. The underlying index used is Fidelity GO AA Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The change was made to reflect the actuaries understanding of the requirements of GASB under Statement No. 75.

Discount rate: The discount rate used to measure the total OPEB liability was 2.92% for determining the liability. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds. The underlying index used is the Fidelity Municipal General Obligation AA Index as of April 30, 2020. The Fidelity GO AA Index uses a proprietary curve fitting model to estimate yield levels across possible maturities. The yield curve is constructed using option adjusted analytics of a diverse population of over 100,000 tax-exempt securities. As identified by Fidelity, the index represents a theoretical yield and not an actual price or yield quotation. The index is determined from the constructed smooth yield curve based on the methodology described in this paragraph.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Changes in the Total OPEB Liability:

| | Increase (Decrease) |
|-------------------------------------|-------------------------|
| | Total OPEB Liability |
| Balances at April 30, 2019 | \$ 3,473,322 |
| Changes for the year: | |
| Service cost | 260,274 |
| Interest | 114,310 |
| Actuarial experience | - |
| Assumptions changes | 142,056 |
| Contributions - employer | - |
| Contributions - employee | - |
| Net investment income | - |
| Benefit payments, including refunds | (122,171) |
| Administrative expense | - |
| Net changes | 394,469 |
| Balances at April 30, 2020 | \$ 3,867,791 |

OPEB Expense: For the year ended, April 30, 2020, the Village recognized OPEB expense of \$405,998.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At April 30, 2020, the Village reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources |
|------------------------|-----------------------------------|
| Changes of assumptions | \$ 206,244 |

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

| Year Ended April 30 | Deferred Outflows of Resources |
|------------------------|-----------------------------------|
| 2020 | \$ 31,414 |
| 2021 | 31,414 |
| 2022 | 31,414 |
| 2023 | 31,414 |
| 2024 | 31,414 |
| Thereafter | 49,174 |
| Total | \$ 206,244 |

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended April 30, 2020

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Rate Sensitivity: The following rate sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.92% as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--------------------------------|----------------|--------------------------|----------------|
| | 1.92% | 2.92% | 3.92% |
| Village's Total OPEB Liability | \$ 4,228,284 | \$ 3,867,791 | \$ 3,540,151 |

The table below presents the total OPEB liability of the Village calculated using the healthcare cost trend rate of 6.50% currently with 4.00% ultimate rate in 2076, as well as what the Village's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|--------------------------------|----------------|--|----------------|
| | (Varies) | (Varies) | (Varies) |
| Village's Total OPEB Liability | \$ 3,393,365 | \$ 3,867,791 | \$ 4,427,562 |

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. Medical and liability risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

NOTE 10 - FUND BALANCES

Restricted for Separate Tax Levies

Included in the General Fund's balance are the financial position and results of operations of five separate tax levies. The Village considers these five tax levies as departments of the General Fund since none of these "funds" are self-sufficient. The changes in the fund balances of these tax levies for the fiscal year ended April 30, 2020 are as follows:

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended April 30, 2020

NOTE 10 - FUND BALANCES (Continued)

| | Restricted Fund Balance | Revenue | | Expenditures | Restricted Fund Balance |
|-----------------------|-------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| | May 1, 2019 | Specified | Subsidized | | April 30, 2020 |
| | | | | | |
| Fire Protection | \$ - | \$ 1,677,101 | \$ 1,379,752 | \$ 3,056,853 | \$ - |
| Trees and Forestry | - | 77,250 | 159,919 | 237,169 | - |
| Insurance | - | 309,000 | 688,607 | 997,607 | - |
| Playground/Recreation | 639,904 | - | - | 14,166 | 625,738 |
| Police Protection | - | 1,802,500 | 3,007,753 | 4,810,253 | - |
| Totals | <u>\$ 639,904</u> | <u>\$ 3,865,851</u> | <u>\$ 5,236,031</u> | <u>\$ 9,116,048</u> | <u>\$ 625,738</u> |

Subsidized revenue, per above, is the subsidy needed from the Village to fund the total expenditures of the five separate tax levies.

Deficit Fund Equity: The following funds had deficit fund balances/net position as of April 30, 2020. These balances are expected to be reduced through future revenues or transfers

| | |
|------------------------------------|------------|
| General Fund | \$ 542,855 |
| Illinois Municipal Retirement Fund | 266,190 |
| Social Security Fund | 42,206 |

NOTE 11 - FRANCHISE FEES

The Village has granted two franchises, one to AT&T (formerly SBC/Ameritech) for telephone service and one to AT&T Comcast (formerly Media One of Northern Illinois, Inc., a division of AT&T).

The AT&T franchise agreement dated November 19, 1984 provides that the Village will share in the aggregate franchise payment AT&T pays to all Illinois municipalities (except Chicago). The aggregate franchise fee is negotiated between the State and AT&T. The franchise fee is allocated to the Village based on the number of access lines into the community. Franchise fees are paid monthly to the Village. The franchise can be terminated by either party with 60-day written notice.

The Media One of Northern Illinois, Inc., a division of AT&T, franchise agreement dated June 12, 2000, is a 15-year agreement for the operation of cable television in the Village. The contract is continued under the successor company, Comcast Corp. As of 2002, the franchise fee is 5% of gross revenues and is paid to the Village quarterly for sales in the preceding quarter.

NOTE 12 - TAX INCREMENT FINANCING

Forest Park Mall TIF

The Village issued \$6,200,000 of General Obligation Tax Increment Bonds Series 1994 to fund certain eligible costs within its Forest Park Mall Tax Increment Financing (TIF) District. The original Series 1994 was refunded in fiscal year 2003 with General Obligation Refunding Tax Increment Bonds Series 2002. The principal economic activity stimulated was the construction and subsequent opening of a Wal-Mart Store.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 12 - TAX INCREMENT FINANCING (Continued)

Roosevelt-Hannah TIF

The Village entered into a redevelopment agreement with the Living Word Christian Center (LWCC) to redevelop what was then known as the Forest Park Mall. The area comprising the shopping plaza was a part of the original Forest Park Mall TIF which at the time was used to make debt service payments on the original debt (see above). The shopping plaza acquired by LWCC was separated from the Forest Park Mall TIF area in 2002 and the area east of the Wal-Mart to Hannah Avenue was named the Roosevelt-Hannah TIF.

Upon satisfaction of the conditions contained in the agreement, the Village agrees to reimburse eligible costs from TIF funds to LWCC annually as follows: 50% of tax increment; and 50% of municipal sales taxes (MST) generated by new businesses opening in the shopping plaza. This agreement expired upon payment of a total of \$4,900,000.

In addition, the TIF funds are used to make debt service payments on the Series 2003A Bond, which financed initial eligible costs.

In an additional business development agreement with SVT, LLC, doing business as Ultra Foods, the Village agreed to pay to SVT \$78,000 per year for two years, and 50% of MST generated in years 10 through 20 of the lease with LWCC, not to exceed \$1,260,000. Ultra Foods closed in June 2017 and this agreement was terminated. The total paid per the agreement was \$382,918.

The Village also entered into a business development agreement with GCC Company doing business as Living Fresh Market in March 2018 in which the Village agreed to pay \$5,000 for every \$1,000,000 of gross receipts of Living Fresh Market for 8 years, with payments not to exceed \$450,000.

Brown Street Station TIF

In 2000, the Village formed the Brown Street Station TIF for the far northeast area of town to Harlem Avenue and south along Harlem to Dixon. Property Tax increment has been accumulating and at the beginning of fiscal year 2020 totaled \$6,930,713. There is currently an agreement between the Village and Nunley LLC Elite Tire.

During fiscal year 2020, the Brown Street Station area was enhanced at the cost of \$1,675,394 for redevelopment improvements. Further infrastructure improvements will be made as necessary in anticipation of the area being developed.

Roosevelt Road Corridor TIF

In January 2015, the Village formed the Roosevelt Road Corridor TIF for parcels north and south of Roosevelt Road from approximately Des Plaines Avenue on the Corridor and Harlem Avenue on the east and the parcels east and west of Circle Avenue from Roosevelt Road to 16th Street. Incremental revenue began in tax year 2016 and accumulated property tax increment as of the beginning of fiscal year 2020 totals \$783,647.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENTS AND TAX ABATEMENTS

Currie Motors Chevrolet: On May 1, 2010, the Village entered into an agreement with Currie Motors Chevrolet to reimburse Currie for costs associated with opening a new expanded facility on Roosevelt Road. Under the terms, the Village agrees to rebate 50% of municipal sales taxes generated above \$50,000 per year for 15 years up to maximum of \$1,250,000.

As of April 30, 2020, the Village has paid \$1,250,000 to Currie Motors Chevrolet.

Hawk Chrysler Dodge Jeep: On March 12, 2012, the Village entered into an agreement with Hawk Chrysler Dodge Jeep to reimburse the company for costs associated with expanding their current facility on Roosevelt Road. Under the terms, the Village agrees to rebate 60% of municipal sales taxes generated (above a base sales tax revenue amount of \$195,000) for years 1 through 7, and 35% of municipal sales taxes generated for years 8 through 10, up to a maximum of \$700,000.

As of April 30, 2020, the Village has paid \$700,000 to Hawk Chrysler Dodge Jeep.

Grand Appliance, Inc.: On March 27, 2012, the Village entered into an agreement with 7436-40 Madison Street, LLC to facilitate the redevelopment, remodeling and upgrading of the property to be leased by Grand Appliance, Inc. located at 7436-7440 Madison Street in Forest Park. Under the terms, the Village agrees to rebate 60% of municipal sales taxes generated (above an annual base sales tax revenue amount of \$500,000) for years 1 through 7, and 35% of municipal sales taxes generated for years 8 through 10, up to a maximum of \$300,000.

As of April 30, 2020, the Village has paid \$107,395 to Grand Appliance, Inc.

Cook County Class 6b Property Tax Incentive Program: Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village is affected by Cook County's Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Municipalities have granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the Village and the other impacted taxing districts than would have been generated if the development had not occurred. The Village's tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ending April 30, 2020, the Village's share of the abatement granted to the Class 6b properties was approximately \$53,000.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 14 - FOREST PARK PUBLIC LIBRARY

Cash and Investments

Permitted Deposits and Investments – Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits – At year end, the carrying amount of the Library's deposits totaled \$861,638 and the bank balances totaled \$883,298. Additionally, at year end the Library has \$696,244 invested in the Illinois Funds.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy states that investments will be made only in securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. The policy further states that the fund should maintain sufficient liquidity to meet current obligations and those reasonably to be anticipated. Specifically, investments should be managed to meet liquidity needs for the current month plus one month (based on forecasted needs) and any reasonably anticipated special needs. The Library's investment in the Illinois Funds has a maturity of less than one year.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under state statute, the Library's investment policy states that investments are to be limited to securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. At year end, the Library's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy states deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage unless adequately collateralized pursuant to regulations of the Federal Reserve regarding custody and safekeeping of collateral. At year end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's investment policy does not specifically address custodial credit risk for investments. At year end, the Library's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy states funds should be diversified appropriately to the nature and amount of the funds. At year end, the Library's investment in the Illinois Funds represents more than 5% of the total cash and investments portfolio.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Property Taxes

The Library submits its tax levy to the Village Council of the Village of Forest Park, Illinois for approval. Once approved, the Village submits the Library's tax levy to the Cook County Clerk's office. The Library's property taxes are levied each calendar year on all taxable real property located within the Library District and accrued as unavailable revenue in the fiscal year of levy. Property taxes due within the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. The Cook County Assessor is responsible for assessment of all taxable real property within Cook County.

The Cook County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the Cook County Collector as the basis for issuing tax bills to Cook County taxpayers. The Cook County Collector collects all property taxes and submits them to the County Treasurer, who remits them to the Library. Taxes must be levied by the last Tuesday in December and are payable in two installments, on March 1 and August 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the levy year.

Capital Assets

| | <u>Balance at</u> <u>May 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at</u> <u>April 30, 2020</u> |
|---|---|---------------------|------------------|--|
| Capital assets not being depreciated: | | | | |
| Land | \$ 134 | \$ - | \$ - | \$ 134 |
| Construction in progress | <u>70,820</u> | <u>-</u> | <u>70,820</u> | <u>-</u> |
| Total capital assets not being depreciated: | <u>70,954</u> | <u>-</u> | <u>70,820</u> | <u>134</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 1,757,065 | 1,528,959 | - | 3,286,024 |
| Furniture and equipment | 226,447 | 157,842 | - | 384,289 |
| Computer equipment | 224,270 | - | - | 224,270 |
| Collections | <u>1,081,242</u> | <u>101,780</u> | <u>240,280</u> | <u>942,742</u> |
| Subtotal | <u>3,289,024</u> | <u>1,788,581</u> | <u>240,280</u> | <u>4,837,325</u> |
| Accumulated depreciation | | | | |
| Buildings | (1,014,806) | (59,775) | - | (1,074,581) |
| Furniture and equipment | (202,862) | (7,341) | - | (210,203) |
| Computer equipment | (202,709) | (11,505) | - | (214,214) |
| Collections | <u>(559,872)</u> | <u>(202,398)</u> | <u>(240,280)</u> | <u>(521,990)</u> |
| Subtotal | <u>(1,980,249)</u> | <u>(281,019)</u> | <u>(240,280)</u> | <u>(2,020,988)</u> |
| Total capital assets being depreciated, net | <u>1,308,775</u> | <u>1,507,562</u> | <u>-</u> | <u>2,816,337</u> |
| Capital assets, net | <u>\$ 1,308,909</u> | <u>\$ 1,507,562</u> | <u>\$ -</u> | <u>\$ 2,816,471</u> |

Depreciation expense of \$281,019 was charged to the public library function.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Long-Term Debt

| | <u>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending</u> | <u>Amounts Due</u> |
|--------------------------------------|------------------|------------------|------------------|----------------|--------------------|
| | <u>Beginning</u> | | | <u>Balance</u> | <u>Within</u> |
| | | | | | <u>One Year</u> |
| Net Pension (Asset) Liability - IMRF | \$ 396,910 | \$ - | \$ 467,347 | \$ (70,437) | \$ - |

Net Position Restrictions

The following is a summary of the changes in restricted net position during the year:

| | <u>Beginning</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending</u> |
|------------------------|-------------------|------------------|------------------|-------------------|
| | <u>Balances</u> | | | <u>Balances</u> |
| General Fund | | | | |
| Unemployment Insurance | \$ 2,284 | \$ 120 | \$ - | \$ 2,404 |
| Workers Compensation | 43,238 | - | 13,636 | 29,602 |
| Special Revenue Funds | | | | |
| Audit | 2,482 | - | 1,295 | 1,187 |
| Liability Insurance | - | 7,808 | - | 7,808 |
| Social Security | 12,767 | - | 1,711 | 11,056 |
| IMRF | 59,258 | 29,523 | - | 88,781 |
| Total | <u>\$ 120,029</u> | <u>\$ 37,451</u> | <u>\$ 16,642</u> | <u>\$ 140,838</u> |

Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library carries commercial insurance for all risks of loss including worker's compensation and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past fiscal year.

Employee Retirement System – Defined Benefit Pension Plan

Illinois Municipal Retirement System: See Note 8 for disclosures.

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. Upon the Village's adoption of GASB Statement No 95, effective date for the Statement was delayed for the Village until their fiscal year ended April 30, 2021. This Statement will have no effect on the Village.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Upon the Village's adoption of GASB Statement No 95, effective date for the Statement was delayed for the Village until their fiscal year ended April 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Upon the Village's adoption of GASB Statement No 95, effective date for the Statement was delayed for the Village until their fiscal year ended April 30, 2023. Management has not determined what impact, if any, this statement will have on its financial statements.

In April 2018, GASB issued Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Upon the Village's adoption of GASB Statement No 95, effective date for the Statement was delayed for the Village until their fiscal year ended April 30, 2021. Management has not yet determined the impact of this statement on the basic financial statements.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Upon the Village's adoption of GASB Statement No 95, effective date for the Statement was delayed for the Village until their fiscal year ended April 30, 2022. Management has not yet determined the impact of this statement on the basic financial statements.

In August 2018, GASB issued Statement No. 90 *Majority Equity Interest*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization to improve the relevance of financial statement information. Upon the Village's adoption of GASB Statement No 95, effective date for the Statement was delayed for the Village until their fiscal year ended April 30, 2021. This Statement will have no effect on the Village.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Upon the Village's adoption of GASB Statement No 95, effective date for the Statement was delayed for the Village until their fiscal year ended April 30, 2023. Management has not yet determined the impact of this statement on the Village's financial statements.

In January 2020, GASB issued Statement No. 92, *Ominibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The requirements of this Statement are effective for the Village's fiscal year ended April 30, 2023. Management has not yet determined the impact of this statement on the Village's financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objectives of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for the Village's fiscal year ended April 30, 2022. Management has not yet determined the impact of this statement on the Village's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for the Village's fiscal year ended April 30, 2024. Management has not yet determined the impact of this statement on the Village's financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for the Village's fiscal year ended April 30, 2024. Management has not yet determined the impact of this statement on the Village's financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2020

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the Village's fiscal year-ended April 30, 2023. Management has not yet determined the impact of this statement on the Village's financial statements.

NOTE 16 – SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus surfaced (COVID-19), and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Village could be materially adversely affected in the future. The extent to which the coronavirus may impact revenues, expenses, or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others. Additionally, significant estimates, as discussed in note 1, which include but are not limited to valuation of net pension asset and liabilities, total OPEB liability, and others may be materially and adversely impacted by further impacts related to the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION
 VILLAGE'S HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES
 SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
 Last Two Fiscal Years

| | 2020 | 2019 |
|---|---------------------|---------------------|
| <u>Total OPEB Liability</u> | | |
| Service Cost | \$ 260,274 | \$ 235,776 |
| Interest on the Total OPEB Liability | 114,310 | 113,950 |
| Changes of Benefit Terms | - | - |
| Differences Between Expected and Actual Experience of the Total OPEB Liability | - | - |
| Changes of Assumptions | 142,056 | 109,259 |
| Benefit Payments, Including Refunds of Employee Contributions | (122,171) | (114,179) |
| Other Changes | - | - |
| Net Change in Total OPEB Liability | <u>394,469</u> | <u>344,806</u> |
| Total OPEB Liability - Beginning | <u>3,473,322</u> | <u>3,128,516</u> |
| Total OPEB Liability - Ending | <u>\$ 3,867,791</u> | <u>\$ 3,473,322</u> |
| Covered Employee Payroll | \$ 7,178,340 | \$ 7,178,340 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 53.88% | 48.39% |

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. There is no separate trust established for the OPEB plan.

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN ILLINOIS MUNICIPAL RETIREMENT FUND NET PENSION LIABILITY
 AND RELATED RATIOS
 Last Five Fiscal Years

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | |
| Service Cost | \$ 369,123 | \$ 356,262 | \$ 429,680 | \$ 406,200 | \$ 429,801 |
| Interest | 1,778,312 | 1,705,743 | 1,728,927 | 1,680,274 | 1,600,638 |
| Changes of Benefit Terms | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 283,850 | 114,066 | (731,199) | (519,230) | (41,693) |
| Changes of Assumptions | - | 694,997 | (687,847) | (29,593) | 28,247 |
| Benefit Payments and Refunds | <u>(1,112,107)</u> | <u>(1,072,495)</u> | <u>(951,436)</u> | <u>(909,773)</u> | <u>(917,151)</u> |
| Net Change in Total Pension Liability | 1,319,178 | 1,798,573 | (211,875) | 627,878 | 1,099,842 |
| Total Pension Liability - Beginning | <u>24,899,932</u> | <u>23,101,359</u> | <u>23,313,234</u> | <u>22,685,356</u> | <u>21,585,514</u> |
| Total Pension Liability - Ending (a) | <u>\$ 26,219,110</u> | <u>\$ 24,899,932</u> | <u>\$ 23,101,359</u> | <u>\$ 23,313,234</u> | <u>\$ 22,685,356</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions - Employer | \$ 205,333 | \$ 336,163 | \$ 351,469 | \$ 363,038 | \$ 371,684 |
| Contributions - Employee | 165,001 | 163,362 | 176,965 | 173,610 | 173,145 |
| Net Investment Income | 4,177,045 | (1,191,284) | 3,674,190 | 1,468,842 | 107,707 |
| Benefit Payments and Refunds | (1,112,107) | (1,072,495) | (951,436) | (909,773) | (917,151) |
| Other | <u>3,633</u> | <u>254,949</u> | <u>(359,962)</u> | <u>(498,946)</u> | <u>(292,733)</u> |
| Net Change in Plan Fiduciary Net Position | 3,438,905 | (1,509,305) | 2,891,226 | 596,771 | (557,348) |
| Plan Fiduciary Net Position - Beginning | <u>23,148,983</u> | <u>24,658,288</u> | <u>21,767,062</u> | <u>21,170,291</u> | <u>21,727,639</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 26,587,888</u> | <u>\$ 23,148,983</u> | <u>\$ 24,658,288</u> | <u>\$ 21,767,062</u> | <u>\$ 21,170,291</u> |
| Village's Net Pension Liability (a-b) | <u>\$ (368,778)</u> | <u>\$ 1,750,949</u> | <u>\$ (1,556,929)</u> | <u>\$ 1,546,172</u> | <u>\$ 1,515,065</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 101.41% | 92.97% | 106.74% | 93.37% | 93.32% |
| Covered Payroll | \$ 3,666,662 | \$ 3,630,272 | \$ 3,791,476 | \$ 3,857,997 | \$ 3,847,656 |
| Village's Net Pension Liability as a Percentage of Covered Payroll | -10.06% | 48.23% | -41.06% | 40.08% | 39.38% |

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note to the Required Supplementary Information:

The discount rate changed from 7.50% as of the December 31, 2017 measurement date to 7.25% as of the December 31, 2018 measurement date.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT FUND CONTRIBUTIONS
 Last Ten Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Actuarially determined contribution | \$ 233,359 | \$ 286,064 | \$ 348,083 | \$ 365,399 | \$ 364,675 | \$ 413,686 | \$ 342,681 | \$ 415,230 | \$ 432,089 | \$ 362,867 |
| Contributions in relation to the actuarially determined contribution | <u>233,359</u> | <u>286,064</u> | <u>348,083</u> | <u>365,399</u> | <u>364,675</u> | <u>413,686</u> | <u>342,681</u> | <u>415,230</u> | <u>432,089</u> | <u>354,321</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ 8,546</u> |
| Covered payroll | \$ 3,666,662 | \$ 3,579,110 | \$ 3,756,331 | \$ 3,900,958 | \$ 3,808,302 | \$ 4,304,781 | \$ 3,913,496 | \$ 3,770,504 | \$ 3,652,956 | \$ 3,564,667 |
| Contributions as a percentage of covered payroll | 6.36% | 7.99% | 9.27% | 9.37% | 9.58% | 9.61% | 8.76% | 11.01% | 11.83% | 9.94% |

Notes to Schedule

Valuation Date

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

Methods and assumptions used to determine 2019 contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Aggregate entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | Taxing bodies: 24-year closed period |
| Asset valuation method | 5-year smoothed market, 20% corridor |
| Wage growth | 3.25% |
| Price inflation | 2.50% |
| Salary increases | 3.35% to 14.25%, including inflation |
| Investment rate of return | 7.50% |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016. |
| Mortality | For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for 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:

Changes

There were no benefit changes during the year

The calculation of the 2019 contribution rate is based on valuation assumptions used in the December 31, 2017 actuarial valuation.

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN POLICE PENSION FUND NET PENSION LIABILITY AND RELATED RATIOS
 Last Six Fiscal Years

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | |
| Service cost | \$ 1,198,593 | \$ 1,197,593 | \$ 1,201,235 | \$ 1,213,889 | \$ 722,375 | \$ 716,672 |
| Interest | 3,765,546 | 3,427,770 | 3,288,138 | 3,170,137 | 2,899,286 | 2,764,614 |
| Changes of benefit terms | - | - | - | - | - | - |
| Differences between expected and actual experience | 379,521 | 1,021,711 | 191,576 | (607,425) | (294,336) | 8,846 |
| Changes of assumptions | (197,914) | 2,213,730 | (374,376) | - | 12,588,119 | - |
| Benefit payments, including refunds of member contributions | <u>(2,372,054)</u> | <u>(2,090,349)</u> | <u>(1,868,414)</u> | <u>(1,751,422)</u> | <u>(1,722,513)</u> | <u>(1,666,508)</u> |
| Net change in total pension liability | <u>2,773,692</u> | <u>5,770,455</u> | <u>2,438,159</u> | <u>2,025,179</u> | <u>14,192,931</u> | <u>1,823,624</u> |
| Total pension liability - beginning | <u>63,945,128</u> | <u>58,174,673</u> | <u>55,736,514</u> | <u>53,711,335</u> | <u>39,518,404</u> | <u>37,694,780</u> |
| Total pension liability - ending (a) | <u>\$66,718,820</u> | <u>\$63,945,128</u> | <u>\$58,174,673</u> | <u>\$55,736,514</u> | <u>\$53,711,335</u> | <u>\$39,518,404</u> |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 1,236,629 | \$ 1,297,602 | \$ 1,049,386 | \$ 897,068 | \$ 860,422 | \$ 672,901 |
| Contributions - employee | 347,119 | 335,651 | 348,019 | 489,953 | 319,101 | 311,953 |
| Net investment income | (33,735) | 1,488,286 | 547,914 | 1,174,243 | 478,339 | 1,161,181 |
| Benefit payments, including refunds of member contributions | (2,372,054) | (2,090,349) | (1,868,414) | (1,751,422) | (1,722,513) | (1,666,508) |
| Administrative expense | (48,947) | (61,313) | (71,282) | (46,091) | (38,865) | (42,381) |
| Other | - | - | - | - | - | - |
| Net change in plan fiduciary net position | <u>(870,988)</u> | <u>969,877</u> | <u>5,623</u> | <u>763,751</u> | <u>(103,516)</u> | <u>437,146</u> |
| Plan fiduciary net position - beginning | <u>22,685,385</u> | <u>21,715,508</u> | <u>21,709,885</u> | <u>20,946,134</u> | <u>21,049,650</u> | <u>20,612,504</u> |
| Plan fiduciary net position - ending (b) | <u>\$21,814,397</u> | <u>\$22,685,385</u> | <u>\$21,715,508</u> | <u>\$21,709,885</u> | <u>\$20,946,134</u> | <u>\$21,049,650</u> |
| Village's net pension liability (a-b) | <u>\$44,904,423</u> | <u>\$41,259,743</u> | <u>\$36,459,165</u> | <u>\$34,026,629</u> | <u>\$32,765,201</u> | <u>\$18,468,754</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 32.70% | 35.48% | 37.33% | 38.95% | 39.00% | 53.27% |
| Covered payroll | \$ 3,381,740 | \$ 3,400,426 | \$ 3,482,238 | \$ 3,384,468 | \$ 3,381,383 | \$ 3,135,346 |
| Plan's net pension liability (asset) as a percentage of covered payroll | 1327.85% | 1213.37% | 1047.00% | 1005.38% | 968.99% | 589.05% |

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF POLICE PENSION FUND CONTRIBUTIONS
 Last Ten Fiscal Years

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 2,873,543 | \$ 2,684,678 | \$ 2,540,486 | \$ 1,326,465 | \$ 1,224,046 | \$ 938,198 | \$ 837,292 | \$ 771,013 | \$ 870,729 | \$ 810,717 |
| Contributions in relation to the actuarially determined contribution | <u>1,236,629</u> | <u>1,297,602</u> | <u>1,049,386</u> | <u>897,068</u> | <u>860,422</u> | <u>672,901</u> | <u>689,370</u> | <u>674,566</u> | <u>730,836</u> | <u>654,205</u> |
| Contribution deficiency (excess) | <u>\$ 1,636,914</u> | <u>\$ 1,387,076</u> | <u>\$ 1,491,100</u> | <u>\$ 429,397</u> | <u>\$ 363,624</u> | <u>\$ 265,297</u> | <u>\$ 147,922</u> | <u>\$ 96,447</u> | <u>\$ 139,893</u> | <u>\$ 156,512</u> |
| Covered payroll | \$ 3,381,740 | \$ 3,400,426 | \$ 3,482,238 | \$ 3,384,468 | \$ 3,381,383 | \$ 3,135,346 | \$ 3,044,271 | \$ 3,031,936 | \$ 2,968,822 | \$ 2,824,862 |
| Contributions as a percentage of covered payroll | 36.57% | 38.16% | 30.14% | 26.51% | 25.45% | 21.46% | 22.64% | 22.25% | 24.62% | 23.16% |

Notes to Schedule:

Methods and assumption used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial valuation date | May 1, 2020 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percentage of Pay |
| Remaining amortization period | 21 years |
| Asset valuation method | To determine the actuarial value of assets, the current market value of assets is adjusted by a declining percentage of the unexpected asset gains or losses over the past four years. |
| Inflation | 2.50% |
| Salary increases | 0-2 years of service, 8.00% 3+ years of service, 4.00% |
| Investment rate of return | 6.00% |
| Mortality | PubS-2010 Healthy Mortality Table and projected generationally with mortality improvement Scale MP-2019. For survivor beneficiaries RP-2014 mortality table adjusted to 2006 and projected generationally with mortality improvement Scale MP-2019 |

Notes to Police Pension Required Supplementary Information:

Assumption Changes: The mortality table assumptions were changed from the RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement scale MP-2017 to the PubS-2010 Healthy/Disabled and projected generationally with mortality improvement Scale MP-2018 for healthy and disable participants and to RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement scale MP-2018 for survivor beneficiaries.

VILLAGE OF FOREST PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND INVESTMENT RATE OF RETURN
Last Six Fiscal Years

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return net of investment expense | -0.16% | 6.57% | 2.52% | 5.96% | 2.29% | 10.36% |

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND NET PENSION LIABILITY AND
 RELATED RATIOS
 Last Six Fiscal Years

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | |
| Service cost | \$ 1,229,126 | \$ 680,339 | \$ 660,667 | \$ 670,034 | \$ 522,439 | \$ 535,303 |
| Interest | 2,557,030 | 2,623,079 | 2,528,988 | 2,430,804 | 2,159,539 | 2,110,395 |
| Changes of benefit terms | - | - | - | - | - | - |
| Differences between expected and actual experience | (268,946) | (1,384,997) | 194,745 | 95,603 | 794,650 | (431,107) |
| Changes of assumptions | 6,402,431 | 15,278,098 | (224,570) | - | 4,148,272 | - |
| Benefit payments, including refunds of member contributions | <u>(1,853,172)</u> | <u>(1,822,585)</u> | <u>(1,808,746)</u> | <u>(1,778,885)</u> | <u>(1,607,085)</u> | <u>(1,511,573)</u> |
| Net change in total pension liability | 8,066,469 | 15,373,934 | 1,351,084 | 1,417,556 | 6,017,815 | 703,018 |
| Total pension liability - beginning | <u>53,757,787</u> | <u>38,383,853</u> | <u>37,032,769</u> | <u>35,615,213</u> | <u>29,597,398</u> | <u>28,894,380</u> |
| Total pension liability - ending (a) | <u>\$ 61,824,256</u> | <u>\$ 53,757,787</u> | <u>\$ 38,383,853</u> | <u>\$ 37,032,769</u> | <u>\$ 35,615,213</u> | <u>\$ 29,597,398</u> |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 978,696 | \$ 1,026,090 | \$ 782,007 | \$ 776,911 | \$ 683,363 | \$ 528,964 |
| Contributions - employee | 211,985 | 207,032 | 205,077 | 196,805 | 198,332 | 197,766 |
| Net investment income | (268,173) | 897,851 | 1,158,264 | 1,498,233 | (260,226) | 1,013,984 |
| Benefit payments, including refunds of member contributions | (1,853,172) | (1,822,585) | (1,808,746) | (1,778,885) | (1,607,085) | (1,511,573) |
| Administrative expense | (40,685) | (35,053) | (34,347) | (27,818) | (26,689) | (36,669) |
| Other | - | - | - | - | - | - |
| Net change in plan fiduciary net position | (971,349) | 273,335 | 302,255 | 665,246 | (1,012,305) | 192,472 |
| Plan fiduciary net position - beginning | <u>15,562,737</u> | <u>15,289,402</u> | <u>14,987,147</u> | <u>14,321,901</u> | <u>15,334,206</u> | <u>15,141,734</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 14,591,388</u> | <u>\$ 15,562,737</u> | <u>\$ 15,289,402</u> | <u>\$ 14,987,147</u> | <u>\$ 14,321,901</u> | <u>\$ 15,334,206</u> |
| Village's net pension liability (a-b) | <u>\$ 47,232,868</u> | <u>\$ 38,195,050</u> | <u>\$ 23,094,451</u> | <u>\$ 22,045,622</u> | <u>\$ 21,293,312</u> | <u>\$ 14,263,192</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 23.60% | 28.95% | 39.83% | 40.47% | 40.21% | 51.81% |
| Covered payroll | \$ 2,275,035 | \$ 2,206,837 | \$ 2,190,397 | \$ 2,104,007 | \$ 2,109,431 | \$ 2,115,924 |
| Plan's net pension liability (asset) as a percentage of covered payroll | 2076.14% | 1730.76% | 1054.35% | 1047.79% | 1009.43% | 674.09% |

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FIREFIGHTERS' PENSION FUND CONTRIBUTIONS
 Last Ten Fiscal Years

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 1,922,436 | \$ 1,801,858 | \$ 1,700,695 | \$ 1,107,822 | \$ 1,079,005 | \$ 851,483 | \$ 757,390 | \$ 687,404 | \$ 770,226 | \$ 744,133 |
| Contributions in relation to the actuarially determined contribution | <u>978,696</u> | <u>1,026,090</u> | <u>782,007</u> | <u>776,911</u> | <u>683,363</u> | <u>528,694</u> | <u>547,776</u> | <u>531,069</u> | <u>554,789</u> | <u>488,470</u> |
| Contribution deficiency (excess) | <u>\$ 943,740</u> | <u>\$ 775,768</u> | <u>\$ 918,688</u> | <u>\$ 330,911</u> | <u>\$ 395,642</u> | <u>\$ 322,789</u> | <u>\$ 209,614</u> | <u>\$ 156,335</u> | <u>\$ 215,437</u> | <u>\$ 255,663</u> |
| Covered payroll | \$ 2,275,035 | \$ 2,206,837 | \$ 2,190,397 | \$ 2,104,007 | \$ 2,109,431 | \$ 2,115,924 | \$ 2,097,819 | \$ 2,038,299 | \$ 1,952,345 | \$ 1,846,667 |
| Contributions as a percentage of covered payroll | 43.02% | 46.50% | 35.70% | 36.93% | 32.40% | 24.99% | 26.11% | 26.05% | 28.42% | 26.45% |

Notes to Schedule:

Methods and assumption used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial valuation date | May 1, 2020 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percentage of Pay |
| Remaining amortization period | 21 years |
| Asset valuation method | To determine the actuarial value of assets, the current market value of assets is adjusted by a declining percentage of the unexpected asset gains or losses over the past four years. |
| Inflation | 2.50% |
| Salary increases | 0-2 years of service, 8.00% 3+ years of service, 4.00% |
| Investment rate of return | 6.50% |
| Mortality | PubS-2010 Healthy Mortality Table and projected generationally with mortality improvement Scale MP-2019. For survivor beneficiaries RP-2014 mortality table adjusted to 2006 and projected generationally with mortality improvement Scale MP-2019 |

Notes to Firefighters' Pension Required Supplementary Information:

Assumption Changes: The mortality table assumptions were changed from the RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement scale MP-2017 to the PubS-2010 Healthy/Disabled and projected generationally with mortality improvement Scale MP-2018 for healthy and disable participants and to RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement scale MP-2018 for survivor beneficiaries. During the year ended April 30, 2019, the assumed long-term expected return on plan assets decreased from 7.00% to 6.50% and the assumed discount rate decreased from 7.00% to 4.84%.

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FIREFIGHTERS' PENSION FUND INVESTMENT RATE OF RETURN
 Last Six Fiscal Years

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return net of investment expense | -1.74% | 5.78% | 8.07% | 10.98% | -1.82% | 7.15% |

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 Year Ended April 30, 2020

| | GENERAL FUND | | | SPECIAL REVENUE FUNDS BROWN STREET STATION TIF FUND | | |
|---|---------------------------------|---------------------|--|--|---------------------|--|
| | Original and Final Budget | Actual | Variance from Final Budget Positive (Negative) | Original and Final Budget | Actual | Variance from Final Budget Positive (Negative) |
| Revenues | | | | | | |
| Property tax | \$ 4,765,406 | \$ 4,898,957 | \$ 133,551 | \$ 425,814 | \$ 542,975 | \$ 117,161 |
| Personal property replacement tax | 152,304 | 193,176 | 40,872 | - | - | - |
| Sales tax | 3,426,706 | 3,502,918 | 76,212 | - | - | - |
| Intergovernmental | 522,927 | 555,715 | 32,788 | - | - | - |
| Income tax | 1,395,450 | 1,393,446 | (2,004) | - | - | - |
| Utility taxes | 1,441,250 | 1,361,978 | (79,272) | - | - | - |
| Licenses and permits | 1,394,425 | 1,237,591 | (156,834) | - | - | - |
| Fees for services | 2,301,760 | 2,183,314 | (118,446) | - | - | - |
| Grant revenue | 2,252,929 | 38,843 | (2,214,086) | - | - | - |
| Parking revenue | 610,050 | 521,594 | (88,456) | - | - | - |
| Fines | 1,239,300 | 1,271,279 | 31,979 | - | - | - |
| Interest on investments | 15,720 | 26,130 | 10,410 | 16,000 | 34,174 | 18,174 |
| Other revenue | 160,150 | 145,739 | (14,411) | - | - | - |
| Total revenues | <u>19,678,377</u> | <u>17,330,680</u> | <u>(2,347,697)</u> | <u>441,814</u> | <u>577,149</u> | <u>135,335</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Office of public affairs | 7,168,902 | 6,467,399 | 701,503 | - | - | - |
| Office of accounts and finance | 11,369,529 | 8,625,427 | 2,744,102 | - | - | - |
| Office of public property | 1,640,640 | 2,011,043 | (370,403) | - | - | - |
| Office of streets and public improvement | 1,684,010 | 1,464,106 | 219,904 | - | - | - |
| Office of health and safety | 410,470 | 383,460 | 27,010 | - | - | - |
| Capital Outlay | - | - | - | 3,913,000 | 1,675,934 | 2,237,066 |
| Debt service: | | | | | | |
| Principal retired | 460,026 | 479,901 | (19,875) | - | - | - |
| Interest and charges | 58,170 | 59,306 | (1,136) | - | - | - |
| Total expenditures | <u>22,791,747</u> | <u>19,490,642</u> | <u>3,301,105</u> | <u>3,913,000</u> | <u>1,675,934</u> | <u>2,237,066</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,113,370)</u> | <u>(2,159,962)</u> | <u>953,408</u> | <u>(3,471,186)</u> | <u>(1,098,785)</u> | <u>2,372,401</u> |
| Other financing sources (uses) | | | | | | |
| Transfers in | 1,327,297 | 1,773,099 | 445,802 | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Loan proceeds | 23,500 | 265,877 | 242,377 | - | - | - |
| Total other financing sources (uses) | <u>1,350,797</u> | <u>2,038,976</u> | <u>688,179</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | \$ <u>(1,762,573)</u> | <u>(120,986)</u> | \$ <u>1,641,587</u> | \$ <u>(3,471,186)</u> | <u>(1,098,785)</u> | \$ <u>2,372,401</u> |
| Fund balances at beginning of year | | <u>(421,869)</u> | | | <u>5,077,804</u> | |
| Fund balances at end of year | | \$ <u>(542,855)</u> | | | \$ <u>3,979,019</u> | |

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 Year Ended April 30, 2020

| | SPECIAL REVENUE FUNDS | | | | | |
|---|---------------------------------|---------------------|--|------------------------------------|---------------------|--|
| | ROOSEVELT / HANNAH TIF FUND | | | ILLINOIS MUNICIPAL RETIREMENT FUND | | |
| | Original and Final Budget | Actual | Variance from Final Budget Positive (Negative) | Original and Final Budget | Actual | Variance from Final Budget Positive (Negative) |
| Revenues | | | | | | |
| Property tax | \$ 756,860 | \$ 1,158,616 | \$ 401,756 | \$ 303,850 | \$ 300,496 | \$ (3,354) |
| Personal property replacement tax | - | - | - | 10,004 | 12,689 | 2,685 |
| Sales tax | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Income tax | - | - | - | - | - | - |
| Utility taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Fees for services | - | - | - | - | - | - |
| Grant revenue | - | - | - | - | - | - |
| Parking revenue | - | - | - | - | - | - |
| Fines | - | - | - | - | - | - |
| Interest on investments | 15,000 | 38,793 | 23,793 | - | - | - |
| Other revenue | - | - | - | - | - | - |
| Total revenues | <u>771,860</u> | <u>1,197,409</u> | <u>425,549</u> | <u>313,854</u> | <u>313,185</u> | <u>(669)</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Office of public affairs | - | - | - | - | - | - |
| Office of accounts and finance | - | - | - | 230,985 | 164,254 | 66,731 |
| Office of public property | - | - | - | - | - | - |
| Office of streets and public improvement | - | - | - | - | - | - |
| Office of health and safety | - | - | - | - | - | - |
| Capital Outlay | 487,595 | 44,999 | 442,596 | - | - | - |
| Debt service: | | | | | | |
| Principal retired | - | - | - | - | - | - |
| Interest and charges | - | - | - | - | - | - |
| Total expenditures | <u>487,595</u> | <u>44,999</u> | <u>442,596</u> | <u>230,985</u> | <u>164,254</u> | <u>66,731</u> |
| Excess (deficiency) of revenues over expenditures | <u>284,265</u> | <u>1,152,410</u> | <u>868,145</u> | <u>82,869</u> | <u>148,931</u> | <u>66,062</u> |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (2,197,255) | - | 2,197,255 | - | - | - |
| Loan proceeds | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>(2,197,255)</u> | <u>-</u> | <u>2,197,255</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (1,912,990)</u> | <u>1,152,410</u> | <u>\$ 3,065,400</u> | <u>\$ 82,869</u> | <u>148,931</u> | <u>\$ 66,062</u> |
| Fund balances at beginning of year | | <u>4,625,857</u> | | | <u>(415,121)</u> | |
| Fund balances at end of year | | <u>\$ 5,778,267</u> | | | <u>\$ (266,190)</u> | |

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 Year Ended April 30, 2020

| | SPECIAL REVENUE FUNDS | | | | | |
|---|---------------------------------|------------------|--|---------------------------------|---------------------|--|
| | 2002 BOND FUND | | | VIP PROGRAM FUND | | |
| | Original and Final Budget | Actual | Variance from Final Budget Positive (Negative) | Original and Final Budget | Actual | Variance from Final Budget Positive (Negative) |
| Revenues | | | | | | |
| Property tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Personal property replacement tax | - | - | - | - | - | - |
| Sales tax | - | - | - | 1,938,729 | 1,882,741 | (55,988) |
| Intergovernmental | - | - | - | 587,284 | - | (587,284) |
| Income tax | - | - | - | - | - | - |
| Utility taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Fees for services | - | - | - | - | - | - |
| Grant revenue | - | - | - | 523,830 | 123,830 | (400,000) |
| Parking revenue | - | - | - | - | - | - |
| Fines | - | - | - | - | - | - |
| Interest on investments | 4,000 | 7,814 | 3,814 | 14,000 | 31,149 | 17,149 |
| Other revenue | - | - | - | - | - | - |
| Total revenues | <u>4,000</u> | <u>7,814</u> | <u>3,814</u> | <u>3,063,843</u> | <u>2,037,720</u> | <u>(1,026,123)</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Office of public affairs | - | - | - | - | - | - |
| Office of accounts and finance | 3,220 | 2,554 | 666 | - | - | - |
| Office of public property | - | - | - | - | - | - |
| Office of streets and public improvement | 52,000 | 20,253 | 31,747 | 1,716,530 | 864,585 | 851,945 |
| Office of health and safety | - | - | - | - | - | - |
| Capital Outlay | | | | | | |
| Debt service: | | | | | | |
| Principal retired | - | - | - | 580,000 | 580,000 | - |
| Interest and charges | - | - | - | 133,350 | 133,350 | - |
| Total expenditures | <u>55,220</u> | <u>22,807</u> | <u>32,413</u> | <u>2,429,880</u> | <u>1,577,935</u> | <u>851,945</u> |
| Excess (deficiency) of revenues over expenditures | <u>(51,220)</u> | <u>(14,993)</u> | <u>36,227</u> | <u>633,963</u> | <u>459,785</u> | <u>(174,178)</u> |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | 454,548 | - | (454,548) |
| Transfers out | - | - | - | (152,297) | (540,411) | (388,114) |
| Loan proceeds | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>302,251</u> | <u>(540,411)</u> | <u>(842,662)</u> |
| Net change in fund balances | <u>\$ (51,220)</u> | <u>(14,993)</u> | <u>\$ 36,227</u> | <u>\$ 936,214</u> | <u>(80,626)</u> | <u>\$ (1,016,840)</u> |
| Fund balances at beginning of year | | <u>109,115</u> | | | <u>1,722,046</u> | |
| Fund balances at end of year | | <u>\$ 94,122</u> | | | <u>\$ 1,641,420</u> | |

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED APRIL 30, 2020

Budgetary Data:

1. The Village Budget Officer submits to the Village Council, in early May, a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget document is available for public inspection for at least 30 days prior to the Village Council's passage of the Annual Appropriations Ordinance.
3. The Village Council must hold at least one public hearing on the budget prior to its passage.
4. The budget is legally enacted through the passage of the Annual Appropriations Ordinance.
5. The Village Council by a two-thirds vote is authorized to transfer budgeted amounts among departments within any fund. The Village Council must approve any revisions, which alter the total expenditures of any fund. The budget information stated in the financial statements includes adjustments made during the year.
6. The level of control where expenditures may not exceed the budget is the department level of activity. Unspent budgetary amounts lapse at year end and, therefore, are not carried over to succeeding years.
7. The Village prepares budgets for the following funds in accordance with accounting principles generally accepted in the United States of America (GAAP):

| | |
|----------------------------------|-------------------------------|
| General Fund | IMRF Fund |
| Foreign Fire Insurance Fund | Social Security Fund |
| Motor Fuel Tax Fund | 2002 Bond Fund |
| VIP Program Fund | Brown Street Station TIF Fund |
| Roosevelt / Hannah TIF Fund | Water Fund |
| Narcotics Fund | U.S. Customs Fund |
| Roosevelt Road Corridor TIF Fund | |

8. The following funds had expenditures/expenses in excess of budget:

| Fund | Excess over Budget |
|-------------------|--------------------|
| U.S. Customs Fund | \$ 92,991 |

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2020

| Revenues | Final Budget | Actual | Variance from Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---|
| Property tax | \$ 4,765,406 | \$ 4,898,957 | \$ 133,551 |
| Personal property replacement tax | 152,304 | 193,176 | 40,872 |
| Sales tax | 3,426,706 | 3,502,918 | 76,212 |
| Intergovernmental | | | |
| Use tax | 463,969 | 495,745 | 31,776 |
| Foreign fire insurance tax | 31,500 | 30,671 | (829) |
| Pull tabs/jar games | 900 | - | (900) |
| Cannabis tax | - | 3,503 | 3,503 |
| Auto rental tax | 26,558 | 25,796 | (762) |
| Total intergovernmental revenues | <u>522,927</u> | <u>555,715</u> | <u>32,788</u> |
| Local share-income tax | 1,395,450 | 1,393,446 | (2,004) |
| Utility taxes | | | |
| Telephone utility tax | 408,000 | 378,079 | (29,921) |
| Electric utility tax | 567,500 | 542,364 | (25,136) |
| Franchise tax - cable | 260,000 | 246,396 | (13,604) |
| Gas utility tax | 205,750 | 195,139 | (10,611) |
| Total utility taxes | <u>1,441,250</u> | <u>1,361,978</u> | <u>(79,272)</u> |
| Licenses and permits | | | |
| Liquor license | 95,000 | 89,703 | (5,297) |
| Liquor license application fee | 3,500 | 3,141 | (359) |
| Business license | 47,500 | 55,553 | 8,053 |
| Sidewalk use permit | 3,100 | 3,150 | 50 |
| Solicitor's license | 1,000 | 1,015 | 15 |
| Raffle license | 50 | - | (50) |
| Amusement devises | 15,700 | 16,000 | 300 |
| Amusement tax video rental | 6,000 | 4,155 | (1,845) |
| Vending machines | 2,800 | 2,705 | (95) |
| Tobacco license | 6,000 | 5,700 | (300) |
| Gasoline stations' license | 17,200 | 17,200 | - |
| Taxicabs' license | 5,500 | 4,700 | (800) |
| Scavenger services' license | 17,500 | 17,500 | - |
| Contractors' license | 15,500 | 17,175 | 1,675 |
| Vehicle license | 308,500 | 192,149 | (116,351) |
| Animal license | 3,800 | 2,580 | (1,220) |
| Building permits | 160,000 | 156,721 | (3,279) |
| Electric permits | 28,000 | 37,555 | 9,555 |
| Plumbing permits | 28,000 | 31,793 | 3,793 |
| HVAC permits | 1,500 | 2,483 | 983 |
| Water permit fees | 7,500 | 4,500 | (3,000) |
| Private property maintenance | 1,000 | 4,759 | 3,759 |
| Sign permits | 33,000 | 32,387 | (613) |
| Dumpster permits | 2,400 | 1,925 | (475) |
| Parking permits | 400,000 | 323,202 | (76,798) |
| Garage sale permits | 650 | 525 | (125) |
| Plan review fees | 12,750 | 18,072 | 5,322 |
| Elevator inspection fees | 16,000 | 17,045 | 1,045 |
| Food service inspection fees | 21,625 | 37,975 | 16,350 |
| Certificate of compliance fees | 115,000 | 112,840 | (2,160) |
| Zoning application fees | 250 | 225 | (25) |

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2020

| | Final <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive <u>(Negative)</u> |
|---------------------------------------|------------------------|------------------|--|
| Conditional certificate fees | \$ 16,000 | \$ 22,341 | \$ 6,341 |
| Dog park permits | 2,100 | 817 | (1,283) |
| Total licenses and permits | <u>1,394,425</u> | <u>1,237,591</u> | <u>(156,834)</u> |
| Fees for services | | | |
| Ambulance charges | 490,000 | 500,138 | 10,138 |
| Highway maintenance - IDOT | 84,476 | 86,434 | 1,958 |
| Refuse collection charges | 807,652 | 811,935 | 4,283 |
| Recycling fees | 105,528 | 102,441 | (3,087) |
| Yard waste fees | 58,138 | 58,155 | 17 |
| Accident reports | 4,500 | 5,438 | 938 |
| SORA registration fees | 10 | 10 | - |
| Water towers | 221,456 | 221,292 | (164) |
| Real estate | 36,900 | 36,900 | - |
| Groovin' in the grove | 2,500 | 2,179 | (321) |
| Community center | 5,000 | 2,328 | (2,672) |
| Day care-after school program | 140,000 | 108,276 | (31,724) |
| Day care-summer program | 64,000 | 62,566 | (1,434) |
| Youth activities | 1,100 | 704 | (396) |
| Classes | 500 | - | (500) |
| Trips - tours - excursions | 160,000 | 73,628 | (86,372) |
| Taxi - cab fares/fees | 500 | 516 | 16 |
| Community Events | 45,000 | 50,814 | 5,814 |
| RTA - administration subsidy | 63,000 | 52,004 | (10,996) |
| RTA - PACE advertisement | 3,000 | - | (3,000) |
| RTA - dial-a-ride | 8,500 | 7,556 | (944) |
| Total fees for services | <u>2,301,760</u> | <u>2,183,314</u> | <u>(118,446)</u> |
| Grant revenue | | | |
| Cook county - PEER/PIPE | - | - | - |
| JAG grant | 31,585 | - | (31,585) |
| Illinois law enforcement camera grant | 86,800 | - | (86,800) |
| DOJ bullet proof vests | 7,605 | - | (7,605) |
| DOJ body camera grant | 33,000 | - | (33,000) |
| Tobacco/Liquor grant | 2,500 | 1,980 | (520) |
| CTA Lot grant | 508,549 | 2,210 | (506,339) |
| HHS stimulus | - | 11,432 | 11,432 |
| IDOT Traffic Safety grant | 23,500 | 13,981 | (9,519) |
| Walmart community grant | - | 531 | 531 |
| State capital grant | 1,550,000 | - | (1,550,000) |
| Safety and education grant | 9,390 | 8,709 | (681) |
| Total grant revenue | <u>2,252,929</u> | <u>38,843</u> | <u>(2,214,086)</u> |
| Parking revenue | | | |
| Parking meters | 82,000 | 38,526 | (43,474) |
| Van Buren lot | 445,500 | 365,109 | (80,391) |
| Ferdinand lot | 800 | 787 | (13) |
| Thomas/Madison lot | 67,500 | 58,782 | (8,718) |
| Beloit/Madison lot | 3,750 | 2,997 | (753) |
| Hannah/Madison lot | 9,000 | 8,900 | (100) |
| Circle/Madison lot | 1,500 | 46,493 | 44,993 |
| Total parking revenue | <u>610,050</u> | <u>521,594</u> | <u>(88,456)</u> |
| Fines | | | |
| Traffic and parking fines | 900,000 | 865,514 | (34,486) |
| Illinois Comptroller debt recovery | 60,000 | 108,757 | 48,757 |

(Continued)

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | Final <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive <u>(Negative)</u> |
|-------------------------------|------------------------|----------------------|--|
| Towing revenue | \$ 104,800 | \$ 73,449 | \$ (31,351) |
| K9 unit fees | 5,000 | 6,001 | 1,001 |
| Compliance tickets | 141,500 | 187,735 | 46,235 |
| Code violation fines | 25,000 | 27,343 | 2,343 |
| Other fines and penalties | 3,000 | 2,480 | (520) |
| Total fines | <u>1,239,300</u> | <u>1,271,279</u> | <u>31,979</u> |
| Interest on investments | <u>15,720</u> | <u>26,130</u> | <u>10,410</u> |
| Other revenue | | | |
| Miscellaneous revenue | 19,800 | 10,233 | (9,567) |
| Police CTA detail | 95,000 | 81,830 | (13,170) |
| NSF - agency collections | 150 | 60 | (90) |
| AMEX Corporate points earned | 100 | 105 | 5 |
| Workmen's comp reimbursements | 30,000 | 43,660 | 13,660 |
| Equipment sales | - | 427 | 427 |
| FOIA | 100 | 108 | 8 |
| Claims and damages | 15,000 | 9,316 | (5,684) |
| Total other revenue | <u>160,150</u> | <u>145,739</u> | <u>(14,411)</u> |
| Total revenues | <u>\$ 19,678,377</u> | <u>\$ 17,330,680</u> | <u>\$ (2,347,697)</u> |

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| Expenditures | Final <u>Budget</u> | Actual | Variance from Budget Positive <u>(Negative)</u> |
|--|------------------------|----------------------|--|
| Office of public affairs | | | |
| General public affairs | \$ 1,281,136 | \$ 1,092,768 | \$ 188,368 |
| Police | 5,226,451 | 4,810,253 | 416,198 |
| Community services | <u>661,315</u> | <u>564,378</u> | <u>96,937</u> |
| Total office of public affairs | <u>7,168,902</u> | <u>6,467,399</u> | <u>701,503</u> |
| Office of accounts and finance | | | |
| Village clerk | 5,827,125 | 5,534,395 | 292,730 |
| Grant expenditures | 2,263,119 | 34,179 | 2,228,940 |
| Fire | 1,096,254 | 976,736 | 119,518 |
| Fire protection | <u>2,183,031</u> | <u>2,080,117</u> | <u>102,914</u> |
| Total office of accounts and finance | <u>11,369,529</u> | <u>8,625,427</u> | <u>2,744,102</u> |
| Office of public property | | | |
| Public property | 1,069,630 | 1,131,525 | (61,895) |
| Public property/street lights | 169,000 | 198,324 | (29,324) |
| Forestry | 247,310 | 237,169 | 10,141 |
| Playground and recreation | 19,000 | 14,166 | 4,834 |
| Property maintenance | <u>135,700</u> | <u>429,859</u> | <u>(294,159)</u> |
| Total office of public property | <u>1,640,640</u> | <u>2,011,043</u> | <u>(370,403)</u> |
| Office of streets and public improvement | | | |
| Streets and public improvement | 790,525 | 545,595 | 244,930 |
| Garbage | <u>893,485</u> | <u>918,511</u> | <u>(25,026)</u> |
| Total office of streets and public improvement | <u>1,684,010</u> | <u>1,464,106</u> | <u>219,904</u> |
| Office of health and safety | | | |
| Public health and safety | <u>410,470</u> | <u>383,460</u> | <u>27,010</u> |
| Total office of health and safety | <u>410,470</u> | <u>383,460</u> | <u>27,010</u> |
| Debt service | | | |
| Principal retired | 460,026 | 479,901 | (19,875) |
| Interest and charges | <u>58,170</u> | <u>59,306</u> | <u>(1,136)</u> |
| Total office of public property | <u>518,196</u> | <u>539,207</u> | <u>(21,011)</u> |
| Total expenditures | <u>\$ 22,791,747</u> | <u>\$ 19,490,642</u> | <u>\$ 3,301,105</u> |

BROWN STREET STATION TIF FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|--|-----------------------|---------------------|---|
| Revenues | | | |
| Property tax | \$ 425,814 | \$ 542,975 | \$ 117,161 |
| Interest on investments | <u>16,000</u> | <u>34,174</u> | <u>18,174</u> |
| Total revenues | <u>441,814</u> | <u>577,149</u> | <u>135,335</u> |
| Expenditures | | | |
| Office of streets and public improvement | | | |
| Operating expenditures | <u>3,913,000</u> | <u>1,675,934</u> | <u>2,237,066</u> |
| Total expenditures | <u>3,913,000</u> | <u>1,675,934</u> | <u>2,237,066</u> |
| Net change in fund balance | <u>\$ (3,471,186)</u> | (1,098,785) | <u>\$ 2,372,401</u> |
| Fund balance at beginning of year | | <u>5,077,804</u> | |
| Fund balance at end of year | | <u>\$ 3,979,019</u> | |

ROOSEVELT / HANNAH TIF FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|--|-----------------------|---------------------|---|
| Revenues | | | |
| Property tax | \$ 756,860 | \$ 1,158,616 | \$ 401,756 |
| Interest on investments | <u>15,000</u> | <u>38,793</u> | <u>23,793</u> |
| Total revenues | <u>771,860</u> | <u>1,197,409</u> | <u>425,549</u> |
| Expenditures | | | |
| Capital Outlay | <u>487,595</u> | <u>44,999</u> | <u>442,596</u> |
| Total expenditures | <u>487,595</u> | <u>44,999</u> | <u>442,596</u> |
| Excess (deficiency) of revenues over expenditures | <u>284,265</u> | <u>1,152,410</u> | <u>(17,047)</u> |
| Other financing (uses) | | | |
| Transfer out | <u>(2,197,255)</u> | <u>-</u> | <u>2,197,255</u> |
| Total other financing (uses) | <u>(2,197,255)</u> | <u>-</u> | <u>2,197,255</u> |
| Net change in fund balance | <u>\$ (1,912,990)</u> | <u>1,152,410</u> | <u>\$ 3,065,400</u> |
| Fund balance at beginning of year | | <u>4,625,857</u> | |
| Fund balance at end of year | | <u>\$ 5,778,267</u> | |

2002 BOND FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|-----------------------------------|--------------------|------------------|---|
| Revenues | | | |
| Property tax | \$ - | \$ - | \$ - |
| Interest on investments | <u>4,000</u> | <u>7,814</u> | <u>3,814</u> |
| Total revenues | <u>4,000</u> | <u>7,814</u> | <u>3,814</u> |
| Expenditures | | | |
| Office of accounts and finance | | | |
| Other expenditures | 3,220 | 2,554 | 666 |
| Capital Outlay | <u>52,000</u> | <u>20,253</u> | <u>31,747</u> |
| Total expenditures | <u>55,220</u> | <u>22,807</u> | <u>32,413</u> |
| Net change in fund balance | <u>\$ (51,220)</u> | (14,993) | <u>\$ 36,227</u> |
| Fund balance at beginning of year | | <u>109,115</u> | |
| Fund balance at end of year | | <u>\$ 94,122</u> | |

ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|-----------------------------------|------------------|---------------------|---|
| Revenues | | | |
| Property tax | \$ 303,850 | \$ 300,496 | \$ (3,354) |
| Intergovernmental | | | |
| Personal property replacement tax | <u>10,004</u> | <u>12,689</u> | <u>2,685</u> |
| Total revenues | <u>313,854</u> | <u>313,185</u> | <u>(669)</u> |
| Expenditures | | | |
| Office of accounts and finance | | | |
| IMRF fund contributions | <u>230,985</u> | <u>164,254</u> | <u>66,731</u> |
| Total expenditures | <u>230,985</u> | <u>164,254</u> | <u>66,731</u> |
| Net change in fund balance | <u>\$ 82,869</u> | 148,931 | <u>\$ 66,062</u> |
| Fund balance at beginning of year | | <u>(415,121)</u> | |
| Fund balance at end of year | | <u>\$ (266,190)</u> | |

VIP PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|--|-------------------|---------------------|---|
| Revenues | | | |
| Sales tax | \$ 1,938,729 | \$ 1,882,741 | \$ (55,988) |
| Intergovernmental | 587,284 | - | (587,284) |
| Grant revenue | 523,830 | 123,830 | (400,000) |
| Interest on investments | 14,000 | 31,149 | 17,149 |
| Total revenues | <u>3,063,843</u> | <u>2,037,720</u> | <u>(1,026,123)</u> |
| Expenditures | | | |
| Office of streets and public improvement | | | |
| Operating expenditures | 1,716,530 | 864,585 | 851,945 |
| Debt service | | | |
| Principal retired | 580,000 | 580,000 | - |
| Interest and charges | 133,350 | 133,350 | - |
| Total expenditures | <u>2,429,880</u> | <u>1,577,935</u> | <u>851,945</u> |
| Excess (deficiency) of revenues over expenditures | <u>633,963</u> | <u>459,785</u> | <u>(174,178)</u> |
| Other financing sources (uses) | | | |
| Transfers in | 454,548 | - | (454,548) |
| Transfers out | (152,297) | (540,411) | (388,114) |
| Total other financing sources (uses) | <u>302,251</u> | <u>(540,411)</u> | <u>(842,662)</u> |
| Net change in fund balance | <u>\$ 936,214</u> | (80,626) | <u>\$ (1,016,840)</u> |
| Fund balance at beginning of year | | <u>1,722,046</u> | |
| Fund balance at end of year | | <u>\$ 1,641,420</u> | |

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2020

| | Special Revenue Funds | | | | | | Total Nonmajor Governmental Funds |
|---|-----------------------|-------------------------|-----------------------------------|----------------------------|------------------------|--|--|
| | Narcotics Fund | U.S. Customs Fund | Foreign Fire Insurance Fund | Social Security Fund | Motor Fuel Tax Fund | Roosevelt Road Corridor TIF Fund | |
| ASSETS | | | | | | | |
| Cash and investments | \$ 177,482 | \$ 208,255 | \$ 65,701 | \$ - | \$ 1,254,905 | \$ 1,410,533 | \$ 3,116,876 |
| Receivables: | | | | | | | |
| Property tax receivable | - | - | - | 166,252 | - | - | 166,252 |
| Due from other governments | - | - | - | - | 75,286 | - | 75,286 |
| Accounts receivable | - | 11,703 | 23,833 | - | - | - | 35,536 |
| Interfund receivable | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 177,482</u> | <u>\$ 219,958</u> | <u>\$ 89,534</u> | <u>\$ 166,252</u> | <u>\$ 1,330,191</u> | <u>\$ 1,410,533</u> | <u>\$ 3,393,950</u> |
| LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE LIABILITIES | | | | | | | |
| Accounts payable | \$ 301 | \$ 20,428 | \$ 23,833 | \$ - | \$ - | \$ 966 | \$ 45,528 |
| Interfund payable | 31 | 2,252 | - | 42,206 | - | 1,613 | 46,102 |
| Total liabilities | <u>332</u> | <u>22,680</u> | <u>23,833</u> | <u>42,206</u> | <u>-</u> | <u>2,579</u> | <u>91,630</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | | | |
| Property taxes | - | - | - | 166,252 | - | - | 166,252 |
| Total deferred inflow of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>166,252</u> | <u>-</u> | <u>-</u> | <u>166,252</u> |
| FUND BALANCE | | | | | | | |
| Restricted | | | | | | | |
| Economic development | - | - | - | - | - | 1,407,954 | 1,407,954 |
| Public safety | 177,150 | 197,278 | 65,701 | - | - | - | 440,129 |
| Streets & highways | - | - | - | - | 1,330,191 | - | 1,330,191 |
| Unassigned | - | - | - | (42,206) | - | - | (42,206) |
| Total fund balance | <u>177,150</u> | <u>197,278</u> | <u>65,701</u> | <u>(42,206)</u> | <u>1,330,191</u> | <u>1,407,954</u> | <u>3,136,068</u> |
| TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE | <u>\$ 177,482</u> | <u>\$ 219,958</u> | <u>\$ 89,534</u> | <u>\$ 166,252</u> | <u>\$ 1,330,191</u> | <u>\$ 1,410,533</u> | <u>\$ 3,393,950</u> |

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Year Ended April 30, 2020

| | Narcotics Fund | U.S. Customs Fund | Foreign Fire Insurance Fund | Social Security Fund | Motor Fuel Tax Fund | Roosevelt Road Corridor TIF Fund | Total Nonmajor Governmental Funds |
|--|-------------------|-------------------------|-----------------------------------|----------------------------|------------------------|--|--|
| Revenues | | | | | | | |
| Property tax | \$ - | \$ - | \$ - | \$ 356,520 | \$ - | \$ 689,751 | \$ 1,046,271 |
| Intergovernmental | - | - | 30,671 | 11,440 | 527,316 | - | 569,427 |
| Grant revenue | 59,758 | 44,510 | - | - | - | - | 104,268 |
| Interest on investments | 1,596 | 182 | 420 | - | 20,553 | 8,134 | 30,885 |
| Other revenue | 11,000 | - | 300 | - | - | - | 11,300 |
| Total revenues | <u>72,354</u> | <u>44,692</u> | <u>31,391</u> | <u>367,960</u> | <u>547,869</u> | <u>697,885</u> | <u>1,762,151</u> |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Office of public affairs | 78,800 | 247,937 | 12,500 | - | - | - | 339,237 |
| Office of accounts and finance | - | - | - | 324,833 | - | - | 324,833 |
| Office of streets and public improvement | - | - | - | - | - | 11,234 | 11,234 |
| Capital Outlay | 30,981 | - | - | - | - | - | 30,981 |
| Principal retired | - | - | 3,311 | - | - | - | 3,311 |
| Interest and charges | - | - | 589 | - | - | - | 589 |
| Total expenditures | <u>109,781</u> | <u>247,937</u> | <u>16,400</u> | <u>324,833</u> | <u>-</u> | <u>11,234</u> | <u>710,185</u> |
| Excess (deficiency) of revenues over expenditures | <u>(37,427)</u> | <u>(203,245)</u> | <u>14,991</u> | <u>43,127</u> | <u>547,869</u> | <u>686,651</u> | <u>1,051,966</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers out | - | - | - | - | (332,688) | - | (332,688) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(332,688)</u> | <u>-</u> | <u>(332,688)</u> |
| Net change in fund balances | <u>(37,427)</u> | <u>(203,245)</u> | <u>14,991</u> | <u>43,127</u> | <u>215,181</u> | <u>686,651</u> | <u>719,278</u> |
| Fund balances at beginning of year | <u>214,577</u> | <u>400,523</u> | <u>50,710</u> | <u>(85,333)</u> | <u>1,115,010</u> | <u>721,303</u> | <u>2,416,790</u> |
| Fund balances at end of year | <u>\$ 177,150</u> | <u>\$ 197,278</u> | <u>\$ 65,701</u> | <u>\$ (42,206)</u> | <u>\$ 1,330,191</u> | <u>\$ 1,407,954</u> | <u>\$ 3,136,068</u> |

NARCOTICS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|-----------------------------------|--------------------|-------------------|---|
| Revenues | | | |
| Grant revenue | | | |
| Seizure fees | \$ 95,000 | \$ 59,758 | \$ (35,242) |
| Sales of seized vehicles | 5,000 | 11,000 | 6,000 |
| Interest on investments | <u>1,500</u> | <u>1,596</u> | <u>96</u> |
| Total revenues | <u>101,500</u> | <u>72,354</u> | <u>(29,146)</u> |
| Expenditures | | | |
| Office of public affairs | | | |
| Bank service fees | 50 | 80 | (30) |
| Seizure expenditures | <u>151,200</u> | <u>109,701</u> | <u>41,499</u> |
| Total expenditures | <u>151,250</u> | <u>109,781</u> | <u>41,469</u> |
| Net change in fund balance | <u>\$ (49,750)</u> | (37,427) | <u>\$ 12,323</u> |
| Fund balance at beginning of year | | <u>214,577</u> | |
| Fund balance at end of year | | <u>\$ 177,150</u> | |

U.S. CUSTOMS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|-----------------------------------|--------------------|-------------------|---|
| Revenues | | | |
| Grant revenue | | | |
| U.S. Customs deposits | \$ 101,000 | \$ 44,510 | \$ (56,490) |
| Interest on investments | <u>100</u> | <u>182</u> | <u>82</u> |
| Total revenues | <u>101,100</u> | <u>44,692</u> | <u>(56,408)</u> |
| Expenditures | | | |
| Office of public affairs | | | |
| DEA Overtime | 14,796 | 22,458 | (7,662) |
| Bank service fees | 150 | 254 | (104) |
| U.S. Customs expenditures | <u>140,000</u> | <u>225,225</u> | <u>(85,225)</u> |
| Total expenditures | <u>154,946</u> | <u>247,937</u> | <u>(92,991)</u> |
| Net change in fund balance | <u>\$ (53,846)</u> | (203,245) | <u>\$ (149,399)</u> |
| Fund balance at beginning of year | | <u>400,523</u> | |
| Fund balance at end of year | | <u>\$ 197,278</u> | |

FOREIGN FIRE INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|-----------------------------------|-----------------|------------------|---|
| Revenues | | | |
| Intergovernmental | \$ 31,500 | \$ 30,671 | \$ (829) |
| Interest on investments | 50 | 420 | 370 |
| Other revenue | <u>-</u> | <u>300</u> | <u>300</u> |
| Total revenues | <u>31,550</u> | <u>31,391</u> | <u>(159)</u> |
| Expenditures | | | |
| Office of public affairs | | | |
| Foreign Fire expenditures | <u>27,635</u> | <u>16,400</u> | <u>11,235</u> |
| Total expenditures | <u>27,635</u> | <u>16,400</u> | <u>11,235</u> |
| Net change in fund balance | <u>\$ 3,915</u> | 14,991 | <u>\$ 11,076</u> |
| Fund balance at beginning of year | | <u>50,710</u> | |
| Fund balance at end of year | | <u>\$ 65,701</u> | |

SOCIAL SECURITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|--|------------------|--------------------|---|
| Revenues | | | |
| Property tax | \$ 360,500 | \$ 356,520 | \$ (3,980) |
| Personal property replacement tax | <u>9,019</u> | <u>11,440</u> | <u>2,421</u> |
| Total revenues | <u>369,519</u> | <u>367,960</u> | <u>(1,559)</u> |
| Expenditures | | | |
| Office of accounts and finance | | | |
| Social Security/Medicare contributions | <u>328,870</u> | <u>324,833</u> | <u>4,037</u> |
| Total expenditures | <u>328,870</u> | <u>324,833</u> | <u>4,037</u> |
| Net change in fund balance | <u>\$ 40,649</u> | 43,127 | <u>\$ 2,478</u> |
| Fund balance at beginning of year | | <u>(85,333)</u> | |
| Fund balance at end of year | | <u>\$ (42,206)</u> | |

MOTOR FUEL TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive <u>(Negative)</u> |
|-----------------------------------|---------------------|---------------------|--|
| Revenues | | | |
| Intergovernmental | | | |
| Motor fuel tax allotment | \$ 359,135 | \$ 527,316 | \$ 168,181 |
| Interest on investments | <u>13,100</u> | <u>20,553</u> | <u>7,453</u> |
| Total revenues | <u>372,235</u> | <u>547,869</u> | <u>175,634</u> |
| Excess of revenues | <u>372,235</u> | <u>547,869</u> | <u>175,634</u> |
| Other financing (uses) | | | |
| Transfer out | <u>(726,428)</u> | <u>(332,688)</u> | <u>393,740</u> |
| Total other financing (uses) | <u>(726,428)</u> | <u>(332,688)</u> | <u>393,740</u> |
| Net change in fund balance | <u>\$ (354,193)</u> | 215,181 | <u>\$ 569,374</u> |
| Fund balance at beginning of year | | <u>1,115,010</u> | |
| Fund balance at end of year | | <u>\$ 1,330,191</u> | |

VILLAGE OF FOREST PARK, ILLINOIS
 ROOSEVELT ROAD CORRIDOR TIF FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|--|-------------------|---------------------|---|
| Revenues | | | |
| Property tax | \$ 391,800 | \$ 689,751 | \$ 297,951 |
| Interest on investments | <u>2,000</u> | <u>8,134</u> | <u>6,134</u> |
| Total revenues | <u>393,800</u> | <u>697,885</u> | <u>304,085</u> |
| Expenditures | | | |
| Current: | | | |
| Office of streets and public improvement | <u>31,000</u> | <u>11,234</u> | <u>19,766</u> |
| Total expenditures | <u>31,000</u> | <u>11,234</u> | <u>19,766</u> |
| Transfer out | <u>(200,000)</u> | <u>-</u> | <u>200,000</u> |
| Total other financing (uses) | <u>(200,000)</u> | <u>-</u> | <u>200,000</u> |
| Net change in fund balance | <u>\$ 162,800</u> | 686,651 | <u>\$ 523,851</u> |
| Fund balance at beginning of year | | <u>721,303</u> | |
| Fund balance at end of year | | <u>\$ 1,407,954</u> | |

WATER FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance from Budget Positive (Negative) |
|--|-------------------|----------------------|---|
| Operating revenues | | | |
| Charges for services | \$ 5,461,732 | \$ 5,312,542 | \$ (149,190) |
| Other revenue | <u>1,337,448</u> | <u>2,339</u> | <u>(1,335,109)</u> |
| Total operating revenues | <u>6,799,180</u> | <u>5,314,881</u> | <u>(1,484,299)</u> |
| Operating expenses | | | |
| Operations | 7,588,503 | 3,310,849 | 4,277,654 |
| Depreciation | <u>172,635</u> | <u>176,374</u> | <u>(3,739)</u> |
| Total operating expenses | <u>7,761,138</u> | <u>3,487,223</u> | <u>4,273,915</u> |
| Operating income (loss) | <u>(961,958)</u> | <u>1,827,658</u> | <u>2,789,616</u> |
| Nonoperating revenues and (expenses) | | | |
| Interest revenue | 6,500 | 10,009 | 3,509 |
| Interest expense | <u>(40,707)</u> | <u>(37,018)</u> | <u>3,689</u> |
| Total nonoperating revenues and (expenses) | <u>(34,207)</u> | <u>(27,009)</u> | <u>7,198</u> |
| Income (loss) before transfers and capital contributions | <u>(996,165)</u> | <u>1,800,649</u> | <u>2,796,814</u> |
| Capital contributions | 2,197,255 | - | (2,197,255) |
| Transfers out | <u>(900,000)</u> | <u>(900,000)</u> | <u>-</u> |
| Change in net position | <u>\$ 301,090</u> | 900,649 | <u>\$ 599,559</u> |
| Net position at beginning of year | | <u>13,875,914</u> | |
| Net position at end of year | | <u>\$ 14,776,563</u> | |

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
April 30, 2020

| | <u>Police Pension Trust Fund</u> | <u>Firefighters' Pension Trust Fund</u> | <u>Total</u> |
|--------------------------------------|--|---|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,342,974 | \$ 947,949 | \$ 2,290,923 |
| Investments | | | |
| Corporate bonds | 1,705,693 | 2,115,223 | 3,820,916 |
| Government securities | 6,141,899 | 3,058,497 | 9,200,396 |
| Mutual funds | 11,116,494 | 8,438,764 | 19,555,258 |
| Insurance contracts | <u>1,468,404</u> | <u>-</u> | <u>1,468,404</u> |
| Total investments | 20,432,490 | 13,612,484 | 34,044,974 |
| Interest receivable | 33,492 | 33,420 | 66,912 |
| Prepaid items | <u>8,644</u> | <u>1,277</u> | <u>9,921</u> |
| Total assets | <u>21,817,600</u> | <u>14,595,130</u> | <u>36,412,730</u> |
| LIABILITIES | | | |
| Accounts payable | <u>3,203</u> | <u>3,742</u> | <u>6,945</u> |
| Total liabilities | <u>3,203</u> | <u>3,742</u> | <u>6,945</u> |
| NET POSITION | | | |
| Net position restricted for pensions | <u>\$ 21,814,397</u> | <u>\$ 14,591,388</u> | <u>\$ 36,405,785</u> |

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
Year Ended April 30, 2020

| | Police Pension <u>Trust Fund</u> | Firefighters' Pension <u>Trust Fund</u> | <u>Total</u> |
|--|--|---|----------------------|
| ADDITIONS | | | |
| Contributions | | | |
| Employer | \$ 1,236,629 | \$ 978,696 | \$ 2,215,325 |
| Plan members | 347,119 | 211,985 | 559,104 |
| Total contributions | <u>1,583,748</u> | <u>1,190,681</u> | <u>2,774,429</u> |
| Investment earnings | | | |
| Net change in fair value of investments | 624,942 | (699,919) | (74,977) |
| Interest | (606,472) | 468,953 | (137,519) |
| Less investment expense | <u>(52,205)</u> | <u>(37,207)</u> | <u>(89,412)</u> |
| Net investment income | <u>(33,735)</u> | <u>(268,173)</u> | <u>(301,908)</u> |
| Total additions | <u>1,550,013</u> | <u>922,508</u> | <u>2,472,521</u> |
| DEDUCTIONS | | | |
| Benefits and refunds | 2,372,054 | 1,853,172 | 4,225,226 |
| Administrative expenses | <u>48,947</u> | <u>40,685</u> | <u>89,632</u> |
| Total deductions | <u>2,421,001</u> | <u>1,893,857</u> | <u>4,314,858</u> |
| Increase (decrease) in plan net position | (870,988) | (971,349) | (1,842,337) |
| Plan net position at beginning of year | <u>22,685,385</u> | <u>15,562,737</u> | <u>38,248,122</u> |
| Plan net position at end of year | <u>\$ 21,814,397</u> | <u>\$ 14,591,388</u> | <u>\$ 36,405,785</u> |

SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES
Year Ended April 30, 2020

| | | |
|---|----|-----------------------|
| Unemployment | \$ | 10,600 |
| Liability insurance | | 539,963 |
| Workman's comp insurance | | <u>447,044</u> |
| Total tort immunity purposes expenditures | \$ | <u><u>997,607</u></u> |

The Village levies property taxes for tort immunity/liability insurance purposes. As required by Public Act 91-0628 passed by the Illinois General Assembly, the Village is including the above list of tort immunity purposes expenditures in its annual financial report.

The Village's tax extension for liability insurance purposes for tax year 2019 as levied by Cook County was \$309,000. Any shortfall to cover expenditures in excess of taxes collected is derived from other revenues of the Village. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES
AND COMPARATIVE TAX STATISTICS
Year Ended April 30, 2019
(Unaudited)

| Tax levy year: | Assessed | Extended | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------------------|----------------------|-------------------------|----------------------|--|-----------|--|-----------|--|--------|------|--------|------|---------------|--|--|--|--|-----------|--------------|-----------|--------------|-----------|-----------------|---------|--------|---------|--------|----------|--------|--------|--------|--------|-----------|---------|--------|---------|--------|-------------------|---------|--------|---------|--------|----------------|-----------|--------|-----------|--------|-----------------------|-----------|--------|---------|--------|--|---------|--------|---|---|--------------------|------------------|---------------|------------------|---------------|------------------------|--|--|--|--|------------------------------------|---------|--------|---------|--------|----------------------|---------|--------|---------|--------|-----------------------------|----------------|---------------|----------------|---------------|---------------------|-------------------------|----------------------|-------------------------|----------------------|--------------------------------------|-------------------------|-------------------|-------------------------|-------------------|
| | Valuation | Village Tax Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2008 | \$ 432,613,550 | \$ 1.0867 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2009 | 444,213,981 | 1.0611 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2010 | 426,046,739 | 1.1392 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2011 | 353,030,571 | 1.3996 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2012 | 327,397,042 | 1.5580 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2013 | 306,740,756 | 1.6596 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2014 | 297,971,337 | 1.7384 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2015 | 289,084,967 | 1.8077 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016 | 302,132,242 | 1.7495 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 361,111,661 | 1.5220 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 352,119,311 | 1.5950 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 353,567,531 | 1.6320 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2019 Levy</th> <th colspan="2">2018 Levy</th> </tr> <tr> <th>Amount</th> <th>Rate</th> <th>Amount</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>General fund:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Corporate</td> <td>\$ 1,393,818</td> <td>\$ 0.3942</td> <td>\$ 1,324,438</td> <td>\$ 0.3761</td> </tr> <tr> <td> Fire protection</td> <td>515,000</td> <td>0.1457</td> <td>515,000</td> <td>0.1463</td> </tr> <tr> <td> Forestry</td> <td>77,250</td> <td>0.0218</td> <td>77,250</td> <td>0.0219</td> </tr> <tr> <td> Insurance</td> <td>309,000</td> <td>0.0874</td> <td>309,000</td> <td>0.0878</td> </tr> <tr> <td> Police protection</td> <td>515,000</td> <td>0.1457</td> <td>515,000</td> <td>0.1463</td> </tr> <tr> <td> Police pension</td> <td>1,287,500</td> <td>0.3641</td> <td>1,236,000</td> <td>0.3510</td> </tr> <tr> <td> Firefighters' pension</td> <td>1,013,520</td> <td>0.2867</td> <td>973,350</td> <td>0.2764</td> </tr> <tr> <td> Fire pension-P.A. 38-0689 Contribution</td> <td>148,581</td> <td>0.0420</td> <td>-</td> <td>-</td> </tr> <tr> <td> Total general fund</td> <td><u>5,259,669</u></td> <td><u>1.4876</u></td> <td><u>4,950,038</u></td> <td><u>1.4058</u></td> </tr> <tr> <td>Special revenue funds:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Illinois municipal retirement fund</td> <td>303,850</td> <td>0.0859</td> <td>303,850</td> <td>0.0863</td> </tr> <tr> <td> Social security fund</td> <td>354,835</td> <td>0.1004</td> <td>360,500</td> <td>0.1024</td> </tr> <tr> <td> Total special revenue funds</td> <td><u>658,685</u></td> <td><u>0.1863</u></td> <td><u>664,350</u></td> <td><u>0.1887</u></td> </tr> <tr> <td> Total tax levy:</td> <td> <u>\$ 5,918,354</u></td> <td> <u>\$ 1.6739</u></td> <td> <u>\$ 5,614,388</u></td> <td> <u>\$ 1.5945</u></td> </tr> <tr> <td> Collections as of April 30, 2020</td> <td> <u>\$ 2,946,068</u></td> <td> <u>49.78%</u></td> <td> <u>\$ 2,837,439</u></td> <td> <u>50.54%</u></td> </tr> </tbody> </table> | | | | | | 2019 Levy | | 2018 Levy | | Amount | Rate | Amount | Rate | General fund: | | | | | Corporate | \$ 1,393,818 | \$ 0.3942 | \$ 1,324,438 | \$ 0.3761 | Fire protection | 515,000 | 0.1457 | 515,000 | 0.1463 | Forestry | 77,250 | 0.0218 | 77,250 | 0.0219 | Insurance | 309,000 | 0.0874 | 309,000 | 0.0878 | Police protection | 515,000 | 0.1457 | 515,000 | 0.1463 | Police pension | 1,287,500 | 0.3641 | 1,236,000 | 0.3510 | Firefighters' pension | 1,013,520 | 0.2867 | 973,350 | 0.2764 | Fire pension-P.A. 38-0689 Contribution | 148,581 | 0.0420 | - | - | Total general fund | <u>5,259,669</u> | <u>1.4876</u> | <u>4,950,038</u> | <u>1.4058</u> | Special revenue funds: | | | | | Illinois municipal retirement fund | 303,850 | 0.0859 | 303,850 | 0.0863 | Social security fund | 354,835 | 0.1004 | 360,500 | 0.1024 | Total special revenue funds | <u>658,685</u> | <u>0.1863</u> | <u>664,350</u> | <u>0.1887</u> | Total tax levy: | <u>\$ 5,918,354</u> | <u>\$ 1.6739</u> | <u>\$ 5,614,388</u> | <u>\$ 1.5945</u> | Collections as of April 30, 2020 | <u>\$ 2,946,068</u> | <u>49.78%</u> | <u>\$ 2,837,439</u> | <u>50.54%</u> |
| | 2019 Levy | | 2018 Levy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Amount | Rate | Amount | Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General fund: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corporate | \$ 1,393,818 | \$ 0.3942 | \$ 1,324,438 | \$ 0.3761 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fire protection | 515,000 | 0.1457 | 515,000 | 0.1463 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Forestry | 77,250 | 0.0218 | 77,250 | 0.0219 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Insurance | 309,000 | 0.0874 | 309,000 | 0.0878 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Police protection | 515,000 | 0.1457 | 515,000 | 0.1463 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Police pension | 1,287,500 | 0.3641 | 1,236,000 | 0.3510 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Firefighters' pension | 1,013,520 | 0.2867 | 973,350 | 0.2764 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fire pension-P.A. 38-0689 Contribution | 148,581 | 0.0420 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total general fund | <u>5,259,669</u> | <u>1.4876</u> | <u>4,950,038</u> | <u>1.4058</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Special revenue funds: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Illinois municipal retirement fund | 303,850 | 0.0859 | 303,850 | 0.0863 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social security fund | 354,835 | 0.1004 | 360,500 | 0.1024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total special revenue funds | <u>658,685</u> | <u>0.1863</u> | <u>664,350</u> | <u>0.1887</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total tax levy: | <u>\$ 5,918,354</u> | <u>\$ 1.6739</u> | <u>\$ 5,614,388</u> | <u>\$ 1.5945</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Collections as of April 30, 2020 | <u>\$ 2,946,068</u> | <u>49.78%</u> | <u>\$ 2,837,439</u> | <u>50.54%</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

LONG-TERM DEBT REQUIREMENTS
 SCHEDULE OF DEBT CERTIFICATES OUTSTANDING
 April 30, 2020
 (Unaudited)

General Obligation Debt Certificates:
 Series 2011
 Dated: December 21, 2011
 Interest Payable May 1 and November 1 of each year
 Paying Agent - Amalgamated Bank of Chicago

| Fiscal Year Ending April 30, | Interest Rate | Principal | Interest | Total Principal & Interest |
|------------------------------------|------------------|------------|-----------|----------------------------------|
| 2021 | 3.00% | \$ 330,000 | \$ 20,100 | \$ 350,100 |
| 2022 | 3.00% | 340,000 | 10,200 | 350,200 |
| Totals | | \$ 670,000 | \$ 30,300 | \$ 700,300 |

LONG-TERM DEBT REQUIREMENTS
 SCHEDULE OF BONDS OUTSTANDING
 April 30, 2020
 (Unaudited)

General Obligation Refunding Bonds (Alternative Revenue Source):
 Series 2012A
 Dated: December 3, 2012
 Interest Payable June 1 and December 1 of each year
 Paying Agent - Amalgamated Bank of Chicago

| Fiscal Year Ending April 30, | Interest Rate | Principal | Interest | Total Principal & Interest |
|------------------------------------|------------------|---------------------|-------------------|----------------------------------|
| 2021 | 3.00% | \$ 600,000 | \$ 115,950 | \$ 715,950 |
| 2022 | 3.00% | 615,000 | 97,950 | 712,950 |
| 2023 | 3.00% | 635,000 | 79,500 | 714,500 |
| 2024 | 3.00% | 650,000 | 60,450 | 710,450 |
| 2025 | 3.00% | 675,000 | 40,950 | 715,950 |
| 2026 | 3.00% | 690,000 | 20,700 | 710,700 |
| Totals | | <u>\$ 3,865,000</u> | <u>\$ 415,500</u> | <u>\$ 4,280,500</u> |

VILLAGE OF FOREST PARK, ILLINOIS

WATERWORKS FACILITY REPORT

April 30, 2020

(Unaudited)

| | |
|---|----------------------|
| Revenues | \$ 5,267,962 |
| Operating Expenses | \$ 2,348,850 * |
| Replacement Costs | |
| Water Mains | \$ 32,063,900 |
| Pump Stations | 6,700,000 |
| Water Towers | <u>4,650,000</u> |
| Total | <u>\$ 43,413,900</u> |
| Total gallons received at the waterworks facility | 449,611,080 |
| Total number of gallons billed | 430,115,880 * |
| Debt service due within one year | |
| Principal | \$ 432,026 |
| Interest | <u>40,706</u> |
| Total | <u>\$ 472,732</u> |
| Number of users | |
| Active during the year ended April 30, 2020 | 3,325 |
| Suspended during the year ended April 30, 2020 | 37 |

* This number is an estimate, the Village's water meters were not properly functioning for part of the year.