

VILLAGE OF FOREST PARK, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2021

VILLAGE OF FOREST PARK, ILLINOIS

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FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

December 29, 2021

The Honorable Mayor
Members of the 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, Illinois, as of and for the year ended April 30, 2021, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village'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 Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Forest Park, Illinois, as of April 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information 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 the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Forest Park, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental 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 other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

Our discussion and analysis of the Village of Forest Park, Illinois' (the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2021. Please read it in conjunction with the transmittal letter, located in the introductory section of this report, and the Village's financial statements, located in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased as a result of this year's operations. While net position of business-type activities reported an increase by \$6,733,031, or 45.6 percent, net position of the governmental activities decreased by \$9,909,700, or 29.8 percent.
- During the year, government-wide revenues for the primary government totaled \$31,941,488, while expenses totaled \$35,118,157, resulting in a decrease to net position of \$3,176,669.
- The Village's net position totaled a deficit of \$21,668,049 on April 30, 2021, which includes \$46,610,368 net investment in capital assets, \$13,379,990 subject to external restrictions, and \$81,658,407 unrestricted (deficit) net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$1,019,762, resulting in ending fund balance of \$476,907, an increase of 187.9 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The Statement of Net Position reports information on all of the Village's 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 may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government'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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include public affairs, accounting and finance, public property, health and safety, streets and public improvements, and interest on long-term debt. The business-type activities of the Village include water services.

The Village includes one separate legal entity in its report. The Forest Park Public Library is presented as a discretely presented component unit. Although legally separate, this “component unit” is important because the Village is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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, like other local governments, 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

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. Such information may be useful in evaluating the Village’s near-term financing requirements.

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 government’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 the comparison between governmental funds and governmental activities.

The Village maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Brown Street Station TIF Fund, Roosevelt Hannah TIF Fund, Motor Fuel Tax Fund, and the VIP Program Fund and 2002 Bond Fund which are considered Capital Project Funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

USING THIS ANNUAL REPORT - Continued

Proprietary Funds

The Village maintains one proprietary fund type: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for water service activities.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, which is considered to be a major fund of the Village.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds 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 much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's other post-employment benefit obligation, IMRF, police, and fire employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue funds. The combining statements referred to earlier in connection with nonmajor governmental funds and enterprise funds are presented immediately following the required supplementary information on pensions.

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, liabilities/deferred inflows exceeded assets/deferred outflows by \$21,668,049.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 19,317,968	19,095,936	8,898,079	6,133,050	28,216,047	25,228,986
Capital Assets	37,531,093	37,945,977	14,396,274	10,980,496	51,927,367	48,926,473
Other Assets	1,937,095	—	324,019	—	2,261,114	—
Total Assets	58,786,156	57,041,913	23,618,372	17,113,546	82,404,528	74,155,459
Deferred Outflows	20,110,788	19,487,559	21,901	29,460	20,132,689	19,517,019
Total Assets/ Deferred Outflows	78,896,944	76,529,472	23,640,273	17,143,006	102,537,217	93,672,478
Long-Term Liabilities	106,054,526	100,559,850	389,794	791,215	106,444,320	101,351,065
Other Liabilities	3,892,234	4,243,443	1,463,263	1,408,535	5,355,497	5,651,978
Total Liabilities	109,946,760	104,803,293	1,853,057	2,199,750	111,799,817	107,003,043
Deferred Inflows	12,127,827	4,994,122	277,622	166,693	12,405,449	5,160,815
Total Liabilities/ Deferred Inflows	122,074,587	109,797,415	2,130,679	2,366,443	124,205,266	112,163,858
Net Position						
Net Investment in Capital Assets	33,002,998	32,129,557	13,607,370	9,762,303	46,610,368	41,891,860
Restricted	13,379,990	13,830,579	—	—	13,379,990	13,830,579
Unrestricted	(89,560,631)	(79,228,079)	7,902,224	5,014,260	(81,658,407)	(74,213,819)
Total Net Position	(43,177,643)	(33,267,943)	21,509,594	14,776,563	(21,668,049)	(18,491,380)

A large portion of the Village's net position, \$46,610,368, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$13,379,990, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of (\$81,658,407), represents unrestricted net position and if when positive, may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	04/30/21	04/30/20	04/30/21	04/30/20	04/30/21	04/30/20
Revenues						
Program Revenues						
Charges for Services	\$ 4,783,436	4,865,900	8,004,334	5,314,881	12,787,770	10,180,781
Operating Grants/Contributions	1,073,587	249,107	228,833	—	1,302,420	249,107
Capital Grants/Contributions	1,092,547	500,138	—	—	1,092,547	500,138
General Revenues						
Property Taxes	6,807,294	7,947,315	—	—	6,807,294	7,947,315
Other Taxes	1,523,700	1,118,467	—	—	1,523,700	1,118,467
Intergovernmental Revenues	8,013,150	8,323,047	—	—	8,013,150	8,323,047
Interest	63,571	168,945	5,883	10,009	69,454	178,954
Miscellaneous	345,153	18,458	—	—	345,153	18,458
Total Revenues	23,702,438	23,191,377	8,239,050	5,324,890	31,941,488	28,516,267
Expenses						
Public Affairs	9,973,560	21,233,541	—	—	9,973,560	21,233,541
Accounts and Finance	6,170,404	7,455,708	—	—	6,170,404	7,455,708
Public Property	1,147,743	560,072	—	—	1,147,743	560,072
Health and Safety	10,943,081	373,113	—	—	10,943,081	373,113
Streets and Public Improvement	2,823,340	4,775,849	—	—	2,823,340	4,775,849
Interest on Long-Term Debt	145,752	188,936	—	—	145,752	188,936
Water	—	—	3,914,277	3,412,042	3,914,277	3,412,042
Sewer	—	—	—	112,199	—	112,199
Total Expenses	31,203,880	34,587,219	3,914,277	3,524,241	35,118,157	38,111,460
Change in Net Position						
Before Transfers	(7,501,442)	(11,395,842)	4,324,773	1,800,649	(3,176,669)	(9,595,193)
Transfers	(2,408,258)	900,000	2,408,258	(900,000)	—	—
Change in Net Position	(9,909,700)	(10,495,842)	6,733,031	900,649	(3,176,669)	(9,595,193)
Net Position-Beginning	(33,267,943)	(22,772,101)	14,776,563	13,875,914	(18,491,380)	(8,896,187)
Net Position-Ending	(43,177,643)	(33,267,943)	21,509,594	14,776,563	(21,668,049)	(18,491,380)

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the Village's governmental activities decreased by 29.8 percent (\$43,177,643 deficit in 2021 compared to a deficit of \$33,267,943 in 2020). This decrease in net position reflects an increase in long term pension liability and the use of reserves for infrastructure improvement projects. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$89,560,631 at year-end.

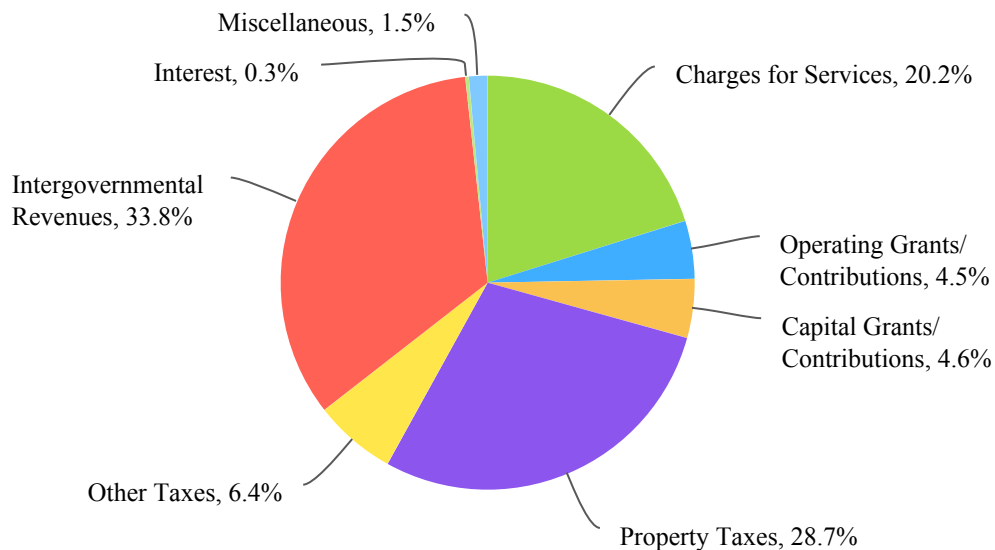
Net position of business-type activities reported an increase of 45.6 percent (\$21,509,594 in 2021 compared to a balance of \$14,776,563 in 2020). Improvement projects were deferred in FY2021, resulting in this increase.

Governmental Activities

Revenues for governmental activities totaled \$23,702,438, while the cost of all governmental functions totaled \$31,203,880. This results in a decrease of \$7,501,442 prior to transfers out of \$2,408,258. In 2020, expenses of \$34,587,219 exceeded revenues of \$23,191,377, resulting in a decrease of \$11,395,842 prior to transfers in of \$900,000. The COVID-19 pandemic impacted the Village to a great extent. Infrastructure projects in all funds that did not have grant funding were deferred to ensure cash flow and all capital asset purchases were postponed. In May 2020, the General Fund expenditure budget was reduced by \$661,750 to offset the impact of revenue loss. General Fund budgeted revenues were reduced overall by \$2,427,096 compared to the FY2020 budget, with the largest budget reduction in sales tax. This reduction was to present the possible outcome given the economic crisis. General Fund revenues exceeded expectation with the exception of grants, parking, and fines. The largest source of revenue loss was related to the commuter parking. The budget for 2021 was \$582,698; however, only \$216,609 was received resulting in a deficit of \$366,089 or 63%.

The following table graphically depicts the major revenue sources of the Village. It portrays very clearly the reliance on property taxes, charges for services, and intergovernmental revenues to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from miscellaneous and interest income.

Revenue by Source - Governmental Activities



VILLAGE OF FOREST PARK, ILLINOIS

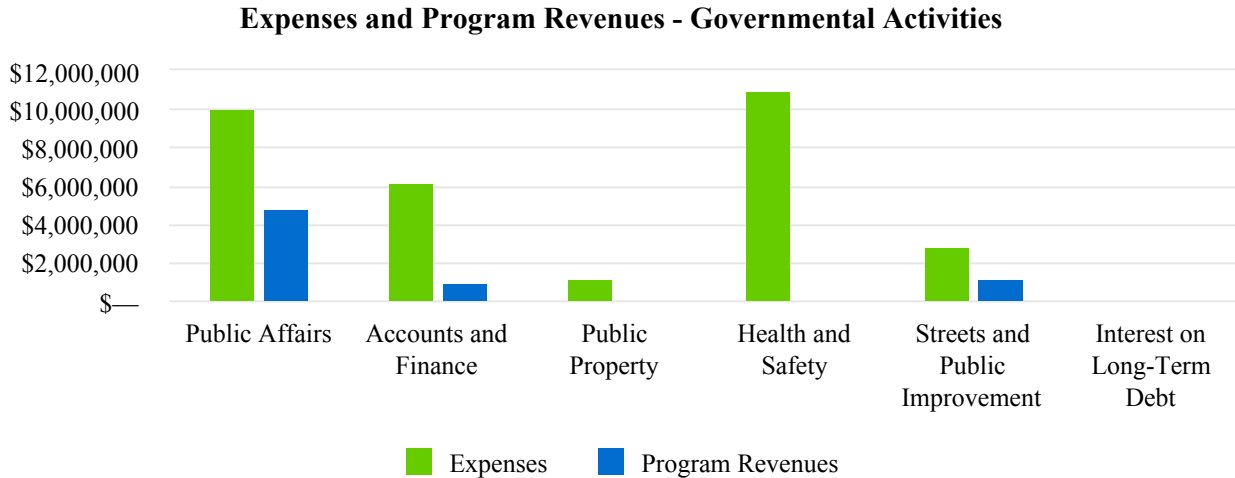
Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

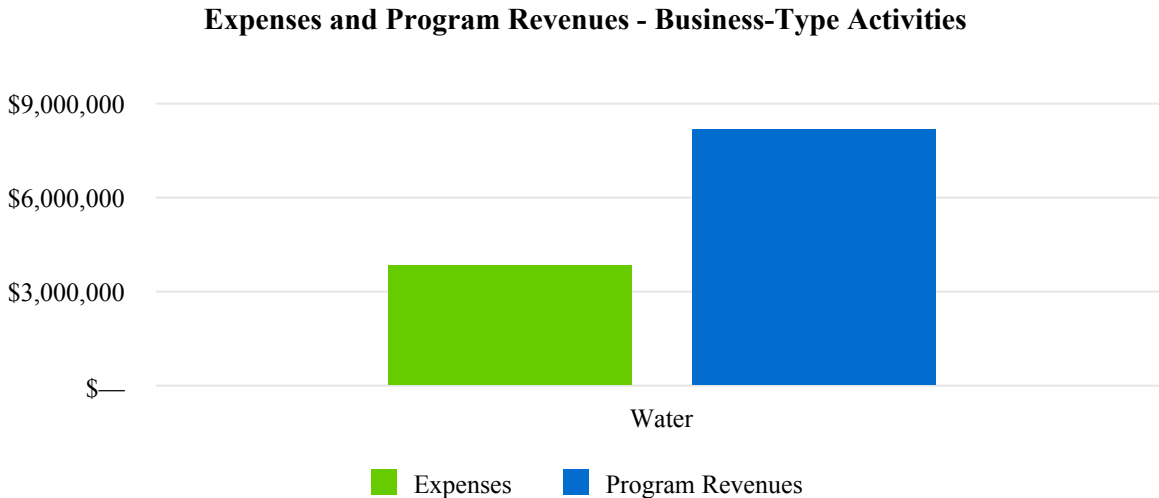
Governmental Activities - Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



Business-Type activities

Business-Type activities reported total revenues of \$8,239,050, while the cost of all business-type activities totaled \$3,914,277. This results in an increase of \$4,324,773 prior to transfers in of \$2,408,258. In 2020, revenues of \$5,324,890 exceed expenses of \$3,524,241, resulting in an increase of \$1,800,649 prior to transfers out of \$900,000. The surplus in the current year is due to capital improvement projects deferred during FY2021 in order to stabilize cash flow during the COVID-19 pandemic. The Village Council also approved a water and sewer study with rate increases and implementation of sewer charges that went into effect June 1, 2020. This will provide the necessary resources for future sewer separation and infrastructure improvements. The below graph compares program revenues to expenses for utility operations.



VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$13,057,960, which is a decrease of \$761,891, or 5.5 percent, from prior year's total of \$13,819,851. Of the \$13,057,960 total, a deficit of \$750,753, or approximately 5.7 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported an increase for the year of \$1,019,762, or 187.9 percent. The budgeted expenditures exceeded budgeted revenues by \$4,882,982, prior to other financing sources (uses). Revenues were over budget by 7.6 percent due to local share of sales and income tax exceeding budget and COVID-related grants such as the Coronavirus Aid, Relief, and Economic Security Act (CARES) in the amount of \$307,976.

The General Fund is the chief operating fund of the Village. At April 30, 2021, unassigned fund balance in the General Fund was (\$573,592), which represents (120.3) percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately (3.0) percent of total General Fund expenditures.

The Brown Street Station TIF Fund reported a decrease for the year of \$248,170, which was due the completion of the 2019 Infrastructure Improvement Project.

The Roosevelt and Hannah TIF Fund reported a decrease for the year of \$2,101,835, which was due largely to incremental tax revenues under budgeted expectation and the South Area Sewer Separation Improvement project.

The Motor Fuel Tax Fund reported an increase of \$776,544. This is due to capital improvement projects deferred during FY2021 in order to stabilize cash flow during the COVID-19 pandemic. The Village also received \$466,831 from the Rebuild Illinois Bond Grant for future capital improvement.

The 2002 Bond Fund reported a decrease of \$100,317, which is due to ongoing costs for the Roosevelt Road Streetscape project.

The VIP Program Fund reported an increase of \$130,566. This is due to capital improvement projects deferred during FY2021 in order to stabilize cash flow during the COVID-19 pandemic. Revenue from the 1% Non-Home Rule Sales tax must ensure Debt Service obligation through December 2025.

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water Fund as a major proprietary fund. This fund accounts for all of the operations of the water operations. The Water Department operating under Public Works Department is responsible for operating the water and sewer functions and facilities within the Village. Water and sewer minimum service charges for a single family residential meter is \$55.92 bi-monthly; while usage is charged per 100 cubic feet at \$9.32.

The surplus in the Waterworks Fund during the current fiscal year was \$6,733,031, Operating revenues were \$238,106 or 3.1 percent over budget, and operating expenses reached 43.1 percent of budget. Surplus funds recognized in FY2021 will be allocated as resources for future capital projects and provide relief to aging infrastructure. Unrestricted net position in the Waterworks Fund totaled \$7,902,224 at year-end.

GENERAL FUND BUDGETARY HIGHLIGHTS

In recognition of the financial impact from COVID-19, steps were taken during the fiscal year to reduce expenditures. Part-time and seasonal positions were furloughed, union and non-union personnel agreed to wage concessions, capital assets purchases were deferred, eligible expenses were allocated to Non-Major funds, non-essential services were suspended, and principal payments on installment loans were deferred for six months. Compliance deadlines for vehicle stickers and business license renewals were extended into June; the overnight parking ban and parking permits for municipal lots were waived until June, and local adjudication was delayed until July. General Fund actual revenues for the year totaled \$18,555,647, compared to budgeted revenues of \$17,247,282. The Village received \$28,096 in federal grants for reimbursement on COVID-related expenses and \$307,976 from the Coronavirus Aid, Relief, and Economic Security Act (CARES). Business licenses, all parking related revenues, and fines and forfeitures were lower than budget. Property tax, intergovernmental revenues, and construction related revenues were higher than the budget, as the budget had been reduced due to economic uncertainties.

The General Fund actual expenditures for the year were \$2,972,251 lower than budgeted (\$19,158,013 actual compared to \$22,130,264 budgeted). In May of 2020, budgeted expenditures were reduced by \$664,486 to offset the impact of lost revenue due to the COVID-19 pandemic. All departments remained under budget expectation.

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2021 was \$51,927,367 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, furniture and equipment, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 5,365,407	5,365,407	—	—	5,365,407	5,365,407
Construction in Progress	1,321,963	2,497,336	2,789,940	652,663	4,111,903	3,149,999
Infrastructure	25,908,074	25,203,978	356,725	364,515	26,264,799	25,568,493
Buildings and Improvements	3,071,117	2,571,766	247,731	29,205	3,318,848	2,600,971
Fixtures and Equipment	1,864,532	2,033,216	11,001,878	9,910,046	12,866,410	11,943,262
Totals	<u>37,531,093</u>	<u>37,671,703</u>	<u>14,396,274</u>	<u>10,956,429</u>	<u>51,927,367</u>	<u>48,628,132</u>

This year's major additions included:

	Governmental	Business-Type
	Activities	Activities
Construction in Progress	\$ 1,308,582	2,589,485
Infrastructure	1,231,336	168,735
Buildings and Improvements	557,241	—
Fixtures and Equipment	141,795	230,076
	<u>3,238,954</u>	<u>3,558,534</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$106,005,081 as compared to \$103,478,239 the previous year, an increase of 2.4 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Compensated Absences	\$ 839,102	852,253	21,501	14,633	860,603	866,886
Net Pension Liability - IMRF	(1,937,095)	(274,274)	(324,019)	(24,067)	(2,261,114)	(298,341)
Net Pension Liability - Police	41,862,431	44,904,423	—	—	41,862,431	44,904,423
Net Pension Liability - Firefighters'	57,215,337	47,232,868	—	—	57,215,337	47,232,868
Total OPEB Liability - RBP	2,857,785	3,867,791	—	—	2,857,785	3,867,791
Debt Certificates	285,872	563,336	54,128	106,664	340,000	670,000
General Obligation Bonds	3,393,202	4,016,484	—	—	3,393,202	4,016,484
IEPA Loans Payable	—	—	734,776	1,087,462	734,776	1,087,462
Loans Payable	1,002,061	1,130,666	—	—	1,002,061	1,130,666
Total	105,518,695	102,293,547	486,386	1,184,692	106,005,081	103,478,239

While outstanding bond and loan debt decreased, FY2021 recognized an increase in net pension liability. The Village received a rating of Baa3 (Negative Outlook) from Moody's for general obligation debt in June 2021. This is a downgrade from the previous rating of Baa2.

Additional information on the Village's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Fiscal year 2021 year-end and the budget projections for 2022 continue to present many challenges to Forest Park. The global pandemic had an immediate economic impact, and while there has been improvement since the onset in spring of 2020, the effect is still recognized today due to demand outpacing supply, and shortages in staffing. In April 2020, unemployment for Cook County was 17.10%; a year later at April 2021, the unemployment rate for Cook County was 8.7%, statewide the rate was 7.1%, and the national rate was 6.1%.

As a non-home rule community, the ability to generate new revenue is limited, and approximately 70% of all governmental revenues are direct or pass through taxes. Due to the pandemic and shelter-in-place mandates, businesses were shuttered or hours greatly reduced for several months early in the fiscal year, reducing all revenue sources. The social unrest that soon followed increased overtime hours for Police, Fire, and Public Works, adding to the financial strain of the General Fund.

While the General Fund did recognize a gain for FY2021, the federal stimuli, the reduction of expenditures and services, operating transfers, and deferral of all assets and non-essential operating purchases are the contributing factors. Home sales and all construction related revenues did recognize an increase in FY2021.

VILLAGE OF FOREST PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - Continued

The FY2022 budget recognizes the difficulties that residents and businesses alike are facing. FY2022 revenues in the General Fund are budgeted at a 1.5% over FY2021 year-end, and expenditures at a 20.6% increase. After operating transfers in, the net change in fund balance is budgeted at a (\$2,402,200) loss. This considers full departmental staffing, the purchase of capital assets, and increased cost in operations with conservative revenue projections due to the ongoing economic uncertainty. The only rate increase recognized in the General Fund budget is the pass through costs for refuse and recycling under fees for service. During budget discussion, it was agreed the intent of the Municipal Motor Fuel Tax at \$0.02 per gallon that is currently recognized in the General Fund would be for a future capital asset fund to replace aging fleet.

Additionally, the infrastructure projects that were deferred in FY2021 are budgeted for FY2022; this is recognized in two of the TIF Funds, the Motor Fuel Tax Fund, the VIP Program Fund, and the Water Fund. In the Water fund, the City of Chicago water rate increase will be passed through onto users. Expenses are budgeted at a 41.8% increase over FY2021 year-end, and after operating transfers, the net change in fund balance is budgeted at a \$1,185,611 gain.

The 2020 extended levy is an overall increase of 3.2% or \$164,800 over the 2019 extension. An additional \$323,909 is committed to the Police and Fire Pension Funds; this a 13% increase from prior year contributions. This still leaves the Village below the actuarially determined contribution, and diverts revenues from the General Fund operations. These unfunded liability balances, and the lack of reserve in the General Fund, are the foundation of the Village's current credit rating. The Village commits fifty-three percent of the annual levy to fund pension obligations. Without help from the State of Illinois and some additional revenue streams this downward trend is likely to continue.

No additional debt is budgeted for FY2022, and the final payment for the 2011 Debt Certificate will occur in November 2021. This will reduce future expenditures in the General and Water Funds.

Management anticipates that actual revenues will closely approximate budgeted revenue and expenditures will remain below expectation for FY2022 as efforts continue to reduce spending. 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.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Clerk at 517 Des Plaines Avenue, Forest Park, Illinois 60130.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Net Position

April 30, 2021

See Following Page

VILLAGE OF FOREST PARK, ILLINOIS

**Statement of Net Position
April 30, 2021**

	Primary Government			Component
	Governmental	Business-Type	Totals	Unit
	Activities	Activities		Forest Park Library
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 13,638,686	7,115,919	20,754,605	1,989,122
Receivables - Net of Allowances	5,696,052	1,241,533	6,937,585	1,080,415
Due from Other Governments	94,322	—	94,322	20,896
Internal Balances	(539,815)	539,815	—	—
Prepays	428,723	812	429,535	10,272
Total Current Assets	19,317,968	8,898,079	28,216,047	3,100,705
Noncurrent Assets				
Capital Assets				
Nondepreciable	6,687,370	2,789,940	9,477,310	134
Depreciable	61,730,234	15,320,169	77,050,403	4,729,502
Accumulated Depreciation	(30,886,511)	(3,713,835)	(34,600,346)	(2,110,943)
	37,531,093	14,396,274	51,927,367	2,618,693
Other Assets				
Net Pension Asset - IMRF	1,937,095	324,019	2,261,114	564,178
Total Noncurrent Assets	39,468,188	14,720,293	54,188,481	3,182,871
Total Assets	58,786,156	23,618,372	82,404,528	6,283,576
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	130,929	21,901	152,830	38,133
Deferred Items - Police Pension	1,560,206	—	1,560,206	—
Deferred Items - Firefighters' Pension	18,091,783	—	18,091,783	—
Deferred Items - RBP	174,830	—	174,830	—
Unamortized Loss on Refunding	153,040	—	153,040	—
Total Deferred Outflows of Resources	20,110,788	21,901	20,132,689	38,133
Total Assets and Deferred Outflows of Resources	78,896,944	23,640,273	102,537,217	6,321,709

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

	Primary Government			Component
	Governmental	Business-Type	Totals	Unit
	Activities	Activities		Forest Park Library
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,535,614	1,028,015	2,563,629	—
Accrued Payroll	25,783	—	25,783	22,178
Accrued Interest Payable	46,281	5,722	52,003	—
Unearned Revenue	781,814	—	781,814	—
Other Payables	101,478	8,915	110,393	—
Current Portion of Long-Term Debt	1,401,264	420,611	1,821,875	—
Total Current Liabilities	3,892,234	1,463,263	5,355,497	22,178
Noncurrent Liabilities				
Compensated Absences Payable	671,282	17,201	688,483	—
Net Pension Liability - Police Pension	41,862,431	—	41,862,431	—
Net Pension Liability - Firefighters' Pension	57,215,337	—	57,215,337	—
Total OPEB Liability - RBP	2,857,785	—	2,857,785	—
General Obligation Bonds Payable - Net	2,778,202	—	2,778,202	—
Loans Payable	669,489	—	669,489	—
IEPA Loans Payable	—	372,593	372,593	—
Total Noncurrent Liabilities	106,054,526	389,794	106,444,320	—
Total Liabilities	109,946,760	1,853,057	111,799,817	22,178
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,028,158	—	3,028,158	1,080,415
Deferred Items - IMRF	1,659,724	277,622	1,937,346	483,393
Deferred Items - Police Pension	3,583,878	—	3,583,878	—
Deferred Items - Firefighters' Pension	2,730,995	—	2,730,995	—
Deferred Items - RBP	1,125,072	—	1,125,072	—
Total Deferred Inflows of Resources	12,127,827	277,622	12,405,449	1,563,808
Total Liabilities and Deferred Inflows of Resources	122,074,587	2,130,679	124,205,266	1,585,986
NET POSITION				
Net Investment in Capital Assets	33,002,998	13,607,370	46,610,368	2,618,693
Restricted - Economic Development	8,572,331	—	8,572,331	—
Restricted - Public Safety	297,401	—	297,401	—
Restricted - Social Security	9,761	—	9,761	—
Restricted - Streets and Highways	3,878,721	—	3,878,721	—
Restricted - Playground and Recreation	621,776	—	621,776	—
Restricted - Library	—	—	—	187,733
Unrestricted (Deficit)	(89,560,631)	7,902,224	(81,658,407)	1,929,297
Total Net Position	(43,177,643)	21,509,594	(21,668,049)	4,735,723

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

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
Public Affairs	\$ 9,973,560	4,783,436	—	—
Accounts and Finance	6,170,404	—	953,587	—
Public Property	1,147,743	—	—	—
Health and Safety	10,943,081	—	—	105,458
Streets and Public Improvement	2,823,340	—	120,000	987,089
Interest on Long-Term Debt	145,752	—	—	—
Total Governmental Activities	31,203,880	4,783,436	1,073,587	1,092,547
Business-Type Activities				
Waterworks	3,914,277	8,004,334	228,833	—
Total Primary Government	35,118,157	12,787,770	1,302,420	1,092,547
Component Unit				
Forest Park Library	1,530,943	6,372	27,896	—

General Revenues
Taxes
Property Taxes
Local Sales Tax
Utility Taxes
Other Taxes
Intergovernmental - Unrestricted
State Income Tax
Sales Tax
Local Use Tax
Replacement Tax
Foreign Fire Insurance Tax
Interest
Miscellaneous
Transfers - Internal Activity

Change in Net Position
Net Position - Beginning
Net Position - Ending

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

Net (Expenses)/Revenues			
Primary Government			Component
Governmental	Business-Type	Totals	Unit
Activities	Activities		Forest Park Library
(5,190,124)	—	(5,190,124)	—
(5,216,817)	—	(5,216,817)	—
(1,147,743)	—	(1,147,743)	—
(10,837,623)	—	(10,837,623)	—
(1,716,251)	—	(1,716,251)	—
(145,752)	—	(145,752)	—
(24,254,310)	—	(24,254,310)	—
—	4,318,890	4,318,890	—
(24,254,310)	4,318,890	(19,935,420)	—
—	—	—	(1,496,675)
6,807,294	—	6,807,294	1,833,256
—	—	—	—
1,326,255	—	1,326,255	—
197,445	—	197,445	—
1,719,624	—	1,719,624	—
5,417,189	—	5,417,189	—
637,332	—	637,332	—
204,892	—	204,892	31,831
34,113	—	34,113	—
63,571	5,883	69,454	3,857
345,153	—	345,153	13,652
(2,408,258)	2,408,258	—	—
14,344,610	2,414,141	16,758,751	1,882,596
(9,909,700)	6,733,031	(3,176,669)	385,921
(33,267,943)	14,776,563	(18,491,380)	4,349,802
(43,177,643)	21,509,594	(21,668,049)	4,735,723

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

VILLAGE OF FOREST PARK, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2021

	General	Brown Street Station TIF
ASSETS		
Cash and Investments	\$ —	3,734,282
Receivables - Net of Allowances		
Taxes	4,480,843	—
Accounts	309,032	—
Other	71,399	—
Due from Other Governments	—	—
Due from Other Funds	1,006,514	—
Prepays	428,723	—
	<u>6,296,511</u>	<u>3,734,282</u>
LIABILITIES		
Accounts Payable	248,363	815
Accrued Payroll	25,783	—
Due to Other Funds	1,343,750	2,618
Unearned Revenue	781,814	—
Other Payables	100,117	—
Total Liabilities	<u>2,499,827</u>	<u>3,433</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	2,713,264	—
Unavailable Revenue	606,513	—
Total Deferred Inflows of Resources	<u>3,319,777</u>	<u>—</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,819,604</u>	<u>3,433</u>
FUND BALANCES		
Nonspendable	428,723	—
Restricted	621,776	3,730,849
Unassigned	(573,592)	—
Total Fund Balances	<u>476,907</u>	<u>3,730,849</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>6,296,511</u>	<u>3,734,282</u>

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

Special Revenue					
Roosevelt and Hannah TIF	Motor Fuel Tax	Capital Projects		Nonmajor	Totals
		VIP Program	2002 Bond		
3,816,861	2,013,774	1,614,746	995,894	1,463,129	13,638,686
—	—	501,251	—	314,894	5,296,988
—	—	—	—	18,633	327,665
—	—	—	—	—	71,399
—	92,961	1,361	—	—	94,322
—	—	—	—	19,111	1,025,625
—	—	—	—	—	428,723
<u>3,816,861</u>	<u>2,106,735</u>	<u>2,117,358</u>	<u>995,894</u>	<u>1,815,767</u>	<u>20,883,408</u>
118,391	—	145,369	1,002,089	20,587	1,535,614
—	—	—	—	—	25,783
22,038	—	17,994	—	179,040	1,565,440
—	—	—	—	—	781,814
—	—	1,361	—	—	101,478
<u>140,429</u>	<u>—</u>	<u>164,724</u>	<u>1,002,089</u>	<u>199,627</u>	<u>4,010,129</u>
—	—	—	—	314,894	3,028,158
—	—	180,648	—	—	787,161
—	—	180,648	—	314,894	3,815,319
<u>140,429</u>	<u>—</u>	<u>345,372</u>	<u>1,002,089</u>	<u>514,521</u>	<u>7,825,448</u>
—	—	—	—	—	428,723
3,676,432	2,106,735	1,771,986	—	1,472,212	13,379,990
—	—	—	(6,195)	(170,966)	(750,753)
<u>3,676,432</u>	<u>2,106,735</u>	<u>1,771,986</u>	<u>(6,195)</u>	<u>1,301,246</u>	<u>13,057,960</u>
<u>3,816,861</u>	<u>2,106,735</u>	<u>2,117,358</u>	<u>995,894</u>	<u>1,815,767</u>	<u>20,883,408</u>

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

VILLAGE OF FOREST PARK, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2021

Total Governmental Fund Balances	\$ 13,057,960
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	37,531,093
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	787,161
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	1,937,095
Deferred outflows (inflows) of resources related to retirement not reported in the funds.	
Deferred Items - IMRF	(1,528,795)
Deferred Items - Police Pension	(2,023,672)
Deferred Items - Firefighters' Pension	15,360,788
Deferred Items - RBP	(950,242)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(839,102)
Net Pension Liability - Police Pension	(41,862,431)
Net Pension Liability - Firefighters' Pension	(57,215,337)
Total OPEB Liability - RBP	(2,857,785)
General Obligation Bonds Payable	(3,265,000)
Unamortized Bond Premium	(128,202)
Unamortized Loss on Refunding	153,040
Debt Certificates Payable	(285,872)
Loans Payable	(1,002,061)
Accrued Interest Payable	(46,281)
Net Position of Governmental Activities	<u>(43,177,643)</u>

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

VILLAGE OF FOREST PARK, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2021**

See Following Page

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2021

	General	Brown Street Station TIF
Revenues		
Taxes	\$ 6,589,068	549,894
Intergovernmental	6,856,600	—
Licenses and Permits	1,410,080	—
Charges for Services	2,341,162	—
Parking	216,609	—
Fines and Forfeitures	815,585	—
Interest	6,369	17,312
Miscellaneous	320,174	—
Total Revenues	<u>18,555,647</u>	<u>567,206</u>
Expenditures		
Current		
Public Affairs	9,071,983	—
Accounts and Finance	6,267,062	—
Public Property	1,515,704	—
Health and Safety	310,064	—
Streets and Public Improvement	1,506,402	—
Capital Outlay	—	815,376
Debt Service		
Principal Retirement	437,688	—
Interest and Fiscal Charges	49,110	—
Total Expenditures	<u>19,158,013</u>	<u>815,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(602,366)</u>	<u>(248,170)</u>
Other Financing Sources (Uses)		
Debt Issuance	33,878	—
Transfers In	1,598,250	—
Transfers Out	(10,000)	—
	<u>1,622,128</u>	<u>—</u>
Net Change in Fund Balances	1,019,762	(248,170)
Fund Balances - Beginning	<u>(542,855)</u>	<u>3,979,019</u>
Fund Balances - Ending	<u><u>476,907</u></u>	<u><u>3,730,849</u></u>

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

Special Revenue					
Roosevelt and Hannah TIF	Motor Fuel Tax	Capital Projects		Nonmajor	Totals
		VIP Program	2002 Bond		
367,414	—	—	—	824,618	8,330,994
—	987,089	1,905,211	—	128,209	9,877,109
—	—	—	—	—	1,410,080
—	—	—	—	—	2,341,162
—	—	—	—	—	216,609
—	—	—	—	—	815,585
21,074	4,437	3,117	4,623	6,639	63,571
—	—	—	—	24,979	345,153
388,488	991,526	1,908,328	4,623	984,445	23,400,263
—	—	—	—	297,792	9,369,775
—	—	—	—	502,150	6,769,212
—	—	—	—	—	1,515,704
—	—	—	—	—	310,064
—	—	35,624	—	7,145	1,549,171
241,283	—	549,756	104,940	—	1,711,355
—	—	600,000	—	2,259	1,039,947
—	—	115,950	—	700	165,760
241,283	—	1,301,330	104,940	810,046	22,430,988
147,205	991,526	606,998	(100,317)	174,399	969,275
—	—	—	—	—	33,878
977,603	—	—	—	26,407	2,602,260
(3,226,643)	(214,982)	(476,432)	—	(439,247)	(4,367,304)
(2,249,040)	(214,982)	(476,432)	—	(412,840)	(1,731,166)
(2,101,835)	776,544	130,566	(100,317)	(238,441)	(761,891)
5,778,267	1,330,191	1,641,420	94,122	1,539,687	13,819,851
3,676,432	2,106,735	1,771,986	(6,195)	1,301,246	13,057,960

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

VILLAGE OF FOREST PARK, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended April 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ (761,891)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	3,238,954
Depreciation Expense	(1,847,810)
Disposals - Cost	(2,333,816)
Disposals - Accumulated Depreciation	1,445,276
Transfer of Capital Assets from Business-Type Activities	(643,214)
A deduction to certain revenues recognized as revenue only in the governmental funds.	302,175
An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.	
Change in Net Pension Asset	1,662,821
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(1,206,593)
Change in Deferred Items - Police Pension	(5,200,270)
Change in Deferred Items - Firefighters' Pension	1,482,397
Change in Deferred Items - RBP	(1,156,486)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Compensated Absences Payable	13,151
Change in Net Pension Liability - Police Pension	3,041,992
Change in Net Pension Liability - Firefighters' Pension	(9,982,469)
Change in Total OPEB Liability - RBP	1,010,006
Issuance of Debt	(33,878)
Retirement of Debt	1,039,947
Amortization of Bond Premium	23,282
Loss on Refunding	(15,300)
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	12,026
Changes in Net Position of Governmental Activities	<u>(9,909,700)</u>

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

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2021

See Following Page

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2021

	<u>Water</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 7,115,919
Receivables - Net of Allowances	
Accounts	1,241,533
Due from Other Funds	1,331,497
Prepays	812
Total Current Assets	<u>9,689,761</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	2,789,940
Depreciable	15,320,169
Accumulated Depreciation	<u>(3,713,835)</u>
Total Capital Assets	14,396,274
Other Assets	
Net Pension Asset - IMRF	<u>324,019</u>
Total Noncurrent Assets	<u>14,720,293</u>
Total Assets	24,410,054
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>21,901</u>
Total Assets and Deferred Outflows of Resources	<u><u>24,431,955</u></u>

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

Water

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 1,028,015
Accrued Interest Payable	5,722
Due to Other Funds	791,682
Other Payables	8,915
Current Portion of Long-Term Debt	420,611
Total Current Liabilities	<u>2,254,945</u>
Noncurrent Liabilities	
Compensated Absences Payable	17,201
IEPA Loans Payable	372,593
Total Noncurrent Liabilities	<u>389,794</u>
Total Liabilities	<u>2,644,739</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	<u>277,622</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,922,361</u>

NET POSITION

Net Investment in Capital Assets	13,607,370
Unrestricted	<u>7,902,224</u>
Total Net Position	<u>21,509,594</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>24,431,955</u></u>

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

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2021

	<u>Water</u>
Operating Revenues	
Charges for Services	<u>\$ 8,004,334</u>
Operating Expenses	
Operations	3,698,241
Depreciation	191,665
Total Operating Expenses	<u>3,889,906</u>
Operating Income	<u>4,114,428</u>
Nonoperating Revenues (Expenses)	
Interest Income	5,883
Operating Grant	228,833
Interest Expense	(24,371)
	<u>210,345</u>
Income Before Transfers	<u>4,324,773</u>
Transfers In	4,309,104
Transfers Out	(1,900,846)
	<u>2,408,258</u>
Change in Net Position	6,733,031
Net Position - Beginning	<u>14,776,563</u>
Net Position - Ending	<u><u>21,509,594</u></u>

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

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2021

	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 7,718,922
Payments to Suppliers	(2,436,664)
Payments to Employees	(300,437)
	<u>4,981,821</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(2,988,296)
Principal Retirement	(405,222)
Interest Expense	(24,371)
	<u>(3,417,889)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	3,665,890
Transfers Out	(1,900,846)
	<u>1,765,044</u>
Cash Flows from Investing Activities	
Interest Income	5,883
Net Change in Cash and Cash Equivalents	3,334,859
Cash and Cash Equivalents - Beginning	<u>3,781,060</u>
Cash and Cash Equivalents - Ending	<u><u>7,115,919</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	4,114,428
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	191,665
Other Income	228,833
(Increase) Decrease in Current Assets	(514,245)
Increase (Decrease) in Current Liabilities	961,140
	<u>4,981,821</u>
Net Cash Provided by Operating Activities	<u><u>4,981,821</u></u>
Noncash Capital and Related Financing Activities	
Transfer of Capital Assets from(to) Governmental Activities	<u><u>643,214</u></u>

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

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2021

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,397,474
Investments	
U.S. Government Obligations	4,309,304
U.S. Agency Obligations	2,811,140
Corporate Bonds	4,924,074
State and Local Obligations	152,505
Mutual Funds	20,796,804
Common Stock	9,034,856
Insurance Contracts	1,512,456
Receivables - Net of Allowance	
Accrued Interest	61,508
Prepays	<u>22,687</u>
Total Assets	45,022,808
LIABILITIES	
Accounts Payable	<u>3,638</u>
NET POSITION	
Net Position Restricted	<u><u>45,019,170</u></u>

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

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2021

	Pension Trust
Additions	
Contributions	
Employer	\$ 2,451,827
Plan Members	557,069
Total Contributions	<u>3,008,896</u>
Investment Earnings	
Interest Earned	10,310,020
Net Change in Fair Value	(4,026)
	<u>10,305,994</u>
Less Investment Expenses	(124,339)
Net Investment Income	<u>10,181,655</u>
Total Additions	<u>13,190,551</u>
Deductions	
Benefits and Refunds	4,493,777
Administration	83,389
Total Deductions	<u>4,577,166</u>
Change in Fiduciary Net Position	8,613,385
Net Position Restricted for Pensions and Others	
Beginning	<u>36,405,785</u>
Ending	<u><u>45,019,170</u></u>

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

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Forest Park, Illinois, 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 government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Forest Park
Discretely Presented Component Unit:	Forest Park Public Library

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the Village have been included.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the Village Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending.

Forest Park Public Library

The Forest Park Public Library has a separate elected board and provides service to residents, generally within the geographic boundaries of the Village. The Library Board of Trustees annually determines its budget and resulting tax levy. Upon approval of the Village, the levy is submitted to the County. All debt of the Library is secured by the full faith and credit of the Village. The Library is considered a component unit of the Village for purposes of these financial statements. The Library's 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

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire, public affairs, accounts and finance, public property health and safety, streets and public improvement, and general administrative services are classified as governmental activities. The Village's water services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village utilizes restricted resources to finance qualifying activities.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (public affairs, accounts and finance, public property, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, licenses and permits, charges for services, fines and forfeitures, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, fines, permits and charges, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It accounts for all revenues and expenditures of the Village which are not accounted for in other funds. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains three major special revenue funds. The Brown Street Station TIF Fund is used to accumulate incremental property tax revenues from the area in far north Forest Park. The Roosevelt and Hannah TIF Fund is used to accumulate revenues from its specific area in Forest Park. The Motor Fuel Tax fund is used to account for motor fuel tax allocations from the State of Illinois. Additionally, the Village maintains six nonmajor special revenue funds.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The VIP Program Fund 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. The 2002 Bond Fund is treated as a major fund. The bond was fulfilled in 2017, the remaining fund balance is restricted for a Roosevelt Road Infrastructure project that has been finalized but not invoiced by the State.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one enterprise funds. The Water Fund, a major fund, is used to account for revenues and expenses related to the operation of the Village's water system.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and fiduciary funds utilize an "economic resources" measurement focus. The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, utility taxes, fines, interest revenue, and charges for services, etc.. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, 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 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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report charges for services as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepays

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more (depending on asset class), are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Infrastructure	100 Years
Buildings and Improvements	100 Years
Fixtures and Equipment	3 - 20 years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

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

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other 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 deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

- 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.
- The budget document is available for public inspection for at least thirty days prior to the Village Council's passage of the Annual Appropriations Ordinance.
- The Village Council must hold at least one public hearing on the budget prior to its passage.
- The budget is legally enacted through the passage of the Annual Appropriations Ordinance.
- The Village Council by a two-thirds vote is authorized to transfer budgeted amounts among departments within any fund. The budget information stated in the financial statements includes adjustments made during the year.
- 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.
- The Village prepares budgets for all governmental funds and the enterprise fund with accounting principles generally accepted in the United States of America (GAAP).

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
IMRF	\$ 34,320
Foreign Fire Insurance	4,172
2002 Bond	16,440

DEFICIT FUND BALANCE

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
IMRF	\$ 170,966
2002 Bond	6,195

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Illinois Statutes authorizes the Village 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, Illinois Funds and the Illinois Metropolitan Investment Fund.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Illinois Statutes authorizes the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

The 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. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type totaled \$14,313,142 and the bank balances totaled \$14,921,774. In addition, the Village has \$6,438,160 invested in the Illinois Funds and \$3,303 invested in IMET at year-end, which have an average maturity of less than one year.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that the Village shall diversify its investments based on the type of funds invested and the cash flow needs of those funds. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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's investment policy states Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than one (1) year from the date of purchase.

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 does not limit investment types outside of the Illinois Compiled Statutes. At year-end, the Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's and the investment in IMET was 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 Village's deposits may not be returned to it. The Village's investment policy requires funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits be secured with appropriate collateral, witnessed by a written agreement and held at an independent third party institution or held in house in the name of the municipality. Collateral shall be limited to securities of the United States of America or its agencies such as the Federal National Mortgage Association. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this 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 does not address custodial credit risk for investments. The Village's investment in Illinois Funds and IMET are not subject to custodial credit risk.

Police Pension Fund - Interest Rate Risk, Concentration Risk, Credit Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$831,935 and the bank balances totaled \$831,935.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Concentration Risk, Credit Risk, and Custodial Credit Risk - Continued

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Obligations	\$ 2,839,522	930,731	1,112,185	796,606	—
U.S. Agency Obligations	1,461,408	—	486	98,192	1,362,730
Corporate Bonds	2,379,431	352,091	848,235	1,129,751	49,354
State and Local Obligations	91,503	—	—	46,181	45,322
Totals	6,771,864	1,282,822	1,960,906	2,070,730	1,457,406

The Fund has the following recurring fair value measurements as of April 30, 2021:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 2,839,522	2,839,522	—	—
U.S. Agency Obligations	1,461,408	—	1,461,408	—
Corporate Bonds	2,379,431	—	2,379,431	—
State and Local Obligations	91,503	—	91,503	—
Equity Securities				
Mutual Funds	8,641,975	8,641,975	—	—
Common Stock	9,034,856	9,034,856	—	—
Insurance Contracts	1,512,456	1,512,456	—	—
Total Investments Measured at Fair Value	25,961,151	22,028,809	3,932,342	—

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Concentration Risk, Credit Risk, and Custodial Credit Risk - Continued

Investments - Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The 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.

Concentration of Credit Risk. The Fund investments policy limits concentration credit risk by ensuring no single security is more than 10% of the portfolio's overall allocation after accounting for price appreciation. In addition to the securities and fair values listed above, the Fund also has \$8,641,975 invested in mutual funds, \$9,034,856 invested in common stock, and \$1,512,456 invested in insurance contracts. At year-end, the Fund has \$1,512,456 invested in Jackson National Life that represents 5 percent or more of net position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Credit Risk. The Fund's investment policy to comply with all of the provisions of the Illinois Compiled Statutes. The Police Pension Board, at its discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. At year-end, the ratings for the investments in U.S. Agency obligations and state and local obligations were not available. The Fund's investments in the corporate bonds were rated A to AAA by Standard & Poor's.

Custodial Credit Risk. The Fund's investment policy does not address custodial credit risk. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	37.00%	3.20%
Domestic Equities	33.00%	7.60% - 8.20%
International	16.00%	6.80%
Real Estate	3.00%	5.90%
Emerging Markets	8.00%	8.40%
Cash and Cash Equivalents	3.00%	2.60%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Concentration Risk, Credit Risk, and Custodial Credit Risk - Continued

Custodial Credit Risk - Continued. The long-term expected rate of return on the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in May 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of April 30, 2021 are listed in the table above.

Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters’ Pension Fund - Interest Rate Risk, Concentration Risk, Credit Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$565,539 and the bank balances totaled \$565,539.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Obligations	\$ 1,469,782	453,336	867,797	148,649	—
U.S. Agency Obligations	1,349,732	44,531	26,538	369,525	909,138
Corporate Bonds	2,544,643	50,060	1,302,289	1,157,746	34,548
State and Local Obligations	61,002	—	—	30,788	30,214
Totals	5,425,159	547,927	2,196,624	1,706,708	973,900

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Concentration Risk, Credit Risk, and Custodial Credit Risk - Continued

Investments - Continued. The Fund has the following recurring fair value measurements as of April 30, 2021:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 1,469,782	1,469,782	—	—
U.S. Agency Obligations	1,349,732	—	1,349,732	—
Corporate Bonds	2,544,643	—	2,544,643	—
State and Local Obligations	61,002	—	61,002	—
Equity Securities				
Mutual Funds	12,154,829	12,154,829	—	—
Total Investments Measured at Fair Value	17,579,988	13,624,611	3,955,377	—

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The 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.

Concentration Risk. The Fund does not have a formal written policy with regards to concentration of credit risk for investments. In addition to the securities and fair values listed above, the Fund also has \$12,154,829 invested in mutual funds. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for retirement benefits.

Credit Risk. The Fund's investment policy to comply with all of the provisions of the Illinois Pension code relating to Article 4 Pension Funds. At year-end, the Fund's investments in U.S. Agency obligations ratings were not available. The Fund's investments in the corporate bonds were rated A- to AAA by Standard & Poor's and the state and local obligations were rated AA2 by Standard & Poor's.

Custodial Credit Risk. The Fund's investment policy does not address custodial credit risk. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Concentration Risk, Credit Risk, and Custodial Credit Risk - Continued

Custodial Credit Risk - Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2021 are listed in the table above.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	37.00%	3.20%
Domestic Equities	33.00%	7.60% - 8.20%
International Equities	16.00%	6.80%
Emerging Markets	8.00%	8.40%
Real Estate	3.00%	5.90%
Cash and Cash Equivalents	3.00%	2.60%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and August 1 during the following year. The County collects such taxes and remits them periodically. 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. The property tax revenue in the financial statements represents approximately one-half of the 2019 and one-half of the 2020 property tax levies.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCES

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. Also, interfund balances are advances in anticipation of receipts to cover temporary cash shortages. All the balances are expected to be repaid within one year. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Brown Street Station TIF	\$ 2,618
General	Roosevelt and Hannah TIF	22,038
General	VIP Program	17,994
General	Nonmajor Governmental	172,182
General	Water	791,682
Nonmajor Governmental	General	19,111
Water	General	1,324,639
Water	Nonmajor Governmental	6,858
		<u>2,357,122</u>

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	VIP Program	\$ 476,432 (1)
General	Motor Fuel Tax	214,982 (1)
General	Water	906,836 (1)
Roosevelt and Hannah TIF	Water	977,603 (1)
Nonmajor Governmental	General	10,000 (2)
Nonmajor Governmental	Water	16,407 (1)
Water	Roosevelt and Hannah TIF	3,226,643 (1)
Water	Nonmajor Governmental	439,247 (1)
Water	Governmental Activities	643,214 (3)
		<u>6,911,364</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) to transfer capital assets to the Water Fund where they will be utilized.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Transfers In (Out)	Ending Balances
Nondepreciable Capital Assets					
Land	\$ 5,365,407	—	—	—	5,365,407
Construction in Progress	2,497,336	1,308,582	1,840,741	(643,214)	1,321,963
	<u>7,862,743</u>	<u>1,308,582</u>	<u>1,840,741</u>	<u>(643,214)</u>	<u>6,687,370</u>
Depreciable Capital Assets					
Infrastructure	48,971,954	3,072,077	2,244,516	—	49,799,515
Buildings and Improvements	4,942,977	557,241	—	—	5,500,218
Fixtures and Equipment	6,378,006	141,795	89,300	—	6,430,501
	<u>60,292,937</u>	<u>3,771,113</u>	<u>2,333,816</u>	<u>—</u>	<u>61,730,234</u>
Less Accumulated Depreciation					
Infrastructure	23,767,976	1,479,441	1,355,976	—	23,891,441
Buildings and Improvements	2,371,211	57,890	—	—	2,429,101
Fixtures and Equipment	4,344,790	310,479	89,300	—	4,565,969
	<u>30,483,977</u>	<u>1,847,810</u>	<u>1,445,276</u>	<u>—</u>	<u>30,886,511</u>
Total Net Depreciable Capital Assets	<u>29,808,960</u>	<u>1,923,303</u>	<u>888,540</u>	<u>—</u>	<u>30,843,723</u>
Total Net Capital Assets	<u>37,671,703</u>	<u>3,231,885</u>	<u>2,729,281</u>	<u>(643,214)</u>	<u>37,531,093</u>

Depreciation expense was charged to governmental activities as follows:

Public Affairs	\$ 202,016
Accounts and Finance	50,923
Health and Safety	11,633
Streets and Public Improvement	<u>1,583,238</u>
	<u>1,847,810</u>

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Transfers In (Out)	Ending Balances
Nondepreciable Capital Assets					
Construction in Progress	\$ 652,663	2,589,485	1,095,422	643,214	2,789,940
Depreciable Capital Assets					
Buildings and Improvements	681,887	—	—	—	681,887
Machinery and Equipment	257,262	230,076	—	—	487,338
Infrastructure	12,925,423	1,264,157	38,636	—	14,150,944
	<u>13,864,572</u>	<u>1,494,233</u>	<u>38,636</u>	<u>—</u>	<u>15,320,169</u>
Less Accumulated Depreciation					
Land Improvements	317,372	7,790	—	—	325,162
Machinery and Equipment	228,057	11,550	—	—	239,607
Infrastructure	3,015,377	172,325	38,636	—	3,149,066
	<u>3,560,806</u>	<u>191,665</u>	<u>38,636</u>	<u>—</u>	<u>3,713,835</u>
Total Net Depreciable Capital Assets	<u>10,303,766</u>	<u>1,302,568</u>	<u>—</u>	<u>—</u>	<u>11,606,334</u>
Total Net Capital Assets	<u>10,956,429</u>	<u>3,892,053</u>	<u>1,095,422</u>	<u>643,214</u>	<u>14,396,274</u>

Depreciation expense was charged to business-type activities as follows:

Water	<u>\$ 191,665</u>
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VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$6,745,000 General Obligation Refunding Bonds of 2012 - Due in annual installments of \$20,000 to \$690,000 plus interest at 2.00% to 3.00% through December 1, 2025.	VIP Program	\$ 3,865,000	—	600,000	3,265,000

Debt Certificates

The Village issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates have been issued for both governmental and business-type activities. Debt Certificates issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Debt Certificates of 2011, due in annual installment of \$285,000 to \$340,000 plus interest at 2.00% to 3.00% through November 1, 2021.	General	\$ 563,336	—	277,464	285,872
	Water	106,664	—	52,536	54,128
		670,000	—	330,000	340,000

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Loans Payable

The Village enters into loans payable for the acquisition of capital equipment. Loans payable are direct obligations and pledge the full faith and credit of the Village. Loans payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Loan Payable of 2014 - Due in semiannual installments of \$76,148 including interest at 3.25% through September 30, 2024.	General	\$ 566,945	—	68,101	498,844
Loan Payable of 2017 - Due in monthly installments of \$5,989 including interest at 3.25% through August 25, 2025.	General	321,043	—	31,654	289,389
Loan Payable of 2019 - Due in monthly installments of \$471 including interest at 3.50% through January 1, 2025.	General/ Foreign Fire Tax	22,275	—	2,515	19,760
Loan Payable of 2020 - Due in monthly installments of \$10,339 including interest at 3.25% through August 5, 2022.	General	220,403	—	60,213	160,190
Loan Payable of 2021 - Due in monthly installments of \$609 including interest at 3.00% through April 5, 2026.	General	—	33,878	—	33,878
		<u>1,130,666</u>	<u>33,878</u>	<u>162,483</u>	<u>1,002,061</u>

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

IEPA Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for water system improvements. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan Payable of 2002 - Due in semi-annual installments of \$189,707, plus interest at 2.675%, through February 1, 2023.	Water	\$ 1,087,462	—	352,686	734,776

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 852,253	13,151	26,302	839,102	167,820
Net Pension Liability - Police Pension	44,904,423	—	3,041,992	41,862,431	—
Net Pension Liability - Firefighters' Pension	47,232,868	9,982,469	—	57,215,337	—
Total OPEB Liability - RBP	3,867,791	—	1,010,006	2,857,785	—
General Obligation Bonds	3,865,000	—	600,000	3,265,000	615,000
Plus: Unamortized Premium	151,484	—	23,282	128,202	—
Debt Certificates	563,336	—	277,464	285,872	285,872
Loans Payable	1,130,666	33,878	162,483	1,002,061	332,572
	<u>102,567,821</u>	<u>10,029,498</u>	<u>5,141,529</u>	<u>107,455,790</u>	<u>1,401,264</u>
Business-Type Activities					
Compensated Absences	14,633	13,736	6,868	21,501	4,300
Debt Certificates	106,664	—	52,536	54,128	54,128
IEPA Loans	1,087,462	—	352,686	734,776	362,183
	<u>1,208,759</u>	<u>13,736</u>	<u>412,090</u>	<u>810,405</u>	<u>420,611</u>

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity - Continued

For the governmental activities, payments on the compensated absences, net pension liabilities, total OPEB liability, and debt certificate are made by the General Fund. Payments on general obligation bonds are being liquidated by the VIP Program Fund. Payments on the loans payable are made by the General Fund and Foreign Fire Insurance Fund.

Additionally, for the business-type activities, the compensated absences, the debt certificate and the IEPA loans are being liquidated by the Water Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity including principal and interest, are as follows:

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Debt Certificates		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 615,000	97,950	285,872	8,576	332,572	28,615
2023	635,000	79,500	—	—	258,489	18,492
2024	650,000	60,450	—	—	226,090	11,027
2025	675,000	40,950	—	—	154,660	3,614
2026	690,000	20,700	—	—	30,250	279
Totals	3,265,000	299,550	285,872	8,576	1,002,061	62,027

Fiscal Year	Business-Type Activities			
	Debt Certificates		IEPA Loans Payable	
	Principal	Interest	Principal	Interest
2022	\$ 54,128	1,624	362,183	17,232
2023	—	—	372,593	6,822
Totals	54,128	1,624	734,776	24,054

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2020	<u>\$ 431,925,899</u>
Legal Debt Limit - 8.625% of Assessed Value	37,253,609
Amount of Debt Applicable to Limit	
General Obligation Bonds	3,265,000
Debt Certificates	<u>340,000</u>
Legal Debt Margin	<u>33,648,609</u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Council of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Council of Commissioners intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the Council of Commissioners itself or by a body or official to which the Council of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The Village’s highest level of decision-making authority is the Council of Commissioners, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village’s fund balance policy for the General Fund requires fund balance be maintained at a level at least equal to 25% of the total General Fund annual budgeted expenditures, excluding capital expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue							Totals
	General	Brown	Roosevelt	Motor	Capital Projects		Nonmajor	
		Street Station TIF	Hannah TIF	Fuel Tax	VIP Program	2002 Bond		
Fund Balances								
Nonspendable								
Prepays	\$ 428,723	—	—	—	—	—	—	428,723
Restricted								
Economic Development	—	3,730,849	3,676,432	—	—	—	1,165,050	8,572,331
Public Safety	—	—	—	—	—	—	297,401	297,401
Social Security	—	—	—	—	—	—	9,761	9,761
Streets and Highways	—	—	—	2,106,735	1,771,986	—	—	3,878,721
Playground and Recreation	621,776	—	—	—	—	—	—	621,776
	621,776	3,730,849	3,676,432	2,106,735	1,771,986	—	1,472,212	13,379,990
Unassigned	(573,592)	—	—	—	—	(6,195)	(170,966)	(750,753)
Total Fund Balances	476,907	3,730,849	3,676,432	2,106,735	1,771,986	(6,195)	1,301,246	13,057,960

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 37,531,093
Plus: Unamortized Loss on Refunding	153,040
Less Capital Related Debt:	
General Obligation Bonds	(3,265,000)
Unamortized Premium	(128,202)
Debt Certificates	(285,872)
Loans Payable	<u>(1,002,061)</u>
Net Investment in Capital Assets	<u>33,002,998</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	14,396,274
Less Capital Related Debt:	
Debt Certificates	(54,128)
IEPA Loans Payable	<u>(734,776)</u>
Net Investment in Capital Assets	<u>13,607,370</u>

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and commissions; 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.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER COMMITMENTS

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 quarterly 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.

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 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.

Roosevelt and 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. 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 agreement was \$383,918.

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. As of April 30, 2021, the Village has paid \$51,743 to GCC Company.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER COMMITMENTS - Continued

Tax Increment Financing - Continued

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 the fiscal year 2020 totaled \$6,930,713. There is currently an agreement between the Village and Nunley LLC Elite Tire.

During fiscal year 2021, the Brown Street Station was enhanced at the cost of \$779,595 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 the Circle Avenue from Roosevelt Road to 16th Street. Incremental revenue began in tax year 2016 and accumulated property tax increment as of April 30, 2021 totals \$1,671,428.

Business Development Agreements and Tax Abatements

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, 2021, the Village has paid \$113,289 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 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering 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.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER COMMITMENTS - Continued

Business Development Agreements and Tax Abatements - Continued

Cook County Class 6b Property Tax Incentive Program - Continued. 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 that would have been generated if the development has not occurred. The Village's Tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ended April 30, 2021, The Village's share of the abatement granted to the Class 6b properties was approximately \$53,000.

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is also a single-employer pension plan. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The Police and Firefighters' Pension Plans also issue separate reports that may be obtained by writing the Village at 517 Desplaines Avenue, Forest Park, IL 60130. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized by the Village for the pension plans are:

		Net Pension			
	(Revenues)/ Expenses	(Asset)/ Liabilities	Deferred Outflows	(Deferred Inflows)	
IMRF	\$ (406,438)	(2,261,114)	152,830	(1,937,346)	
Police Pension	3,403,741	41,862,431	1,560,206	(3,583,878)	
Firefighters' Pension	9,706,436	57,215,337	18,091,783	(2,730,995)	
	<u>12,703,739</u>	<u>96,816,654</u>	<u>19,804,819</u>	<u>(8,252,219)</u>	

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. IMRF provides two tiers of pension benefits. 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	73
Inactive Plan Members Entitled to but not yet Receiving Benefits	112
Active Plan Members	<u>66</u>
Total	<u><u>251</u></u>

A detailed breakdown of IMRF membership for inactive members for the Village and the Forest Park Library is unavailable. The above numbers include all members.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2021, the Village's and Forest Park's Library contribution was 8.05% of covered payroll.

Net Pension Liability/(Asset). The Village's net pension liability/(asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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:

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village	\$ 251,961	(2,261,114)	(4,166,764)
Forest Park Library	62,867	(564,178)	(1,039,663)
Net Pension Liability/(Asset)	314,828	(2,825,292)	(5,206,427)

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Village	Forest Park Library	Totals
Total Pension Liability			
Service Cost	\$ 301,899	75,328	377,227
Interest	1,499,740	370,201	1,869,941
Differences Between Expected and Actual Experience	(68,319)	(17,046)	(85,365)
Change of Assumptions	(247,983)	(61,875)	(309,858)
Benefit Payments, Including Refunds of Member Contributions	(985,076)	(245,790)	(1,230,866)
Net Change in Total Pension Liability	500,261	120,818	621,079
Total Pension Liability - Beginning	21,104,892	5,114,218	26,219,110
Total Pension Liability - Ending	21,605,153	5,235,036	26,840,189
Plan Fiduciary Net Position			
Contributions - Employer	225,275	56,209	281,484
Contributions - Members	135,253	33,747	169,000
Net Investment Income	2,970,546	741,191	3,711,737
Benefit Payments, Including Refunds of Member Contributions	(985,076)	(245,790)	(1,230,866)
Other (Net Transfer)	117,036	29,202	146,238
Net Change in Plan Fiduciary Net Position	2,463,034	614,559	3,077,593
Plan Net Position - Beginning	21,403,233	5,184,655	26,587,888
Plan Net Position - Ending	23,866,267	5,799,214	29,665,481
Employer's Net Pension Liability/(Asset)	(2,261,114)	(564,178)	(2,825,292)

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended April 30, 2021, the Village recognized pension revenue of \$406,438, and the Forest Park Library recognized pension revenue of \$95,916, for total revenues of \$502,354. At April 30, 2021, the Village and the Forest Park Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Village		Library		Totals
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ 68,995	(44,433)	17,215	(11,086)	30,691
Change in Assumptions	—	(161,282)	—	(40,242)	(201,524)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(1,731,631)	—	(432,065)	(2,163,696)
Total Expenses to be Recognized in Future Periods	68,995	(1,937,346)	17,215	(483,393)	(2,334,529)
Pension Contributions Made Subsequent to the Measurement Date	83,835	—	20,918	—	104,753
Total Deferred Amounts Related to IMRF	152,830	(1,937,346)	38,133	(483,393)	(2,229,776)

\$83,835 for the Village and \$20,918 for the Library, reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources		
	Village	Library	Totals
2022	\$ (581,786)	(145,164)	(726,950)
2023	(303,829)	(75,809)	(379,638)
2024	(693,488)	(173,034)	(866,522)
2025	(289,248)	(72,171)	(361,419)
2026	—	—	—
Thereafter	—	—	—
Totals	(1,868,351)	(466,178)	(2,334,529)

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	43
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>35</u>
Total	<u><u>80</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent 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 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension 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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2021, the Village's contribution was 36.00% of covered payroll.

Concentrations. At year-end, the Plan has \$1,512,456 invested in Jackson National Life that represent 5 percent or more of net position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	4.00% - 8.00%
Cost of Living Adjustments	1.25%
Inflation	2.50%

Mortality rates are based on the PubS-2010 Healthy Mortality Table and projected generationally with mortality improvement Scale MP-2020.

Discount Rate

The discount rate used to measure the total pension liability was 6.00%, the same as the prior year. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension 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 (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability \$	52,843,296	41,862,431	33,074,888

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2020	\$ 66,718,820	21,814,397	44,904,423
Changes for the Year:			
Service Cost	1,188,455	—	1,188,455
Interest on the Total Pension Liability	3,933,885	—	3,933,885
Changes of Benefit Terms	67,739	—	67,739
Difference Between Expected and Actual Experience of the Total Pension Liability	(319,175)	—	(319,175)
Changes of Assumptions	(447,719)	—	(447,719)
Contributions - Employer	—	1,245,463	(1,245,463)
Contributions - Employees	—	350,851	(350,851)
Net Investment Income	—	5,912,869	(5,912,869)
Benefit Payments, Including Refunds of Employee Contributions	(2,443,626)	(2,443,626)	—
Other (Net Transfer)	—	(44,006)	44,006
Net Changes	1,979,559	5,021,551	(3,041,992)
Balances at April 30, 2021	68,698,379	26,835,948	41,862,431

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

For the year ended April 30, 2021, the Village recognized pension expense of \$3,403,741. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 674,714	(239,381)	435,333
Change in Assumptions	885,492	(529,412)	356,080
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(2,815,085)	(2,815,085)
Total Deferred Amounts Related to Police Pension	<u>1,560,206</u>	<u>(3,583,878)</u>	<u>(2,023,672)</u>

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

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (89,488)
2023	(200,610)
2024	(807,511)
2025	(926,063)
2026	—
Thereafter	—
Total	<u>(2,023,672)</u>

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At April 30, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>23</u>
Total	<u><u>59</u></u>

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter 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 percent of the original pension and 3percent compounded annually thereafter.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent 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 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base 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 accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2021, the Village's contribution was 55.30% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	4.00% - 8.00%
Cost of Living Adjustments	1.25%
Inflation	2.50%

Mortality rates are based on the PubS-2010 Healthy Mortality Table and projected generationally with mortality improvement scale MP-2020.

Discount Rate

A Single Discount Rate of 2.99% was used to measure the total pension liability and prior year this rate was 4.10%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.00%, the municipal bond rate is 2.12%, and the resulting single discount rate is 2.99%.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension 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 (1.99%)	Current Discount Rate (2.99%)	1% Increase (3.99%)
Net Pension Liability	\$ 71,600,158	57,215,337	45,988,875

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2020	\$ 61,824,256	14,591,388	47,232,868
Changes for the Year:			
Service Cost	1,565,291	—	1,565,291
Interest on the Total Pension Liability	2,495,121	—	2,495,121
Changes of Benefit Terms	57,422	—	57,422
Difference Between Expected and Actual Experience of the Total Pension Liability	(147,220)	—	(147,220)
Changes of Assumptions	11,653,840	—	11,653,840
Contributions - Employer	—	1,206,364	(1,206,364)
Contributions - Employees	—	206,218	(206,218)
Net Investment Income	—	4,268,786	(4,268,786)
Benefit Payments, Including Refunds of Employee Contributions	(2,050,151)	(2,050,151)	—
Other (Net Transfer)	—	(39,383)	39,383
Net Changes	13,574,303	3,591,834	9,982,469
Balances at April 31, 2021	75,398,559	18,183,222	57,215,337

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

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

For the year ended April 30, 2021, the Village recognized pension expense of \$9,706,436. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 38,949	(798,887)	(759,938)
Change in Assumptions	18,052,834	(44,914)	18,007,920
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(1,887,194)	(1,887,194)
Total Deferred Amounts Related to Firefighters' Pension	<u>18,091,783</u>	<u>(2,730,995)</u>	<u>15,360,788</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2022	\$ 6,767,914
2023	6,801,704
2024	2,459,603
2025	(668,433)
2026	—
Thereafter	—
Total	<u>15,360,788</u>

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100 percent of health insurance premiums for non-Medicare-and Medicare-eligible retirees.

Plan Membership. As of April 30, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>88</u>
Total	<u><u>100</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2021, and was determined by an actuarial valuation as of April 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.00%
Discount Rate	2.12%
Healthcare Cost Trend Rates	5.30% for 2022, decreasing to an ultimate rate of 4.00% for 2076 and later years.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees.

The discount rate was based on S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2021.

Mortality rates were based on PubS-2010 Healthy Mortality table projected generationally with mortality improvement Scale MP-2020 for Police and Fire participants.

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at April 30, 2020	<u>\$ 3,867,791</u>
Changes for the Year:	
Service Cost	288,351
Interest on the Total OPEB Liability	111,134
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(663,021)
Changes of Assumptions or Other Inputs	(622,776)
Benefit Payments	(123,694)
Other Changes	—
Net Changes	<u>(1,010,006)</u>
Balance at April 30, 2021	<u><u>2,857,785</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 2.12%, while the prior valuation used 2.92%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
	(1.12%)	(2.12%)	(3.12%)
Total OPEB Liability	\$ 3,125,969	2,857,785	2,610,915

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 2,498,041	2,857,785	3,284,306

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2021, the Village recognized OPEB expense of \$270,174.. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(580,143)	(580,143)
Change in Assumptions	174,830	(544,929)	(370,099)
Net Difference Between Projected and Actual Earnings	—	—	—
Total Deferred Amounts Related to OPEB	174,830	(1,125,072)	(950,242)

VILLAGE OF FOREST PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

There are no employer contributions made subsequent to the measurement date. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (129,311)
2023	(129,311)
2024	(129,311)
2025	(129,311)
2026	(129,308)
Thereafter	<u>(303,690)</u>
Totals	<u><u>(950,242)</u></u>

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$1,862,979 to be received in two installments. On September 20, 2021 the Village received their first installment of \$931,490.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan

- Budgetary Comparison Schedules
 - General Fund
 - Brown Street Station TIF - Special Revenue Fund
 - Roosevelt and Hannah TIF - Special Revenue Fund
 - Motor Fuel Tax - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF FOREST PARK, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
April 30, 2021**

Fiscal Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	Totals	\$ 364,675	\$ 364,675	\$ —	\$ 3,808,302	9.58%
2017	Totals	365,399	365,399	—	3,900,958	9.37%
2018	Totals	348,083	348,083	—	3,756,331	9.27%
2019	Totals	286,064	286,064	—	3,579,110	7.99%
2020	Totals	233,359	233,359	—	3,666,662	6.36%
2021	Village	231,254	231,254	—	2,871,259	8.05%
	Library	57,701	57,701	—	716,417	8.05%
	Totals	288,955	288,955	—	3,587,676	8.05%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF FOREST PARK, ILLINOIS

**Police Pension Fund
Schedule of Employer Contributions
April 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 938,198	\$ 672,901	\$ (265,297)	\$ 3,135,346	21.46%
2016	1,224,046	860,422	(363,624)	3,381,383	25.45%
2017	1,326,465	897,068	(429,397)	3,384,468	26.51%
2018	2,540,486	1,049,386	(1,491,100)	3,482,238	30.14%
2019	2,684,678	1,297,602	(1,387,076)	3,400,426	38.16%
2020	2,873,543	1,236,629	(1,636,914)	3,381,740	36.57%
2021	3,278,659	1,245,463	(2,033,196)	3,459,778	36.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	4.00% - 8.00%
Investment Rate of Return	6.00%
Retirement Age	50-60
Mortality	PubS-2010 Healthy Mortality Table and projected generationally with mortality improvement scale MP-2020.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF FOREST PARK, ILLINOIS

**Firefighters' Pension Fund
Schedule of Employer Contributions
April 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 851,483	\$ 528,694	\$ (322,789)	\$ 2,115,924	24.99%
2016	1,079,005	683,363	(395,642)	2,109,431	32.40%
2017	1,107,822	776,911	(330,911)	2,104,007	36.93%
2018	1,700,695	782,007	(918,688)	2,190,397	35.70%
2019	1,801,858	1,026,090	(775,768)	2,206,837	46.50%
2020	1,922,436	978,696	(943,740)	2,275,035	43.02%
2021	2,252,824	1,206,364	(1,046,460)	2,181,682	55.30%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	6.00%
Retirement Age	50 - 55
Mortality	PubS-2010 Healthy Mortality Table and projected generationally with mortality improvement scale MP-2020.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF FOREST PARK, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2021

	12/31/2015	12/31/2016
	Totals	Totals
Total Pension Liability		
Service Cost	\$ 429,801	406,200
Interest	1,600,638	1,680,274
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	(41,693)	(519,230)
Change of Assumptions	28,247	(29,593)
Benefit Payments, Including Refunds of Member Contributions	(917,151)	(909,773)
Net Change in Total Pension Liability	1,099,842	627,878
Total Pension Liability - Beginning	21,585,514	22,685,356
Total Pension Liability - Ending	22,685,356	23,313,234
Plan Fiduciary Net Position		
Contributions - Employer	\$ 371,684	363,038
Contributions - Members	173,145	173,610
Net Investment Income	107,707	1,468,842
Benefit Payments, Including Refunds of Member Contributions	(917,151)	(909,773)
Other (Net Transfer)	(292,733)	(498,946)
Net Change in Plan Fiduciary Net Position	(557,348)	596,771
Plan Net Position - Beginning	21,727,639	21,170,291
Plan Net Position - Ending	21,170,291	21,767,062
Employer's Net Pension Liability/(Asset)	\$ 1,515,065	1,546,172
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.32%	93.37%
Covered Payroll	\$ 3,847,656	3,857,997
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	39.38%	40.08%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2017	12/31/2018	12/31/2019	12/31/2020		
Totals	Totals	Totals	Village	Library	Totals
429,680	356,262	369,123	301,899	75,328	377,227
1,728,927	1,705,743	1,778,312	1,499,740	370,201	1,869,941
—	—	—	—	—	—
(731,199)	114,066	283,850	(68,319)	(17,046)	(85,365)
(687,847)	694,997	—	(247,983)	(61,875)	(309,858)
(951,436)	(1,072,495)	(1,112,107)	(985,076)	(245,790)	(1,230,866)
(211,875)	1,798,573	1,319,178	500,261	120,818	621,079
23,313,234	23,101,359	24,899,932	21,104,892	5,114,218	26,219,110
23,101,359	24,899,932	26,219,110	21,605,153	5,235,036	26,840,189
351,469	336,163	205,333	225,275	56,209	281,484
176,965	163,362	165,001	135,253	33,747	169,000
3,674,190	(1,191,284)	4,177,045	2,970,546	741,191	3,711,737
(951,436)	(1,072,495)	(1,112,107)	(985,076)	(245,790)	(1,230,866)
(359,962)	254,949	3,633	117,036	29,202	146,238
2,891,226	(1,509,305)	3,438,905	2,463,034	614,559	3,077,593
21,767,062	24,658,288	23,148,983	21,403,233	5,184,655	26,587,888
24,658,288	23,148,983	26,587,888	23,866,267	5,799,214	29,665,481
(1,556,929)	1,750,949	(368,778)	(2,261,114)	(564,178)	(2,825,292)
106.74%	92.97%	101.41%	110.47%	110.78%	110.53%
3,791,476	3,630,272	3,666,662	2,855,194	712,409	3,567,603
(41.06%)	48.23%	(10.06%)	(79.19%)	(79.19%)	(79.19%)

VILLAGE OF FOREST PARK, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2021

	<u>4/30/2015</u>
Total Pension Liability	
Service Cost	\$ 716,672
Interest	2,764,614
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	8,846
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	<u>(1,666,508)</u>
Net Change in Total Pension Liability	1,823,624
Total Pension Liability - Beginning	<u>37,694,780</u>
 Total Pension Liability - Ending	 <u><u>39,518,404</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 672,901
Contributions - Members	311,953
Net Investment Income	1,161,181
Benefit Payments, Including Refunds of Member Contributions	<u>(1,666,508)</u>
Administrative Expenses	<u>(42,381)</u>
Net Change in Plan Fiduciary Net Position	437,146
Plan Net Position - Beginning	<u>20,612,504</u>
 Plan Net Position - Ending	 <u><u>21,049,650</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 18,468,754</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 53.27%
 Covered Payroll	 \$ 3,135,346
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 589.05%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

4/30/2016	4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021
722,375	1,213,889	1,201,235	1,197,593	1,198,593	1,188,455
2,899,286	3,170,137	3,288,138	3,427,770	3,765,546	3,933,885
—	—	—	—	—	67,739
(294,336)	(607,425)	191,576	1,021,711	379,521	(319,175)
12,588,119	—	(374,376)	2,213,730	(197,914)	(447,719)
(1,722,513)	(1,751,422)	(1,868,414)	(2,090,349)	(2,372,054)	(2,443,626)
14,192,931	2,025,179	2,438,159	5,770,455	2,773,692	1,979,559
39,518,404	53,711,335	55,736,514	58,174,673	63,945,128	66,718,820
53,711,335	55,736,514	58,174,673	63,945,128	66,718,820	68,698,379
860,422	897,068	1,049,386	1,297,602	1,236,629	1,245,463
319,101	489,953	348,019	335,651	347,119	350,851
478,339	1,174,243	547,914	1,488,286	(33,735)	5,912,869
(1,722,513)	(1,751,422)	(1,868,414)	(2,090,349)	(2,372,054)	(2,443,626)
(38,865)	(46,091)	(71,282)	(61,313)	(48,947)	(44,006)
(103,516)	763,751	5,623	969,877	(870,988)	5,021,551
21,049,650	20,946,134	21,709,885	21,715,508	22,685,385	21,814,397
20,946,134	21,709,885	21,715,508	22,685,385	21,814,397	26,835,948
32,765,201	34,026,629	36,459,165	41,259,743	44,904,423	41,862,431
39.00%	38.95%	37.33%	35.48%	32.70%	39.06%
3,381,383	3,384,468	3,482,238	3,400,426	3,381,740	3,459,778
968.99%	1005.38%	1047.00%	1213.37%	1327.85%	1209.97%

VILLAGE OF FOREST PARK, ILLINOIS

**Firefighter's Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2021**

	<u>4/30/2015</u>
Total Pension Liability	
Service Cost	\$ 535,303
Interest	2,110,395
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(431,107)
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	<u>(1,511,573)</u>
Net Change in Total Pension Liability	703,018
Total Pension Liability - Beginning	<u>28,894,380</u>
 Total Pension Liability - Ending	 <u><u>29,597,398</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 528,964
Contributions - Members	197,766
Net Investment Income	1,013,984
Benefit Payments, Including Refunds of Member Contributions	<u>(1,511,573)</u>
Administrative Expenses	<u>(36,669)</u>
Net Change in Plan Fiduciary Net Position	192,472
Plan Net Position - Beginning	<u>15,141,734</u>
 Plan Net Position - Ending	 <u><u>15,334,206</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 14,263,192</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 51.81%
 Covered Payroll	 \$ 2,115,924
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 674.09%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

4/30/2016	4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021
522,439	670,034	660,667	680,339	1,229,126	1,565,291
2,159,539	2,430,804	2,528,988	2,623,079	2,557,030	2,495,121
—	—	—	—	—	57,422
794,650	95,603	194,745	(1,384,997)	(268,946)	(147,220)
4,148,272	—	(224,570)	15,278,098	6,402,431	11,653,840
(1,607,085)	(1,778,885)	(1,808,746)	(1,822,585)	(1,853,172)	(2,050,151)
6,017,815	1,417,556	1,351,084	15,373,934	8,066,469	13,574,303
29,597,398	35,615,213	37,032,769	38,383,853	53,757,787	61,824,256
35,615,213	37,032,769	38,383,853	53,757,787	61,824,256	75,398,559
683,363	776,911	782,007	1,026,090	978,696	1,206,364
198,332	196,805	205,077	207,032	211,985	206,218
(260,226)	1,498,233	1,158,264	897,851	(268,173)	4,268,786
(1,607,085)	(1,778,885)	(1,808,746)	(1,822,585)	(1,853,172)	(2,050,151)
(26,689)	(27,818)	(34,347)	(35,053)	(40,685)	(39,383)
(1,012,305)	665,246	302,255	273,335	(971,349)	3,591,834
15,334,206	14,321,901	14,987,147	15,289,402	15,562,737	14,591,388
14,321,901	14,987,147	15,289,402	15,562,737	14,591,388	18,183,222
21,293,312	22,045,622	23,094,451	38,195,050	47,232,868	57,215,337
40.21%	40.47%	39.83%	28.95%	23.60%	24.12%
2,109,431	2,104,007	2,190,397	2,206,837	2,275,035	2,181,682
1009.43%	1047.79%	1054.35%	1730.76%	2076.14%	2622.53%

VILLAGE OF FOREST PARK, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

April 30, 2021

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	10.36%
2016	2.29%
2017	5.96%
2018	2.52%
2019	6.57%
2020	(0.16%)
2021	6.49%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF FOREST PARK, ILLINOIS

Firefighters' Pension Fund
Schedule of Investment Returns
April 30, 2021

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	7.15%
2016	(1.82%)
2017	10.98%
2018	8.07%
2019	5.78%
2020	(1.74%)
2021	6.62%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF FOREST PARK, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2021

	4/30/2019	4/30/2020	4/30/2021
Total OPEB Liability			
Service Cost	\$ 235,776	260,274	288,351
Interest	113,950	114,310	111,134
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	—	—	(663,021)
Change of Assumptions or Other Inputs	109,259	142,056	(622,776)
Benefit Payments	(114,179)	(122,171)	(123,694)
Other Changes	—	—	—
Net Change in Total OPEB Liability	344,806	394,469	(1,010,006)
Total OPEB Liability - Beginning	3,128,516	3,473,322	3,867,791
Total OPEB Liability - Ending	3,473,322	3,867,791	2,857,785
Employee-Covered Payroll	7,178,340	7,178,340	7,247,526
Total OPEB Liability as a Percentage of Employee-Covered Payroll	48.39%	53.88%	39.43%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 through 2021.

VILLAGE OF FOREST PARK, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 6,234,778	6,234,778	6,589,068
Intergovernmental	5,746,364	5,746,364	6,856,600
Licenses and Permits	1,207,585	1,207,585	1,410,080
Charges for Services	2,063,362	2,063,362	2,341,162
Parking	582,698	582,698	216,609
Fines and Forfeitures	874,000	874,000	815,585
Interest	17,420	17,420	6,369
Miscellaneous	521,075	521,075	320,174
Total Revenues	<u>17,247,282</u>	<u>17,247,282</u>	<u>18,555,647</u>
Expenditures			
Current			
Public Affairs	10,422,793	10,422,793	9,071,983
Accounts and Finance	7,531,312	7,531,312	6,267,062
Public Property	1,658,475	1,658,475	1,515,704
Health and Safety	322,390	322,390	310,064
Streets and Public Improvement	1,552,237	1,552,237	1,506,402
Debt Service			
Principal Retirement	593,888	593,888	437,688
Interest and Fiscal Charges	49,169	49,169	49,110
Total Expenditures	<u>22,130,264</u>	<u>22,130,264</u>	<u>19,158,013</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,882,982)</u>	<u>(4,882,982)</u>	<u>(602,366)</u>
Other Financing Sources (Uses)			
Debt Issuance	—	—	33,878
Disposal of Capital Assets	4,000	4,000	—
Transfers In	1,755,000	1,755,000	1,598,250
Transfers Out	—	—	(10,000)
	<u>1,759,000</u>	<u>1,759,000</u>	<u>1,622,128</u>
Net Change in Fund Balance	<u>(3,123,982)</u>	<u>(3,123,982)</u>	1,019,762
Fund Balance - Beginning			<u>(542,855)</u>
Fund Balance - Ending			<u><u>476,907</u></u>

VILLAGE OF FOREST PARK, ILLINOIS

Brown Street Station TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 515,825	515,825	549,894
Interest	24,000	24,000	17,312
Total Revenues	539,825	539,825	567,206
Expenditures			
Capital Outlay	1,796,285	1,796,285	815,376
Net Change in Fund Balance	<u>(1,256,460)</u>	<u>(1,256,460)</u>	(248,170)
Fund Balance - Beginning			<u>3,979,019</u>
Fund Balance - Ending			<u><u>3,730,849</u></u>

VILLAGE OF FOREST PARK, ILLINOIS

Roosevelt and Hannah TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 960,000	960,000	367,414
Interest	25,000	25,000	21,074
Total Revenues	985,000	985,000	388,488
Expenditures			
Capital Outlay	397,000	397,000	241,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	588,000	588,000	147,205
Other Financing Sources (Uses)			
Transfers In	—	—	977,603
Transfers Out	(3,513,723)	(3,513,723)	(3,226,643)
	(3,513,723)	(3,513,723)	(2,249,040)
Net Change in Fund Balance	(2,925,723)	(2,925,723)	(2,101,835)
Fund Balance - Beginning			5,778,267
Fund Balance - Ending			3,676,432

VILLAGE OF FOREST PARK, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
MFT Allotments	\$ 486,919	486,919	987,089
Interest	16,200	16,200	4,437
Total Revenues	503,119	503,119	991,526
Expenditures			
Current			
Streets and Public Improvement	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	503,119	503,119	991,526
Other Financing (Uses)			
Transfers Out	(771,428)	(771,428)	(214,982)
Net Change in Fund Balance	(268,309)	(268,309)	776,544
Fund Balance - Beginning			1,330,191
Fund Balance - Ending			2,106,735

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedule - Major Enterprise Fund
- Combining Statements - Pension Trust Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Brown Station TIF Fund

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

Roosevelt and Hannah TIF Fund

The Roosevelt and Hannah 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.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program.

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund (IMRF) Fund is used to account for the District's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy.

Narcotics Fund

The Narcotics Fund is used to account for seized drug money and assets. The Village receives a percentage of money back any time there is a drug arrest and money is recovered, or an asset is seized. Funds may be used for law enforcement related expenses such as programs, operating expenses, professional services, capital expenditures, and training.

U.S. Customs Fund

The U.S. Customs Fund is used to account for seized drug money and assets. The Village receives a percentage of money back any time there is a drug arrest and money is recovered, or an asset is seized. Funds must be used in accordance with federal regulations to increase or supplement the resources of the law enforcement agency.

INDIVIDUAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS - Continued

Foreign Fire Insurance Fund

The Foreign Fire Insurance Fund is used to account for foreign fire insurance tax monies expended for Fire Department supplies and equipment approved by the Foreign Fire Insurance Committee.

Social Security Fund

The Social Security Fund is used to account for the Village's portion of Social Security paid on behalf of its employees. Financing is provided by a specific annual property tax levy.

Roosevelt Road Corridor TIF Fund

The Roosevelt Road Corridor TIF fund is used to accumulate incremental property tax revenues from the area along Roosevelt Road and south. This is a mix of commercial and industrial and funds will be used to improve streetscapes, infrastructure upgrades, and future developments.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds).

VIP Program Fund

The VIP Program Fund is used to account for the 1.0% Non Home Rule Sales revenues for the purpose of public infrastructure and capital assets.

2002 Bond Fund

The 2002 Bond Funds is used to account for the the remaining fund balance restricted for a Roosevelt Road Infrastructure project that has been finalized but not invoiced by the State.

INDIVIDUAL FUND DESCRIPTION

ENTERPRISE FUND

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

Water Fund

The Water Fund is used to account for the revenues and expenses related to the operations of the Village's water and sewer. Revenues are generated through charges to users based upon water and sewer consumption.

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the Village's sworn police personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn police personnel at rates fixed by state statutes and by the Village through an annual property tax levy.

Firefighter's Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the Village's sworn firefighter/paramedic personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn firefighter/paramedic personnel at rates fixed by state statutes and by the Village through an annual property tax levy.

VILLAGE OF FOREST PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Taxes			
Property Taxes	\$ 5,019,948	5,019,948	5,065,368
Utility Taxes	1,107,498	1,107,498	1,326,255
Gasoline Taxes	75,000	75,000	150,042
Cannabis Tax	11,335	11,335	13,902
Other Taxes	20,997	20,997	33,501
Total Taxes	6,234,778	6,234,778	6,589,068
Intergovernmental			
Sales Tax	2,511,751	2,511,751	3,329,803
State Income Tax	1,139,887	1,139,887	1,719,624
Local Use Tax	463,969	463,969	637,332
Replacement Tax	135,223	135,223	182,141
Foreign Fire Insurance Tax	32,000	32,000	34,113
Grants			
Federal Assistance	38,152	38,152	39,845
FEMA	—	—	28,096
Illinois Law Enforcement Camera Grant	86,800	86,800	—
DOJ Bullet Proof Vests	7,605	7,605	3,341
DOJ Body Camera Grant	33,000	33,000	—
Tabacco and Liquor Grant	1,800	1,800	1,045
CTA Lot Grant	506,339	506,339	506,339
Altenheim Grant	750,000	750,000	34,957
IDOT Traffic Safety Grant	34,838	34,838	20,960
Walmart Community Grant	—	—	1,028
COOK Cares	—	—	307,976
Safety and Education Grant	5,000	5,000	10,000
Total Intergovernmental	5,746,364	5,746,364	6,856,600
Licenses and Permits			
Liquor License	90,500	90,500	83,125
Liquor License Application Fee	3,500	3,500	2,335
Business License	45,000	45,000	41,159
Sidewalk Use Permit	3,150	3,150	4,575
Solicitor's License	1,000	1,000	25
Raffle License	—	—	25

VILLAGE OF FOREST PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Licenses and Permits - Continued			
Amusement Devices	\$ 15,400	15,400	14,450
Amusement Tax Video Rental	4,100	4,100	1,256
Vending Machines	2,615	2,615	2,568
Tobacco License	5,800	5,800	5,700
Gasoline Stations License	17,200	17,200	17,200
Taxicabs License	4,500	4,500	—
Scavenger Services License	17,500	17,500	17,500
Contractors License	16,000	16,000	23,415
Vehicle License	275,000	275,000	300,759
Animal License	2,500	2,500	2,495
Building Permits	152,000	152,000	188,191
Electric Permits	32,000	32,000	60,342
Plumbing Permits	28,000	28,000	40,716
HVAC Permits	1,800	1,800	2,690
Water Permit Fees	4,500	4,500	5,675
Private Property Maintenance	4,500	4,500	2,670
Sign Permits	32,400	32,400	29,228
Dumpster Permits	1,500	1,500	2,455
Parking Permits	255,920	255,920	306,004
Garage Sale Permits	400	400	185
Plan Review Fees	15,000	15,000	44,887
Elevator Inspection Fees	16,500	16,500	10,740
Food Service Inspection Fees	25,750	25,750	24,125
Certificate of Compliance Fees	112,000	112,000	147,215
Zoning Application Fees	250	250	—
Conditional Certificate Fees	20,500	20,500	28,000
Dog Park Permits	800	800	370
Total Licenses and Permits	1,207,585	1,207,585	1,410,080
Charges for Services			
Ambulance Charges	520,000	520,000	775,468
Highway Maintenance - IDOT	89,698	89,698	88,361
Refuse Collection Charges	813,370	813,370	848,341
Recycling Fees	102,992	102,992	104,892
Yard Waste Fees	58,247	58,247	60,884
Accident Reports	5,000	5,000	4,595

VILLAGE OF FOREST PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Charges for Services - Continued			
SORA Registration Fees	\$ 10	10	—
Water Towers	176,145	176,145	173,998
Real Estate	37,300	37,300	36,650
Supervision Fees	1,800	1,800	733
Community Center	2,500	2,500	(210)
Day Care - After School Program	81,210	81,210	179,539
Day Care - Summer Program	31,290	31,290	42,438
Youth Activities	500	500	—
Classes	250	250	—
Trips, Tours, and Excursions	80,000	80,000	(4,227)
Taxi Cab Fares and Fees	500	500	75
Community Events	15,000	15,000	—
RTA - Administration Subsidy	40,050	40,050	21,005
RTA - PACE Advertisement	2,500	2,500	5,117
RTA - Dial-a-Ride	5,000	5,000	3,503
Total Charges for Services	2,063,362	2,063,362	2,341,162
Parking			
Parking Meters	38,000	38,000	3,725
Van Burren Lot	338,398	338,398	29,014
Ferdinand Lot	554	554	153
Thomas and Madison Lot	51,806	51,806	16,249
Beloit and Madison Lot	2,819	2,819	299
Hannah and Madison Lot	7,126	7,126	1,006
Circle and Madison lot	1,061	1,061	514
Madison Business District	129,267	129,267	153,062
Circle Avenue CTA District	13,667	13,667	12,587
Total Parking	582,698	582,698	216,609

VILLAGE OF FOREST PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Fines and Forfeitures			
Traffic and Parking Fees	\$ 662,000	662,000	529,560
Illinois Comptroller Debt Recovery	105,000	105,000	196,469
Towing Revenue	77,000	77,000	58,491
K9 Unit Fees	5,000	5,000	3,500
Code Violation Fines	25,000	25,000	19,884
Other Fines and Penalties	—	—	7,681
Total Fines and Forfeitures	874,000	874,000	815,585
Interest	17,420	17,420	6,369
Miscellaneous			
Police CTA Detail	95,000	95,000	46,333
NSF - Agency Collections	385,100	385,100	179,726
AMEX Corporate Points Earned	100	100	240
Workmen's Compensation Reimbursements	30,000	30,000	68,992
Equipment Sales	400	400	445
Commissions	375	375	340
FOIA	100	100	50
Claims and Damages	5,000	5,000	6,450
Other	5,000	5,000	17,598
Total Miscellaneous	521,075	521,075	320,174
Total Revenues	17,247,282	17,247,282	18,555,647

VILLAGE OF FOREST PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Public Affairs			
General Public Affairs	\$ 1,242,063	1,242,063	1,128,249
Police	5,195,994	5,195,994	4,609,704
Community Services	577,490	577,490	322,236
Fire	891,596	891,596	790,107
Fire Protection	2,515,650	2,515,650	2,221,687
Total Public Affairs	10,422,793	10,422,793	9,071,983
Accounts and Finance			
Village Clerk	6,024,209	6,024,209	5,584,589
Grant Expenditures	1,507,103	1,507,103	682,473
Total Accounts and Finance	7,531,312	7,531,312	6,267,062
Public Property			
Public Property	887,370	887,370	842,229
Public Property and Street Lights	168,000	168,000	183,813
Forestry	237,445	237,445	233,185
Playground and Recreation	18,000	18,000	3,962
Property Maintenance	347,660	347,660	252,515
Total Public Property	1,658,475	1,658,475	1,515,704
Health and Safety	322,390	322,390	310,064
Streets and Public Improvement			
Streets and Public Improvement	400,550	400,550	410,738
Garbage	1,151,687	1,151,687	1,095,664
Total Streets and Public Improvement	1,552,237	1,552,237	1,506,402
Debt Service			
Principal Retirement	593,888	593,888	437,688
Interest and Fiscal Charges	49,169	49,169	49,110
Total Debt Service	643,057	643,057	486,798
Total Expenditures	22,130,264	22,130,264	19,158,013

VILLAGE OF FOREST PARK, ILLINOIS

VIP Program - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 1,369,593	1,369,593	1,785,211
Intergovernmental			
Grants	907,284	907,284	120,000
Interest	20,000	20,000	3,117
Total Revenues	<u>2,296,877</u>	<u>2,296,877</u>	<u>1,908,328</u>
Expenditures			
Current			
Streets and Public Improvement	174,525	174,525	35,624
Capital Outlay	1,961,500	1,961,500	549,756
Debt Service			
Principal Retirement	600,000	600,000	600,000
Interest and Fiscal Charges	115,950	115,950	115,950
Total Expenditures	<u>2,851,975</u>	<u>2,851,975</u>	<u>1,301,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(555,098)</u>	<u>(555,098)</u>	<u>606,998</u>
Other Financing Sources (Uses)			
Transfers In	391,428	391,428	—
Transfers Out	(475,000)	(475,000)	(476,432)
	<u>(83,572)</u>	<u>(83,572)</u>	<u>(476,432)</u>
Net Change in Fund Balance	<u>(638,670)</u>	<u>(638,670)</u>	130,566
Fund Balance - Beginning			<u>1,641,420</u>
Fund Balance - Ending			<u><u>1,771,986</u></u>

VILLAGE OF FOREST PARK, ILLINOIS

2002 Bond - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 5,000	5,000	4,623
Expenditures			
Capital Outlay	88,500	88,500	104,940
Net Change in Fund Balance	<u>(83,500)</u>	<u>(83,500)</u>	(100,317)
Fund Balance - Beginning			<u>94,122</u>
Fund Balance - Ending			<u>(6,195)</u>

VILLAGE OF FOREST PARK, ILLINOIS

Nonmajor Governmental - Special Revenue Funds
Combining Balance Sheet
April 30, 2021

	IMRF	Narcotics
ASSETS		
Cash and Investments	\$ 588	172,005
Receivables - Net of Allowances		
Taxes	148,630	—
Accounts	—	—
Due from Other Funds	—	—
Total Assets	<u>149,218</u>	<u>172,005</u>
LIABILITIES		
Accounts Payable	—	694
Due to Other Funds	171,554	628
Total Liabilities	<u>171,554</u>	<u>1,322</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>148,630</u>	—
Total Liabilities and Deferred Inflows of Resources	320,184	1,322
FUND BALANCES		
Restricted	—	170,683
Unassigned	(170,966)	—
Total Fund Balances	<u>(170,966)</u>	<u>170,683</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>149,218</u>	<u>172,005</u>

U.S. Customs	Foreign Fire Insurance	Social Security	Roosevelt Road Corridor TIF	Totals
56,495	68,223	—	1,165,818	1,463,129
—	—	166,264	—	314,894
—	18,633	—	—	18,633
2,492	—	16,619	—	19,111
58,987	86,856	182,883	1,165,818	1,815,767
492	18,633	—	768	20,587
—	—	6,858	—	179,040
492	18,633	6,858	768	199,627
—	—	166,264	—	314,894
492	18,633	173,122	768	514,521
58,495	68,223	9,761	1,165,050	1,472,212
—	—	—	—	(170,966)
58,495	68,223	9,761	1,165,050	1,301,246
58,987	86,856	182,883	1,165,818	1,815,767

VILLAGE OF FOREST PARK, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2021

	IMRF	Narcotics
Revenues		
Taxes	\$ 292,564	—
Intergovernmental	11,965	60,474
Interest	—	822
Miscellaneous	—	24,979
Total Revenues	<u>304,529</u>	<u>86,275</u>
Expenditures		
Current		
Public Affairs	—	92,742
Accounts and Finance	209,305	—
Streets and Public Improvement	—	—
Debt Service		
Principal Retirement	—	—
Interest and Fiscal Charges	—	—
Total Expenditures	<u>209,305</u>	<u>92,742</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>95,224</u>	<u>(6,467)</u>
Other Financing Sources (Uses)		
Transfers In	—	—
Transfers Out	—	—
	<u>—</u>	<u>—</u>
Net Change in Fund Balances	95,224	(6,467)
Fund Balances - Beginning	<u>(266,190)</u>	<u>177,150</u>
Fund Balances - Ending	<u>(170,966)</u>	<u>170,683</u>

U.S. Customs	Foreign Fire Insurance	Social Security	Roosevelt Road Corridor TIF	Totals
—	—	334,026	198,028	824,618
10,871	34,113	10,786	—	128,209
76	281	—	5,460	6,639
—	—	—	—	24,979
10,947	34,394	344,812	203,488	984,445
176,137	28,913	—	—	297,792
—	—	292,845	—	502,150
—	—	—	7,145	7,145
—	2,259	—	—	2,259
—	700	—	—	700
176,137	31,872	292,845	7,145	810,046
(165,190)	2,522	51,967	196,343	174,399
26,407	—	—	—	26,407
—	—	—	(439,247)	(439,247)
26,407	—	—	(439,247)	(412,840)
(138,783)	2,522	51,967	(242,904)	(238,441)
197,278	65,701	(42,206)	1,407,954	1,539,687
58,495	68,223	9,761	1,165,050	1,301,246

VILLAGE OF FOREST PARK, ILLINOIS

IMRF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 295,000	295,000	292,564
Intergovernmental			
Replacement Taxes	8,882	8,882	11,965
Total Revenues	<u>303,882</u>	<u>303,882</u>	<u>304,529</u>
Expenditures			
Current			
Accounts and Finance	<u>174,985</u>	<u>174,985</u>	<u>209,305</u>
Net Change in Fund Balance	<u>128,897</u>	<u>128,897</u>	95,224
Fund Balance - Beginning			<u>(266,190)</u>
Fund Balance - Ending			<u><u>(170,966)</u></u>

VILLAGE OF FOREST PARK, ILLINOIS

Narcotics - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Seizure Fees	\$ 62,275	62,275	60,474
Interest	1,500	1,500	822
Miscellaneous			
Sales of Seized Vehicles	5,000	5,000	—
Insurance Claims	—	—	24,979
Total Revenues	<u>68,775</u>	<u>68,775</u>	<u>86,275</u>
Expenditures			
Current			
Public Affairs	<u>152,355</u>	<u>152,355</u>	<u>92,742</u>
Net Change in Fund Balance	<u>(83,580)</u>	<u>(83,580)</u>	(6,467)
Fund Balance - Beginning			<u>177,150</u>
Fund Balance - Ending			<u>170,683</u>

VILLAGE OF FOREST PARK, ILLINOIS

U.S. Customs - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
U.S. Customs Deposits	\$ 79,000	79,000	10,871
Interest	150	150	76
Total Revenues	<u>79,150</u>	<u>79,150</u>	<u>10,947</u>
Expenditures			
Current			
Public Affairs	<u>275,286</u>	<u>275,286</u>	<u>176,137</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(196,136)</u>	<u>(196,136)</u>	<u>(165,190)</u>
Other Financing Sources			
Disposal of Capital Assets	4,000	4,000	—
Transfers In	—	—	26,407
	<u>4,000</u>	<u>4,000</u>	<u>26,407</u>
Net Change in Fund Balance	<u>(192,136)</u>	<u>(192,136)</u>	(138,783)
Fund Balance - Beginning			<u>197,278</u>
Fund Balance - Ending			<u><u>58,495</u></u>

VILLAGE OF FOREST PARK, ILLINOIS

Foreign Fire Insurance - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Foreign Fire Insurance Taxes	\$ 32,000	32,000	34,113
Interest	400	400	281
Total Revenues	<u>32,400</u>	<u>32,400</u>	<u>34,394</u>
Expenditures			
Current			
Public Affairs	22,500	22,500	28,913
Debt Service			
Principal Retirement	4,556	4,556	2,259
Interest and Fiscal Charges	644	644	700
Total Expenditures	<u>27,700</u>	<u>27,700</u>	<u>31,872</u>
Net Change in Fund Balance	<u>4,700</u>	<u>4,700</u>	2,522
Fund Balance - Beginning			<u>65,701</u>
Fund Balance - Ending			<u>68,223</u>

VILLAGE OF FOREST PARK, ILLINOIS

Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 344,500	344,500	334,026
Intergovernmental			
Replacement Taxes	8,008	8,008	10,786
Total Revenues	<u>352,508</u>	<u>352,508</u>	<u>344,812</u>
Expenditures			
Current			
Accounts and Finance	<u>334,581</u>	<u>334,581</u>	<u>292,845</u>
Net Change in Fund Balance	<u>17,927</u>	<u>17,927</u>	51,967
Fund Balance - Beginning			<u>(42,206)</u>
Fund Balance - Ending			<u>9,761</u>

VILLAGE OF FOREST PARK, ILLINOIS

Roosevelt Road Corridor TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 550,000	550,000	198,028
Interest	5,000	5,000	5,460
Total Revenues	<u>555,000</u>	<u>555,000</u>	<u>203,488</u>
Expenditures			
Current			
Streets and Public Improvement	<u>327,000</u>	<u>327,000</u>	<u>7,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	228,000	228,000	196,343
Other Financing (Uses)			
Transfers Out	<u>(225,000)</u>	<u>(225,000)</u>	<u>(439,247)</u>
Net Change in Fund Balance	<u><u>3,000</u></u>	<u><u>3,000</u></u>	<u>(242,904)</u>
Fund Balance - Beginning			<u>1,407,954</u>
Fund Balance - Ending			<u><u>1,165,050</u></u>

VILLAGE OF FOREST PARK, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 7,766,228	7,766,228	8,004,334
Operating Expenses			
Operations	8,859,856	8,859,856	3,698,241
Depreciation	172,000	172,000	191,665
Total Operating Expenses	9,031,856	9,031,856	3,889,906
Operating Income (Loss)	(1,265,628)	(1,265,628)	4,114,428
Nonoperating Revenues (Expenses)			
Interest Income	6,500	6,500	5,883
Operating Grant	228,833	228,833	228,833
Interest Expense	(26,729)	(26,729)	(24,371)
	208,604	208,604	210,345
Income (Loss) before Transfers	(1,057,024)	(1,057,024)	4,324,773
Transfers In	3,513,723	3,513,723	4,309,104
Transfers Out	(900,000)	(900,000)	(1,900,846)
	2,613,723	2,613,723	2,408,258
Change in Net Position	<u>1,556,699</u>	<u>1,556,699</u>	6,733,031
Net Position - Beginning			<u>14,776,563</u>
Net Position - Ending			<u><u>21,509,594</u></u>

VILLAGE OF FOREST PARK, ILLINOIS**Statement of Fiduciary Net Position - Pension Trust Funds****April 30, 2021**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 831,935	565,539	1,397,474
Investments			
U.S. Government Obligations	2,839,522	1,469,782	4,309,304
U.S. Agency Obligations	1,461,408	1,349,732	2,811,140
Corporate Bonds	2,379,431	2,544,643	4,924,074
State and Local Obligations	91,503	61,002	152,505
Mutual Funds	8,641,975	12,154,829	20,796,804
Common Stock	9,034,856	—	9,034,856
Insurance Contracts	1,512,456	—	1,512,456
Receivables			
Accrued Interest	30,423	31,085	61,508
Prepays	15,401	7,286	22,687
Total Assets	26,838,910	18,183,898	45,022,808
LIABILITIES			
Accounts Payable	2,962	676	3,638
NET POSITION			
Net Position Restricted for Pensions	26,835,948	18,183,222	45,019,170

VILLAGE OF FOREST PARK, ILLINOIS

Statement of Changes in Fiduciary Net Position - Pension Trust Funds
For the Fiscal Year Ended April 30, 2021

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,245,463	1,206,364	2,451,827
Contributions - Plan Members	350,851	206,218	557,069
Total Contributions	1,596,314	1,412,582	3,008,896
Investment Income			
Interest Earned	6,001,146	4,308,874	10,310,020
Net Change in Fair Value	(3,071)	(955)	(4,026)
	5,998,075	4,307,919	10,305,994
Less Investment Expenses	(85,206)	(39,133)	(124,339)
Net Investment Income	5,912,869	4,268,786	10,181,655
Total Additions	7,509,183	5,681,368	13,190,551
Deductions			
Administration	2,443,626	2,050,151	4,493,777
Benefits and Refunds	44,006	39,383	83,389
Total Deductions	2,487,632	2,089,534	4,577,166
Change in Fiduciary Net Position	5,021,551	3,591,834	8,613,385
Net Position Restricted for Pensions			
Beginning	21,814,397	14,591,388	36,405,785
Ending	26,835,948	18,183,222	45,019,170

VILLAGE OF FOREST PARK, ILLINOIS

Consolidated Year-End Financial Report

April 30, 2021

CSFA #	Program Name	State	Federal	Other	Total
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	\$ —	20,960	—	20,960
444-26-1565	Tobacco Enforcement Program	—	1,045	—	1,045
420-00-0505	Grants Management Program	735,172	—	9,388	744,560
420-00-1758	Site Improvements	34,957	—	38,307	73,264
494-00-1488	Motor Fuel Tax Program	214,982	—	—	214,982
494-42-0495	Local Surface Transportation Program	—	—	7,252	7,252
	Other Grant Programs and Activities	—	647,298	351,718	999,016
	All Other Costs Not Allocated	—	—	34,588,021	34,588,021
	Totals	985,111	669,303	34,994,686	36,649,100



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

December 29, 2021

The Honorable Mayor
Members of the Council of Commissioners
Village of Forest Park, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Forest Park, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 29, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF FOREST PARK, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2012

April 30, 2021

Date of Issue	December 3, 2012
Date of Maturity	December 1, 2025
Authorized Issue	\$6,745,000
Interest Rate	2.00% - 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 615,000	97,950	712,950
2023	635,000	79,500	714,500
2024	650,000	60,450	710,450
2025	675,000	40,950	715,950
2026	690,000	20,700	710,700
	<u>3,265,000</u>	<u>299,550</u>	<u>3,564,550</u>

VILLAGE OF FOREST PARK, ILLINOIS

Long-Term Debt Requirements

Debt Certificates of 2011

April 30, 2021

Date of Issue	December 21, 2011
Date of Maturity	November 1, 2021
Authorized Issue	\$3,055,000
Interest Rate	2.00% - 3.00%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable At	Amalgamated Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	<u>\$ 340,000</u>	10,200	<u>350,200</u>
	285,872	General	
	<u>54,128</u>	Water	
	<u>340,000</u>		

VILLAGE OF FOREST PARK, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2002

April 30, 2021

Date of Issue	February 1, 2002
Date of Maturity	February 1, 2023
Authorized Issue	\$5,650,423
Interest Rate	2.675%
Interest Dates	February 1 and August 1
Payable at	February 1
Loan Number	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 362,183	17,232	379,415
2023	372,593	6,822	379,415
	<u>734,776</u>	<u>24,054</u>	<u>758,830</u>

VILLAGE OF FOREST PARK, ILLINOIS

**Assessed Valuations, Tax Rates, and Comparative Tax Statistics - Last Three Tax Levy Years
April 30, 2021**

Tax Levy Year	2018	2019	2020
Assessed Valuation	\$ 352,119,311	353,567,531	431,925,899
Rates			
Corporate	0.3761	0.3942	0.2944
Fire Protection	0.1463	0.1457	0.1192
Forestry	0.0219	0.0218	0.0179
Insurance	0.0878	0.0874	0.0715
Police Protection	0.1463	0.1457	0.1192
Police Pension	0.3510	0.3641	0.3362
Firefighter's Pension	0.2764	0.2867	0.2659
Fire Pension P.A. 38-0689	0.0000	0.0420	0.0400
IMRF	0.0863	0.0859	0.0703
Social Security	0.1024	0.1004	0.0787
Total Village Direct Rates	1.5945	1.6739	1.4133
Levy Amount			
Corporate	\$ 1,324,438	1,393,818	1,271,748
Fire Protection	515,000	515,000	515,000
Forestry	77,250	77,250	77,250
Insurance	309,000	309,000	309,000
Police Protection	515,000	515,000	515,000
Police Pension	1,236,000	1,287,500	1,452,300
Firefighter's Pension	973,250	1,013,520	1,148,450
Fire Pension P.A. 38-0689	—	148,581	172,760
IMRF	303,850	303,850	303,850
Social Security	360,500	354,835	339,900
Total Tax Levy	5,614,288	5,918,354	6,105,258
Collections	5,447,334	5,733,685	2,904,340
Percent Collected	97.03%	96.88%	47.57%

VILLAGE OF FOREST PARK, ILLINOIS

Waterworks Facility Report

April 30, 2021

Revenues	\$ 6,145,185
Operating Expenses	\$ 2,238,215
Replacement Costs	
Water Mains	\$ 32,063,900
Pump Stations	6,700,000
Water Towers	4,650,000
Total Replacement Costs	<u>43,413,900</u>
Total Gallons Received at the Waterworks Facility	550,642,537
Total Number of Gallons Billed	456,059,965
Debt Service	
Principal	\$ 416,311
Interest	18,856
Total Debt Service	<u>435,167</u>
Number of Users	
Active	3,315
Suspended	42

VILLAGE OF FOREST PARK, ILLINOIS

MANAGEMENT LETTER

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2021**



December 29, 2021

The Honorable Mayor
Members of the Council of Commissioners
Village of Forest Park, Illinois

In planning and performing our audit of the financial statements of the Village of Forest Park, Illinois (the Village), for the year ended April 30, 2021, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Council of Commissioners and senior management of the Village of Forest Park, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Village staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. CAPITAL ASSET POLICY

Comment

During our current year-end audit procedures, we noted the Village does not have a formal capital asset policy to provide guidance on the financial aspects and stewardship of capital assets. With respect to the financial aspects, guidance should be provided on the minimum dollar amount and minimum useful life for an item to be capitalized as a capital asset. Stewardship issues include the physical custody of capital assets.

Recommendation

We recommend that the Village adopt a capital asset policy, which addresses both financial, and stewardship issues. As part of developing the capital asset policy, a review of the current capitalization amount and estimated useful life should be performed for both financial reporting and stewardship. The capital asset policy should also establish standard depreciation methods and useful lives to be applied to specific categories of assets. With respect to stewardship, the policy should address location of assets, tagging, physical access and security and frequency of periodic inventories. Once the policy has been established, we recommend the Village undertake a complete inventory and valuation of capital assets to create detail capital asset records that are in compliance with the new policy. Additionally, as part of this process we recommend land be inventoried and valued at its estimated fair value on the date donated.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

2. FUND BALANCE POLICY

Comment

During our current year-end audit procedures, we noted that the Village does not have a formal fund balance policy. A fund balance policy establishes a minimum level at which the projected end-of-year fund balance/net position should be maintained, taking into account the constraints imposed upon the resources reported by the governmental and proprietary funds. A fund balance policy assists in providing financial stability, cash flow for operations, and the assurance that the Village will be able to respond to emergencies with fiscal strength.

It is essential to maintain adequate levels of funds balance/net position to mitigate current and future risks and to ensure tax rates. Fund balance/net position levels are also crucial consideration in long-term financial planning. Credit rating agencies carefully monitor levels of fund balance/net position and unassigned fund balance in the General Fund to evaluate the Village's continued creditworthiness.

Recommendation

We recommend the Village create and adopt a fund balance policy to be in compliance with GASB Statement No. 54. The Village should address fund balance reporting categories (nonspendable, restricted, committed, assigned, and unassigned) as well as review minimum fund balance policies.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

CURRENT RECOMMENDATIONS - Continued

3. OUTSTANDING CHECK WRITE-OFF POLICY

Comment

During our current year-end audit procedures, we noted that the Village does not have a formal policy for following up and processing old outstanding checks, which has resulted in several old outstanding checks being included in the bank reconciliations.

Recommendation

We recommend the Village develop and implement an outstanding check policy that includes procedures to follow-up and subsequently how to process the outstanding checks. This policy should be in written form and should set specific instructions for these procedures including steps to be in compliance with State unclaimed property statutes. State unclaimed property statutes note that all checks that are greater than three years old are to be sent to the State of Illinois Treasurer along with the required forms.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

4. GASB STATEMENT NO. 87 LEASES

Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, *Leases* is applicable to the Village's financial statements for the year ended April 30, 2023.

Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new lease criteria in conjunction with the Village's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

Management Response

Management acknowledges this comment and, if applicable, will implement for the year ended April 30, 2023, as required by GASB.

CURRENT RECOMMENDATIONS - Continued

POLICE PENSION FUND AND FIREFIGHTERS' PENSION FUND FUNDING

Comment

During our current year-end audit procedures, we noted that both the Police Pension Fund and Firefighters' Pension Fund employer contributions were below the actuarially determined contributions (ADC). For April 30, 2021 the Police Pension Fund's ADC is \$3,278,659 and the employer contributions were \$1,245,463, resulting in 37.99% funded. For April 30, 2021 the Firefighters' Pension Fund's ADC is \$2,252,824 and the employer contributions were \$1,206,364, resulting in 53.55% funded. Neither the Village's Police Pension Fund nor the Village's Firefighters' Pension Fund is being funded per the actuary's recommendation.

Recommendation

The actuarial accrued liability for the Police and Firefighters' Pension Funds will continue to increase and the funded ratio will continue to decrease if the Village does not fund the pension funds according to the actuarially determined contribution. Continued underfunding will decrease the funded ratio each year increasing the gap between the State average and the Village. Therefore, we recommended that the Village fund the Police and Firefighters' Pension Funds according to the actuarially determined contributions for each fiscal year.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.