

Village of Richton Park, Illinois

Annual Financial Report

For the Year Ended April 30, 2021



**Village of
Richton Park**
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Village of Richton Park, Illinois

For the Year Ended April 30, 2021

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Village of Richton Park, Illinois

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Independent Auditor's Report

To the Honorable Mayor and
Members of the Board of Trustees
Village of Richton Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Richton Park, Illinois (the "Village"), 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; 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 conduct our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Qualified
General Fund	Unmodified
Motor Fuel Tax Fund	Unmodified
TIF Lakewood Fund	Unmodified
TIF Sauk Trail Governor's Highway Fund	Unmodified
Water and Sewer Fund	Qualified
Refuse Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinions on Governmental Activities, Business-Type Activities, and Water and Sewer Fund

Management of the Village has not maintained accurate depreciation schedules and, accordingly, has not considered the accuracy of the accumulated depreciation amounts. We were unable to obtain sufficient audit evidence to support the Village's accumulated depreciation amounts for the governmental activities, business-type activities, and water and sewer fund. The amount by which this limitation would affect the capital assets, net position, and depreciation expense in the governmental activities, business-type activities, and water and sewer fund has not been determined. In addition, the Village does not allocate the net pension liability and related deferred inflows and outflows related to the Illinois Municipal Retirement Fund (IMRF) between the governmental activities and the business-type activities as required by the Government Accounting Standards Board. In total, the amounts reported are accurate but the following estimated amounts should be reclassified from governmental activities to business-type activities: net pension liability - IMRF \$349,057, deferred outflows related to IMRF \$101,573, deferred inflows related to IMRF \$405,405, and net position \$652,889.

Qualified Opinions

In our opinion, except for the matters discussed in the Basis for Qualified Opinions on Governmental Activities, Business-Type Activities, and Water and Sewer Fund paragraph, the financial statements referred to above in paragraph one present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and water and sewer fund of the Village of Richton 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.

Unmodified Opinions

In our opinion, the financial statements of the General Fund, Motor Fuel Tax Fund, TIF Lakewood Fund, TIF Sauk Trail Governor's Highway Fund, Refuse Fund, and the aggregate remaining fund information referred to above present fairly, in all material respects, the respective financial position of the Village of Richton 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.

Change in Accounting Principle

The Village adopted GASB Statement No.84, *Fiduciary Activities*, which established standards for reporting fiduciary funds and modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis and 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 (GASB), 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, 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's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Wipfli LLP

Aurora, Illinois
July 29, 2022

Management's Discussion and Analysis

Village of Richton Park, Illinois

Management's Discussion and Analysis

As management of the Village of Richton Park, Illinois, (the "Village") we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2021. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and known facts, it should be read in conjunction with the Village's financial statements.

Financial Highlights

- Total net position of the Village is \$6.52 million at the end of fiscal year 2021, which is an increase of \$2.69 million from the prior year.
- At the end of fiscal year 2021, the Village's governmental funds reported a combined ending fund balance of \$5.53 million, an increase of \$4.70 million from the previous year. A complete reconciliation of the governmental funds' fund balance to the governmental activities' net position is included in the Basic Financial Statements Section of this report.

Overview of the Financial Statements

This management discussion and analysis serves as an introduction to the Village's basic financial statements. The Village's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the Village's finances, in a manner similar to private businesses. The Statement of Net Position presents information on all the Village's assets and deferred outflows of resources, as well as its liabilities and deferred inflows of resources, with the difference between them 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.

The Statement of Activities presents information showing how the Village's net position changed over 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.

The Governmental Activities reflect the Village's basic services, including administration, building standards, public works and public safety. Sales taxes, shared state taxes and property taxes finance the majority of these services. The Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation.

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.

Village of Richton Park, Illinois

Management's Discussion and Analysis

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund financial statements are prepared on the same long-term focus as the government-wide financial statements. The proprietary funds provide the same information as the government-wide financial statements, only with more detail.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. 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 similar to that used by proprietary funds.

Notes to the Financial Statements

The notes to the financial statements 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, this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension and post-retirement benefits to its employees. Nonmajor fund information can be found immediately following the required supplementary information.

Village of Richton Park, Illinois

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Restated		Restated		Restated	
	2021	2020	2021	2020	2021	2020
ASSETS						
Cash and other assets	\$ 8.68	\$ 4.63	\$ 0.73	\$ 0.33	\$ 9.41	\$ 4.96
Capital assets	18.29	17.52	13.04	14.11	31.33	31.63
Total assets	26.97	22.15	13.77	14.44	40.74	36.59
DEFERRED OUTFLOWS						
OF RESOURCES	8.08	3.91	0.04	0.05	8.12	3.96
Total assets and deferred outflows of resources	35.05	26.06	13.81	14.49	48.86	40.55
LIABILITIES						
Current liabilities	1.10	2.04	0.29	0.15	1.40	2.19
Non-current liabilities	27.11	21.41	5.99	6.23	33.10	27.64
Total liabilities	28.21	23.45	6.29	6.38	34.50	29.83
DEFERRED INFLOWS						
OF RESOURCES	8.41	6.89	0.00	0.00	8.41	6.89
Total liabilities and deferred inflows of resources	36.62	30.34	6.29	6.38	42.91	36.72
NET POSITION	<u>\$ (1.57)</u>	<u>\$ (4.28)</u>	<u>\$ 7.52</u>	<u>\$ 8.11</u>	<u>\$ 5.95</u>	<u>\$ 3.83</u>

The Village's combined assets (governmental activities and business-type activities) exceeded liabilities at the close of the most recent year. Net position increased 70% in fiscal year 2021. The net position of governmental activities increased by \$2.71 million. This increase is primarily due to the increase of grant income and decreases in pension and OPEB related expenses.

A portion of net position reflects the Village's investment in capital assets, less any outstanding related debt used to acquire those assets. 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.

Village of Richton Park, Illinois

Management's Discussion and Analysis

Statement of Activities

The following table reflects the condensed Statement of Activities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Restated		Restated		Restated	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for Services	\$ 2.05	\$ 1.10	\$ 4.32	\$ 4.39	\$ 6.37	\$ 5.49
Operating Grants & Contributions	0.47	0.00	0.00	0.00	0.47	0.00
Capital Grants & Contributions	1.40	0.15	0.00	0.00	1.40	0.15
Total Program Revenues	3.92	1.25	4.32	4.39	8.24	5.64
General Revenues:						
Property taxes	4.99	5.98	0.00	0.00	4.99	5.98
Other taxes	6.24	5.30	0.00	0.00	6.24	5.30
Other	0.21	1.52	0.00	0.00	0.21	1.52
Total General Revenues	11.44	12.80	0.00	0.00	11.44	12.80
TOTAL REVENUES	15.36	14.05	4.32	4.39	19.68	18.44
PROGRAM EXPENSES						
General government	1.49	4.10	0.00	0.00	1.49	4.10
Public safety	6.63	7.55	0.00	0.00	6.63	7.55
Public works	0.90	0.67	0.00	0.00	0.90	0.67
Culture and recreation	0.24	0.56	0.00	0.00	0.24	0.56
Economic development	2.89	2.94	0.00	0.00	2.89	2.94
Interest and fees	0.29	0.04	0.00	0.00	0.29	0.04
Sewer and water	0.00	0.00	3.21	3.01	3.21	3.01
Refuse	0.00	0.00	1.21	1.06	1.21	1.06
Commuter parking lot	0.00	0.00	0.13	0.16	0.13	0.16
TOTAL EXPENSES	12.44	15.86	4.55	4.23	16.99	20.09
Income (loss) before transfers	2.92	(1.81)	(0.23)	0.16	2.69	(1.65)
Transfers	(0.21)	0.00	0.21	0.00	0.00	0.00
Changes in Net Position	2.71	(1.81)	(0.02)	0.16	2.69	(1.65)
Net Position - Beginning of year, as restated	(4.28)	(2.47)	8.11	7.95	3.83	5.48
Net Position - End of year	\$ (1.57)	\$ (4.28)	\$ 8.09	\$ 8.11	\$ 6.52	\$ 3.83

Village of Richton Park, Illinois

Management's Discussion and Analysis

Key Factors in the Change in Net Position in the Governmental Activities:

Governmental activities increased the total net position of the Village by \$2.71 million, accounting for a 63% increase in the Village's total net position. Total governmental activities revenues were \$15.36 million while governmental activities total expenses were \$12.44 million. Governmental activities accounted for 78% of the total revenues and 73% of the total expenses in fiscal year 2021. Total governmental activities revenues were \$14.05 million while governmental activities total expenses were \$15.86 million in fiscal year 2020. This represented 76% of total revenues and 79% of total expenses in fiscal year 2020.

Total governmental activities revenues were significantly higher due to \$1.72 million increase in operating and capital grant and contributions. Total governmental activities expenses were significantly lower due to a \$2.47 million decrease in pension and OPEB related expenses.

Key Factors in the Change in Net Position in Business-Type Activities:

Business-type activities net position decreased \$0.02 million accounting for a 0% decrease in the Village's business-type activities net position. Total business-type activities revenues were \$4.32 million while business-type activities total expenses were \$4.55 million. Business-type activities accounted for 22% of total revenues and 27% of total Village expenses in fiscal year 2021. This compares to 24% of total revenues and 21% of total expenses in fiscal year 2020.

Total business-type revenues decreased 2% while business-type activities total expenses decreased 8%. The business-type activities transferred \$0.21 million to the governmental activities during fiscal year 2021.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As previously mentioned, the Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The following is a brief discussion of the financial highlights from the fund financial statements.

Governmental Funds – The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. 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 a combined ending fund balance of \$5.53 million, an increase of \$4.70 million from the previous year. The General Fund is the chief operating fund of the Village and accounts for many of the major functions of the government including general government, public safety, and public works. At the end of the fiscal year, the total fund balance of the General Fund was \$4.44 million.

The General Fund balance increased \$4.88 million as the prior year's fund balance was \$(0.45) million. Total General Fund revenues and other financing sources were \$14.71 million while total expenditures were \$9.83 million in fiscal year 2021. Property tax revenues were \$1.81 million which were also consistent as the prior year or \$1.89 million.

Village of Richton Park, Illinois

Management's Discussion and Analysis

General Fund revenues and other financing sources increased 51% while expenditures decreased 2% in fiscal year 2021. The increase in General Fund revenues was primarily due to income taxes, grants, proceeds from issuance of long-term debt, and net transfers in from other funds. Expenditures were fairly consistent with fiscal year 2020.

Proprietary Funds – Revenues and expenses for fiscal year 2021 were fairly consistent with fiscal year 2020.

Budgetary Highlights

The Village's annual budget is the legally adopted expenditure control document of the Village. Budgetary comparison schedules are required for the General Fund and major special revenue funds. These schedules compare the adopted budget and the actual expenditures prepared on a budgetary basis. Budgetary schedules for other governmental funds are also presented in the Supplementary Information section of this report.

General Fund actual revenues of \$10.22 million were \$0.73 million over budgeted revenues of \$9.49 million due to the Village receiving COVID-19 relief grants that were not budgeted for. Actual expenditures were \$1.04 million over budget due to more capital outlay and debt service expenditures than budgeted.

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities amounts to \$31.90 million (net of accumulated depreciation). This investment in capital assets includes land, other improvements, machinery and equipment, and infrastructure. Infrastructure assets are items that are normally immovable and have value only to the Village, such as streets, street lighting systems, and storm drainage systems. More detailed information about the Village's capital assets is presented in Note 4 to the financial statements. During the fiscal year, the Village had capital asset additions of \$1.46 million consisting of \$0.97 million in infrastructure for public works projects and \$0.49 million on vehicles and other equipment.

Village of Richton Park, Illinois

Management's Discussion and Analysis

The following table provides a breakdown of the Village's capital assets (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
	Land	\$ 6.28	\$ 6.28	\$ 0.57	\$ 0.57	\$ 6.85
Site improvements	0.40	0.40	0.00	0.00	0.40	0.40
Construction in progress	0.46	0.00	0.00	0.00	0.46	0.00
Land improvements	0.09	0.09	1.43	1.43	1.52	1.52
Buildings	4.77	4.77	3.26	3.26	8.03	8.03
Building improvements	0.56	0.56	0.00	0.00	0.56	0.56
Vehicles	3.57	3.36	0.91	0.91	4.48	4.27
Equipment	2.00	1.81	2.51	2.51	4.51	4.32
Infrastructure	8.02	7.45	14.25	14.25	22.27	21.70
Less: Accumulated Depreciation	(7.86)	(7.20)	(9.33)	(8.82)	(17.19)	(16.02)
	<u>\$ 18.29</u>	<u>\$ 17.52</u>	<u>\$ 13.61</u>	<u>\$ 14.11</u>	<u>\$ 31.90</u>	<u>\$ 31.63</u>

Debt Administration

At the end of the fiscal year, the Village had a total bonded debt outstanding of \$9.47 million, including unamortized premiums. This amount represents bonds secured by specified revenue sources, namely use taxes and water and sewer charges for services. The Village issued a \$3.50 million general obligation bond in fiscal year 2021 for corporate purposes. Notes payable account for \$0.12 million and capital leases account for \$0.93 million of outstanding long-term debt. The Village's outstanding compensated absences liability was \$0.92 million at April 30, 2021. More detailed information about the Village's debt administration is presented in Note 5 to the financial statements.

The following schedule shows the outstanding long-term debt of the Village:

Outstanding Long-Term Debt						
(In millions of dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds and Notes	\$ 3.62	\$ 0.23	\$ 5.97	\$ 6.20	\$ 9.59	\$ 6.43
Capital Lease Obligation	0.93	0.82	0.00	0.00	0.93	0.82
Compensated Absences	<u>0.90</u>	<u>0.93</u>	<u>0.02</u>	<u>0.03</u>	<u>0.92</u>	<u>0.96</u>
Total	<u>\$ 5.45</u>	<u>\$ 1.98</u>	<u>\$ 5.99</u>	<u>\$ 6.23</u>	<u>\$ 11.44</u>	<u>\$ 8.21</u>

Village of Richton Park, Illinois

Management's Discussion and Analysis

Economic Factors

The Village of Richton Park adopts an annual budget in order to meet its strategic goals and to set service priorities for the Village. Annual appropriations are adopted for the General, Proprietary and Fiduciary funds. All annual appropriations lapse at the end of the fiscal year. Given the financial challenges and the uncertain economic impact of the pandemic, the Village of Richton Park will continue to closely monitor revenues and adjust expenditures accordingly. The Village's main focus is the provision of necessary infrastructure improvements including water and sewer services, sidewalks and roads improvements.

In addition, the Village remains focused on revenue enhancement programs and continues to explore grant opportunities that would help to address improvement to aging infrastructure and the replacement of aging equipment. The push by the village for new economic development is expected to generate incremental revenue that will be utilized for infrastructure improvement.

Requests for Information

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning the report or requests for additional financial information should be directed to the Finance Director, Village of Richton Park, 4455 Sauk Trail, Richton Park, Illinois 60471.

Basic Financial Statements

Village of Richton Park, Illinois

Statement of Net Position

April 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,171,729	\$ 177,279	\$ 4,349,008
Investments	1,043,331	0	1,043,331
Receivables			
Property taxes	2,036,057	0	2,036,057
Other taxes	982,023	0	982,023
Accounts	192,840	453,513	646,353
Prepaid items	349,875	0	349,875
Internal balances	(95,673)	95,673	0
Land and construction in progress	7,145,433	571,660	7,717,093
Other capital assets, net of depreciation	11,149,366	13,042,265	24,191,631
Total assets	<u>26,974,981</u>	<u>14,340,390</u>	<u>41,315,371</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on debt refunding	0	40,237	40,237
Pension items - IMRF	370,282	0	370,282
Pension items - Police Pension Fund	7,706,509	0	7,706,509
Total deferred outflows of resources	<u>8,076,791</u>	<u>40,237</u>	<u>8,117,028</u>
Total assets and deferred outflows of resources	<u>\$ 35,051,772</u>	<u>\$ 14,380,627</u>	<u>\$ 49,432,399</u>
LIABILITIES			
Accounts payable	\$ 552,644	\$ 207,637	\$ 760,281
Accrued payroll and related liabilities	237,723	4,986	242,709
Deposits	265,364	9,234	274,598
Accrued interest	44,900	72,900	117,800
Noncurrent liabilities			
Due within one year	358,741	230,000	588,741
Due in more than one year	5,089,320	5,761,634	10,850,954
Net pension liability - IMRF	1,272,475	0	1,272,475
Net pension liability - Police Pension Fund	18,053,346	0	18,053,346
Total OPEB Liability	<u>2,338,675</u>	<u>0</u>	<u>2,338,675</u>
Total liabilities	<u>28,213,188</u>	<u>6,286,391</u>	<u>34,499,579</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax	1,950,588	0	1,950,588
Pension items - IMRF	1,477,891	0	1,477,891
Pension items - Police Pension Fund	4,981,917	0	4,981,917
Total deferred inflows of resources	<u>8,410,396</u>	<u>0</u>	<u>8,410,396</u>
Total liabilities and deferred inflows of resources	<u>36,623,584</u>	<u>6,286,391</u>	<u>42,909,975</u>
NET POSITION			
Net investment in capital assets	17,243,144	7,686,434	24,929,578
Restricted	2,696,935	0	2,696,935
Unrestricted (deficit)	(21,511,891)	407,802	(21,104,089)
Total net position	<u>(1,571,812)</u>	<u>8,094,236</u>	<u>6,522,424</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,051,772</u>	<u>\$ 14,380,627</u>	<u>\$ 49,432,399</u>

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

Statement of Activities Year Ended April 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,492,954	\$ 1,378,454	\$ 474,249	\$ 0	\$ 359,749	\$ 0	\$ 359,749
Public safety	6,634,964	664,275	0	40,009	(5,930,680)	0	(5,930,680)
Public works	898,958	0	0	1,358,114	459,156	0	459,156
Culture and recreation	239,026	12,302	0	0	(226,724)	0	(226,724)
Economic development	2,889,861	0	0	0	(2,889,861)	0	(2,889,861)
Interest and fees	290,015	0	0	0	(290,015)	0	(290,015)
Total governmental activities	12,445,778	2,055,031	474,249	1,398,123	(8,518,375)	0	(8,518,375)
Business-type activities:							
Water and sewer	3,204,137	3,253,112	0	0	0	48,975	48,975
Refuse	1,215,142	1,037,921	0	0	0	(177,221)	(177,221)
Commuter parking lot	131,449	28,578	0	0	0	(102,871)	(102,871)
Total business-type activities	4,550,728	4,319,611	0	0	0	(231,117)	(231,117)
Total primary government	\$ 16,996,506	\$ 6,374,642	\$ 474,249	\$ 1,398,123	(8,518,375)	(231,117)	(8,749,492)
			General revenues and transfers:				
			Taxes:				
					4,992,638	0	4,992,638
					2,151,826	0	2,151,826
					1,802,493	0	1,802,493
					1,438,682	0	1,438,682
					848,235	0	848,235
					206,781	0	206,781
					976	0	976
					(213,115)	213,115	0
					11,228,516	213,115	11,441,631
					2,710,141	(18,002)	2,692,139
					(4,281,953)	8,112,238	3,830,285
					\$ (1,571,812)	\$ 8,094,236	\$ 6,522,424

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

Balance Sheet - Governmental Funds

April 30, 2021

	Major Funds					Total Governmental Funds
	General Fund	Special Revenue			Nonmajor Governmental Funds	
		Motor Fuel Tax Fund	TIF Lakewood Fund	TIF Sauk Trail Governor's Highway Fund		
ASSETS						
Cash and cash equivalents	\$ 1,255,294	\$ 462,292	\$ 1,626,117	\$ 411,228	\$ 416,798	\$ 4,171,729
Investments	574,058	469,273	0	0	0	1,043,331
Receivables						
Property taxes	1,954,865	0	0	0	81,192	2,036,057
Other taxes	937,069	44,954	0	0	0	982,023
Accounts	24,381	0	0	0	168,459	192,840
Prepaid items	91,542	0	0	0	258,333	349,875
Due from other funds	2,522,454	360,971	10,000	1,483	343,114	3,238,022
Total assets	\$ 7,359,663	\$ 1,337,490	\$ 1,636,117	\$ 412,711	\$ 1,267,896	\$ 12,013,877
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 147,447	\$ 37,631	\$ 9,655	\$ 6,085	\$ 351,826	\$ 552,644
Accrued payroll and related liabilities	235,435	0	0	0	2,288	237,723
Deposits	261,864	0	3,500	0	0	265,364
Due to other funds	405,400	163,200	432,453	1,167,625	1,165,017	3,333,695
Total liabilities	1,050,146	200,831	445,608	1,173,710	1,519,131	4,389,426
Deferred inflows of resources:						
Unavailable property taxes	1,872,065	0	0	0	78,523	1,950,588
Unavailable grant	0	0	0	0	139,359	139,359
Total deferred inflows of resources	1,872,065	0	0	0	217,882	2,089,947
Fund balances (deficit):						
Nonspendable:						
Prepaid items	91,542	0	0	0	258,333	349,875
Restricted:						
Economic development	0	0	1,190,509	0	347,680	1,538,189
Highways and streets	0	1,136,659	0	0	0	1,136,659
Public safety	0	0	0	0	22,087	22,087
Unassigned (deficit)	4,345,910	0	0	(760,999)	(1,097,217)	2,487,694
Total fund balances (deficit)	4,437,452	1,136,659	1,190,509	(760,999)	(469,117)	5,534,504
Total liabilities, deferred inflows of resources and fund balances	\$ 7,359,663	\$ 1,337,490	\$ 1,636,117	\$ 412,711	\$ 1,267,896	\$ 12,013,877

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position April 30, 2021

Total Fund Balance - Governmental Funds \$ 5,534,504

Amounts reported for governmental activities are different because:

Capital assets used in governmental activities are not financial resources
and therefore not reported in the funds:

Capital assets	26,152,104	
Accumulated depreciation	<u>(7,857,305)</u>	
Net capital assets		18,294,799

Certain assets are not available to report as revenue in the governmental
funds but are revenue on the accrual basis of accounting 139,359

Net pension liability for the Illinois Municipal Retirement Fund
and Police Pension Fund are recorded in the statement of net position:

Illinois Municipal Retirement Fund	(1,272,475)
Police Pension Fund	(18,053,346)

Differences between expected and actual experiences, assumption changes
net differences between projected and actual earnings, are recognized as
deferred outflows and deferred inflows of resources:

Illinois Municipal Retirement Fund	(1,107,609)
Police Pension Fund	2,724,592

Total OPEB Liability is not recorded in governmental funds but is recorded
as a liability in the statement of net position. (2,338,675)

Some liabilities reported in the statement of net position do not require
the use of current financial resources and therefore are not reported as
liabilities in governmental funds.

These liabilities consist of:

Bonds payable	(3,500,000)
Notes payable	(118,579)
Capital lease obligation	(933,076)
Accrued interest	(44,900)
Compensated absences	<u>(896,406)</u>

Net Position of Governmental Activities \$ (1,571,812)

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

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

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue			TIF Sauk Trail Governor's Highway Fund		
		Motor Fuel Tax Fund	TIF Lakewood Fund				
REVENUES							
Taxes:							
Property	\$ 1,812,855	\$ 0	\$ 2,728,074	\$ 155,677	\$ 296,032	\$ 4,992,638	
Sales	2,151,826	0	0	0	0	2,151,826	
Income	1,802,493	0	0	0	0	1,802,493	
Other	868,205	556,058	0	0	14,419	1,438,682	
Utilities	848,235	0	0	0	0	848,235	
Licenses and permits	612,823	0	0	0	0	612,823	
Fines and forfeitures	646,363	0	0	0	17,912	664,275	
Charges for services	765,631	0	0	0	12,302	777,933	
Grants	547,358	449,663	0	0	735,992	1,733,013	
Interest	649	314	0	0	13	976	
Miscellaneous	159,914	0	0	0	46,867	206,781	
Total revenues	<u>10,216,352</u>	<u>1,006,035</u>	<u>2,728,074</u>	<u>155,677</u>	<u>1,123,537</u>	<u>15,229,675</u>	
EXPENDITURES							
Current:							
General government	2,262,317	0	0	0	69,224	2,331,541	
Public safety	5,869,433	0	0	0	35,244	5,904,677	
Public works	509,442	332,097	0	0	44,089	885,628	
Culture and recreation	0	0	0	0	239,026	239,026	
Economic development	0	0	2,463,719	166,306	114,975	2,745,000	
Debt service:							
Principal	447,554	0	0	0	0	447,554	
Interest and debt issuance costs	245,515	0	0	0	0	245,515	
Capital outlay	494,670	52,572	0	0	916,713	1,463,955	
Total expenditures	<u>9,828,931</u>	<u>384,669</u>	<u>2,463,719</u>	<u>166,306</u>	<u>1,419,271</u>	<u>14,262,896</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>387,421</u>	<u>621,366</u>	<u>264,355</u>	<u>(10,629)</u>	<u>(295,734)</u>	<u>966,779</u>	
OTHER FINANCING SOURCES (USES)							
Issuance of long-term debt	3,948,418	0	0	0	0	3,948,418	
Transfers in	548,020	0	1,500,000	1,542,310	25	3,590,355	
Transfers out	0	0	0	0	(3,803,470)	(3,803,470)	
Total other financing sources (uses)	<u>4,496,438</u>	<u>0</u>	<u>1,500,000</u>	<u>1,542,310</u>	<u>(3,803,445)</u>	<u>3,735,303</u>	
NET CHANGE IN FUND BALANCES	4,883,859	621,366	1,764,355	1,531,681	(4,099,179)	4,702,082	
FUND BALANCES (DEFICITS), Beginning of year as restated	<u>(446,407)</u>	<u>515,293</u>	<u>(573,846)</u>	<u>(2,292,680)</u>	<u>3,630,062</u>	<u>832,422</u>	
FUND BALANCES (DEFICITS), End of year	<u>\$ 4,437,452</u>	<u>\$ 1,136,659</u>	<u>\$ 1,190,509</u>	<u>\$ (760,999)</u>	<u>\$ (469,117)</u>	<u>\$ 5,534,504</u>	

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

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

Net Change in Fund Balances (Deficits) - Total Government Funds \$ 4,702,082

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

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

Capital outlay	1,463,955
Depreciation	(685,572)

Revenues in the statement of activities that do not provide current financial resources
are unavailable in the funds. 139,359

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

Principal repaid	447,554
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Debt proceeds provide current financial resources to governmental
funds; however, issuing debt increases long-term liabilities in
the statement of net position. In the current period, proceeds were
received from:

Issuance of long-term debt	(3,948,418)
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The change in the net pension liability and related deferred inflows/
outflows of resources are reported on the statement of activities:

Illinois Municipal Retirement Fund	547,563
Police Pension Fund	(659,249)

The change in the total OPEB liability and related deferred outflows of resources
are reported in the statement of activities. 711,608

Some items reported in the Statement of Net Position do not require
financial resources and, therefore, are not reported as liabilities
in government funds.

These activities consist of:

Change in compensated absences	35,759
Change in accrued interest payable	(44,500)

See Accompanying Notes to Financial Statements
Change in Net Position of Governmental Activities \$ 2,710,141

Village of Richton Park, Illinois

Statement of Net Position

Proprietary Funds

April 30, 2021

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	Total
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 0	\$ 177,279	\$ 0	\$ 177,279
Accounts receivable	449,149	4,364	0	453,513
Due from other funds	436,035	0	11,417	447,452
Total current assets	885,184	181,643	11,417	1,078,244
Noncurrent Assets:				
Capital Assets:				
Land	299,311	0	272,349	571,660
Other capital assets, net of depreciation	12,724,820	1,263	316,182	13,042,265
Total noncurrent assets	13,024,131	1,263	588,531	13,613,925
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on debt refunding	40,237	0	0	40,237
Total assets and deferred outflows of resources	\$ 13,949,552	\$ 182,906	\$ 599,948	\$ 14,732,406
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 74,261	\$ 132,784	\$ 592	\$ 207,637
Accrued payroll and related	3,735	0	1,251	4,986
Unearned revenue	0	0	0	0
Accrued interest	72,900	0	0	72,900
Deposits	9,234	0	0	9,234
Due to other funds	68,482	162,686	120,611	351,779
Total current liabilities	228,612	295,470	122,454	646,536
Noncurrent Liabilities:				
Due within one year	230,000	0	0	230,000
Due in more than one year	5,754,844	0	6,790	5,761,634
Total noncurrent liabilities	5,984,844	0	6,790	5,991,634
Total liabilities	6,213,456	295,470	129,244	6,638,170
NET POSITION				
Net investment in capital assets	7,096,640	1,263	588,531	7,686,434
Unrestricted (deficit)	639,456	(113,827)	(117,827)	407,802
Total net position	7,736,096	(112,564)	470,704	8,094,236
Total liabilities and net position	\$ 13,949,552	\$ 182,906	\$ 599,948	\$ 14,732,406

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

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

Business-type Activities - Enterprise Funds

	Major		Nonmajor	Total
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot Fund	
Operating revenues				
Charges for services	\$ 3,252,548	\$ 1,037,867	\$ 28,578	\$ 4,318,993
Other	564	54	0	618
Total operating revenues	<u>3,253,112</u>	<u>1,037,921</u>	<u>28,578</u>	<u>4,319,611</u>
Operating expenses				
Personnel	1,243,074	210,561	98,531	1,552,166
Contractual	745,901	960,841	10,649	1,717,391
Commodities	52,584	5,031	2,543	60,158
Other operating expenses	467,811	23,181	1,217	492,209
Depreciation	464,857	15,166	18,509	498,532
Total operating expenses	<u>2,974,227</u>	<u>1,214,780</u>	<u>131,449</u>	<u>4,320,456</u>
Operating income (loss)	<u>278,885</u>	<u>(176,859)</u>	<u>(102,871)</u>	<u>(845)</u>
Nonoperating revenues (expenses)				
Interest expense	<u>(229,910)</u>	<u>(362)</u>	<u>0</u>	<u>(230,272)</u>
Income (loss) before transfers	48,975	(177,221)	(102,871)	(231,117)
Other financing sources (uses)				
Transfers in	<u>213,115</u>	<u>0</u>	<u>0</u>	<u>213,115</u>
Change in net position	262,090	(177,221)	(102,871)	(18,002)
Net position, beginning of year, as restated	<u>7,474,006</u>	<u>64,657</u>	<u>573,575</u>	<u>8,112,238</u>
Net position (deficit), end of year	<u>\$ 7,736,096</u>	<u>\$ (112,564)</u>	<u>\$ 470,704</u>	<u>\$ 8,094,236</u>

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

Statement of Cash Flows

Proprietary Funds

Year Ended April 30, 2021

	Major		Nonmajor	Total
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot Fund	
Net cash flows from operating activities				
Receipts from customers	\$ 3,379,415	\$ 1,081,785	\$ 28,578	\$ 4,489,778
Payments to suppliers	(1,233,540)	(856,269)	(30,889)	(2,120,698)
Payments to employees	(1,251,770)	(210,561)	(98,534)	(1,560,865)
Net cash from operating activities	<u>894,105</u>	<u>14,955</u>	<u>(100,845)</u>	<u>808,215</u>
Net cash flows from noncapital financing activities				
Advances from/(to) other funds	2,235,544	162,686	100,845	2,499,075
Payments from/(to) other funds	<u>(2,671,579)</u>	<u>0</u>	<u>0</u>	<u>(2,671,579)</u>
Net cash from noncapital financing activities	<u>(436,035)</u>	<u>162,686</u>	<u>100,845</u>	<u>(172,504)</u>
Net cash flows from capital and related financing activities				
Principal paid on long-term debt	(220,000)	0	0	(220,000)
Interest paid	<u>(238,070)</u>	<u>(362)</u>	<u>0</u>	<u>(238,432)</u>
Net cash from capital and related financing activities	<u>(458,070)</u>	<u>(362)</u>	<u>0</u>	<u>(458,432)</u>
Net increase (decrease) in cash and cash equivalents	<u>0</u>	<u>177,279</u>	<u>0</u>	<u>177,279</u>
Cash and cash equivalents, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash and cash equivalents, end of year	<u>\$ 0</u>	<u>\$ 177,279</u>	<u>\$ 0</u>	<u>\$ 177,279</u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 278,885	\$ (176,859)	\$ (102,871)	\$ (845)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	464,857	15,166	18,509	498,532
(Increase) decrease in receivables	126,303	43,864	0	170,167
Increase (decrease) in customer deposits	(21,682)	0	0	(21,682)
Increase (decrease) in accrued expenses	(8,696)	0	(3)	(8,699)
Increase (decrease) in payables	<u>54,438</u>	<u>132,784</u>	<u>(16,480)</u>	<u>170,742</u>
Net cash flows from operating activities	<u>\$ 894,105</u>	<u>\$ 14,955</u>	<u>\$ (100,845)</u>	<u>\$ 808,215</u>

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

Statement of Fiduciary Net Position

Fiduciary Funds

April 30, 2021

	<u>Police Pension Fund</u>	<u>Friends of Richton Park Foundation Fund</u>
ASSETS		
Cash and cash equivalents	\$ 1,624,908	\$ 31,586
Accrued interest	57,233	47
Prepaid expenses	3,805	0
Investments, at fair value:		
Money market mutual funds	3,591	0
Corporate bonds	2,555,903	0
U.S. government and agency obligations	3,948,279	0
Equity securities	1,346,586	0
Mutual funds	9,878,199	0
Total assets	<u>\$ 19,418,504</u>	<u>\$ 31,633</u>
LIABILITIES		
Accounts payable	<u>\$ 11,148</u>	<u>\$ 3,223</u>
NET POSITION		
Restricted for pension plan held in trust for pension benefits	19,407,356	0
Restricted for organizations	0	28,410
Total net position	<u>\$ 19,407,356</u>	<u>\$ 28,410</u>

See Accompanying Notes to Financial Statements

Village of Richton Park, Illinois

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended April 30, 2021

	<u>Police Pension Fund</u>	<u>Friends of Richton Park Foundation Fund</u>
ADDITIONS		
Contributions:		
Employer	\$ 1,016,217	\$ 0
Plan members	261,325	0
Donations	0	48,087
Total contributions	<u>1,277,542</u>	<u>48,087</u>
Investment income:		
Net appreciation in fair value of investments	3,194,753	0
Interest and dividends	485,588	0
Total investment income	<u>3,680,341</u>	<u>0</u>
Less: investment expense	<u>(71,386)</u>	<u>0</u>
Net investment income	<u>3,608,955</u>	<u>0</u>
Total additions	<u>4,886,497</u>	<u>48,087</u>
DEDUCTIONS		
Benefits and refunds	1,401,821	0
Administrative expenses	45,272	51,741
Total deductions	<u>1,447,093</u>	<u>51,741</u>
CHANGE IN NET POSITION	3,439,404	(3,654)
NET POSITION		
Net position, beginning of year, as restated	<u>15,967,952</u>	<u>32,064</u>
Net position, end of year	<u>\$ 19,407,356</u>	<u>\$ 28,410</u>

See Accompanying Notes to Financial Statements

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

The Village of Richton Park, Illinois (the "Village") is located in Cook County, Illinois, and is a municipal corporation governed by an elected board. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made upon the significance of its operational or financial relationship with the primary government.

The accounting policies of the Village conform to accounting principles generally accepted in the United States as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship. Based on these criteria, the Village is considered a primary government and there is one fiduciary component unit whose financial statements are combined and presented with these financial statements.

Police Pension Fund

The Village police employees participate in the Police Pension Fund, a fiduciary component unit of the Village. The Police Pension fund functions for the benefit of these employed. The Village is obligated to fund all Police Pension Fund costs not funded by the Police Pension Fund participants based upon actuarial valuations, which creates a financial burden on the Village. 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, which results in the Police Pension Fund being fiscally dependent upon the Village. The Police Pension Fund is reported as a pension trust fund.

Government-Wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Net Position presents the primary government's assets and liabilities with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position, if applicable, results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general services, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

A fund is considered major if it is the primary operating fund of the Village, meets the following criteria or the Village considers it to be a major fund:

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

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

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

The Village reports the following major governmental funds:

General Fund - The General fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Motor Fuel Tax Fund - This fund accounts for revenue and expenditures of Motor Fuel Tax, including, but not limited to salaries, road construction and maintenance, and purchase of machinery and equipment.

TIF Lakewood Fund - Established to account for financial resources to be used in the acquisition or development of property within the tax incremental financing district.

TIF Sauk Trail/Governor's Highway Fund - Established to account for financial resources to be used in the acquisition or development of property within the tax incremental financing district.

The Village reports the following major enterprise funds:

Water and Sewer Fund - Accounts for provision of water and sewer services, repair, and improvement services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Refuse Fund - Accounts for operations of the refuse collection system.

Additionally, the Village reports the following fiduciary funds:

Police Pension Trust Fund - accounts for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by State statutes and by the Village through an annual property tax levy.

Custodial Fund - accounts for the operations of the Friends of Richton Park Foundation. The Friends of Richton Park Foundation is a 501 [c]3 non-for profit organization that was founded in 2018. The foundation is established to support the Village of Richton Park on developing a safe, healthier, more successful future for youth, seniors and others to grow and thrive in a dynamic community. The foundation works to support and provide scholarships for higher education, quality youth programs and events and support for the Rich Township Food Pantry. It is governed by a six-person board that makes decisions on the affairs of the foundation.

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues and contributions are recorded when earned and expenses including benefits and refunds paid are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes and State shared revenues. On the accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected approximately within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service related to compensated absences are recorded only when payment is due.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

Cash and Cash Equivalents

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments, with an original maturity of three months or less when purchased.

Investments

Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The Village considers quoted market prices at April 30, 2021 to be the fair value of its investments.

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Transactions

The Village has the following types of transactions between funds:

Loans - amounts provided with a requirement for repayment. Interfund loans are reported as "due from other funds" in lender funds and "due to other funds in borrower funds" in borrower funds in the fund balance sheets or fund statements of net position.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for under the consumption method, whereby amounts are recorded as expenditures during the period benefited by the goods or services.

Capital Assets

Capital assets, which include buildings and improvements, land improvements, equipment, and infrastructure assets are reported in applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of \$10,000 or more and a useful life of more than one year. The cost of any additions or improvements greater than \$5,000, that extend the useful life of an asset more than one year, are also considered capital assets. All capital assets are valued at historical cost or estimated historical cost if factual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at date of donation.

All reported capital assets except land and construction in progress are depreciated. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Capital Asset Category</u>	<u>Estimated Useful Life</u>
Buildings and improvements	10 - 80 years
Land improvements	20 years
Equipment	3 - 30 years
Infrastructure	80 - 100 years

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

The Village's policy is to record property taxes when they have been levied and extended and are both measurable and available. Property taxes receivable are initially recorded at the gross levy amount less an allowance for uncollectible taxes, determined by management estimate. The receivable and the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value. The allowance for uncollectible taxes as of April 30, 2021 is \$129,890.

Receivables

Other receivables in the proprietary funds are recorded net of allowance for uncollectible accounts. As of April 30, 2021, the allowance for uncollectible accounts in the proprietary funds is \$73,263.

Unearned Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position.

In the fund financial statements, 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.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds' debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

Compensated Absences

Vacation leave is recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds when due is recorded as an expense and liability of those funds as the benefits accrue to employees.

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period[s] and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items that qualify for reporting in this category: (1) a deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt; (2) deferred charges related to defined benefit pension plans. These charges will be amortized according to the benefit terms of the plans.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two items that qualify for reporting in this category: (1) unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available; (2) deferred inflows of resources related to defined benefit pension plans. This income will be recognized according to the benefit terms of the plans.

Pensions

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

Other Post-Employment Benefits ("OPEB") Obligations

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB expense, information has been determined on the same basis as it is reported by the plan. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the OPEB plan terms. The Village does contribute to the plan. However, there are no actuarially determined contributions as there is no trust that exists for funding the OPEB plan.

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances

Within the governmental fund type, the Village's fund balances are reported in one of the following classifications:

Nonspendable - amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. The Village Board is the highest level of decision-making authority for the Village that can, by adoption of ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation remains in place until a similar action is taken (adoption of another ordinance) to remove or revise the limitation.

Assigned - amounts the Village intends to use for specific purposes as determined by the Village Board. It is assumed that creation of a fund automatically assigns fund balance.

Unassigned - amounts that are available for any purpose.

Net position/fund balance is displayed in the order of the relative strength of the spending constraints placed on the purposes for which resources can be used. The Village's flow of funds assumption prescribes that funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by the assigned and unassigned funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Village of Richton Park

Notes to the Financial Statements

Note 2: Cash and Investments

Deposits with Financial Institutions

Custodial credit risk-deposits. 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 does not have a deposit policy for custodial credit risk. The Police Pension Plan's investment policy requires all bank balances to be covered by federal depository insurance. As of April 30, 2021, the Village's total bank balance was \$5,613,532. Of this amount \$1,364,927 of the Police Pension Plan deposits were uncollateralized as of April 30, 2021.

Investments

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6. As of April 30, 2021, the Village had the following investments:

	Fair Value		
	Statement of Net Position	Statement of Fiduciary Net Position	Total
Local Government Investment Pool	\$ 1,043,331	\$ 0	\$ 1,043,331
Money Market Mutual Funds	0	3,591	3,591
Corporate Bonds	0	2,555,903	2,555,903
U.S. Agency Securities	0	3,948,279	3,948,279
Equity Securities	0	1,346,586	1,346,586
Mutual Funds	0	9,878,199	9,878,199
Total	\$ 1,043,331	\$ 17,732,558	\$ 18,775,889

Interest rate risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village has no specific policy on the interest rate risk at year-end.

Village of Richton Park

Notes to the Financial Statements

Note 2: Cash and Investments (Continued)

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

Investment Type	Remaining Maturity (in Years)				Total
	12 Months or Less	1-5 Years	6-10 Years	10+ Years	
Local Government Investment Pool	\$ 1,043,331	\$ 0	\$ 0	\$ 0	\$ 1,043,331
Money Market					
Mutual Funds	3,591	0	0	0	3,591
Corporate Bonds	243,052	2,230,089	82,762	0	2,555,903
U.S. Agency Securities	1,413,966	1,447,174	757,941	329,198	3,948,279
Equity Securities	1,346,586	0	0	0	1,346,586
Mutual Funds	9,878,199	0	0	0	9,878,199
	<u>\$13,928,725</u>	<u>\$3,677,263</u>	<u>\$ 840,703</u>	<u>\$ 329,198</u>	<u>\$ 18,775,889</u>

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type:

Investment	Credit Rating	Rating Source
Local Government Investment Pool	AAA	Standard and Poor's
U.S. Agency Securities	AA+	Standard and Poor's
Corporate Bonds	AAA-BBB	Standard and Poor's

Concentration of credit risk. The Village's investment policy requires diversification of investment to avoid unreasonable risk.

Custodial credit risk-investments. 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 local government investment pool is not subject to custodial credit risk in that they are insured. All other investments are subject to custodial credit risk.

Foreign Currency Risk. The Village has no foreign currency risk for investments at year end.

Village of Richton Park

Notes to the Financial Statements

Note 3: Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board of Trustees. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and July 1 and are repayable in two installments on or about March 1 and August 1. These dates are subject to change by the County. The County collects such taxes and periodically remits them to the Village.

The 2020 property tax assessment, which was levied in December 2020, is to finance the budget for the fiscal year beginning May 1, 2020, and the revenue to be produced from that assessment is to be recognized during that period, provided the "available" criteria has been met. "Available" means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For governmental fund types, property taxes collected in advance of the fiscal year for which they are levied are recorded as unavailable property tax and recognized as revenue in the year in which they are received. A reduction for collection losses based on historical collection experience has been provided on uncollected tax liens.

Note 4: Capital Assets

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

Governmental activities:	Balance May 1, 2020	Additions	Disposals and Transfers	Balance April 30, 2021
Capital assets not being depreciated:				
Land	\$ 6,283,372	\$ 0	\$ 0	\$ 6,283,372
Site improvements	400,000	0	0	400,000
Construction in progress	0	950,664	(488,603)	462,061
Subtotal	6,683,372	950,664	(488,603)	7,145,433
Capital assets being depreciated:				
Land improvements	89,573	0	0	89,573
Buildings	4,773,425	0	0	4,773,425
Building improvements	563,478	0	0	563,478
Vehicles	3,304,513	309,875	(46,130)	3,568,258
Equipment	1,807,230	184,795	0	1,992,025
Infrastructure	7,512,688	18,621	488,603	8,019,912
Subtotal	18,050,907	513,291	442,473	19,006,671
Accumulated depreciation	(7,217,863)	(685,572)	46,130	(7,857,305)
Capital assets being depreciated, net	10,833,044	(172,281)	488,603	11,149,366
Total governmental activities capital assets, net	\$ 17,516,416	\$ 778,383	\$ 0	\$ 18,294,799

Village of Richton Park

Notes to the Financial Statements

Note 4: Capital Assets (Continued)

Business-type activities:	Balance May 1, 2020	Additions	Deletions	Balance April 30, 2021
Capital assets not being depreciated:				
Land	\$ 571,660	\$ 0	\$ 0	\$ 571,660
Subtotal	571,660	0	0	571,660
Capital assets being depreciated:				
Land improvements	1,431,334	0	0	1,431,334
Buildings	3,255,480	0	0	3,255,480
Vehicles	912,333	0	0	912,333
Equipment	2,509,416	0	0	2,509,416
Infrastructure	14,248,803	0	0	14,248,803
Subtotal	22,357,366	0	0	22,357,366
Accumulated depreciation	(8,816,569)	(498,532)	0	(9,315,101)
Total capital assets being depreciated, net	13,540,797	(498,532)	0	13,042,265
Total business-type activities capital assets, net	\$ 14,112,457	\$ (498,532)	\$ 0	\$ 13,613,925

Depreciation expense was charged to the governmental functions as follows for the year ended April 30, 2021:

Governmental activities:	
General government	\$ 421,622
Public safety	93,900
Economic development	145,514
Public works	24,536
Total	\$ 685,572

Village of Richton Park

Notes to the Financial Statements

Note 4: Capital Assets (Continued)

Depreciation expense was charged to the business-type functions as follows for the year ended April 30, 2021:

Business-type activities:

Water and sewer	\$	464,857
Refuse		15,166
Commuter parking lot		18,509
Total		\$ 498,532

Note 5: Long-Term Obligations

Long-term obligations consisted of the following at April 30, 2021:

	Date of issuance	Maturity date	Interest rate	Face amount	Carrying amount
Governmental activities					
GO bonds, Series 2020	8/6/2020	12/1/2040	1.80 - 3.75%	\$ 3,500,000	\$ 3,500,000
Notes payable	3/1/2016	3/1/2023	2.14%	675,000	118,579
Capital lease (equipment)	8/31/2019	8/31/2024	4.78%	653,042	452,255
Capital lease (street lights)	5/11/2016	5/11/2021	2.14%	758,622	81,901
Capital lease (police vehicles)	8/31/2020	7/31/2024	5.25%	282,038	232,540
Capital lease (police radios)	9/28/2017	7/1/2025	3.88%	166,380	166,380
Business-type activities					
Alternate revenue source bonds, Series 2017	12/1/2017	12/1/2032	3.00 - 4.00%	\$ 6,700,000	\$ 5,835,000

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

	Balance May 1, 2020	Issued	Retired	Balance April 30, 2021	Due Within One Year
Governmental activities:					
GO Bond, Series 2020	\$ 0	\$ 3,500,000	\$ 0	\$ 3,500,000	\$ 0
Notes payable	234,658	0	116,079	118,579	118,579
Capital lease (equipment)	574,619	0	122,364	452,255	128,282
Capital lease (street lights)	241,514	0	159,613	81,901	13,749
Capital lease (police vehicles)	0	282,038	49,498	232,540	67,382
Capital lease (police radios)	0	166,380	0	166,380	30,749
Compensated absences	932,165	0	35,759	896,406	0
Total governmental		\$ 1,982,956	\$ 3,948,418	\$ 483,313	\$ 5,448,061
					\$ 358,741

Village of Richton Park

Notes to the Financial Statements

Note 5: Long-Term Obligations (Continued)

	Balance May 1, 2020	Issued	Retired	Balance April 30, 2021	Due Within One Year
Business-type activities:					
Alternate revenue source -					
Series 2017	\$ 6,055,000	\$ 0	\$ 220,000	\$ 5,835,000	\$ 230,000
Unamortized bond premium	144,794	0	12,066	132,728	12,066
Compensated absences	31,987	0	8,081	23,906	0
Total business-type	\$ 6,231,781	\$ 0	\$ 240,147	\$ 5,991,634	\$ 242,066

Annual debt service requirements to maturity for bonds and notes payable are as follows:

Governmental activities	GO Bond, Series			
	2020	Notes Payable	Interest	Total
2022	\$ 0	\$ 118,579	\$ 108,468	\$ 227,047
2023	145,000	0	106,880	251,880
2024	145,000	0	104,270	249,270
2025	150,000	0	101,515	251,515
2026	155,000	0	98,365	253,365
2027-2031	825,000	0	434,845	1,259,845
2032-2036	955,000	0	305,638	1,260,638
2037-2041	1,125,000	0	128,485	1,253,485
Total	\$ 3,500,000	\$ 118,579	\$ 1,388,466	\$ 5,007,045

	Alternate Revenue Source - Series 2017		
	Interest	Total	
2022	\$ 230,200	\$ 230,000	\$ 460,200
2023	221,000	235,000	456,000
2024	211,600	245,000	456,600
2025	201,800	250,000	451,800
2026	191,800	260,000	451,800
2027-2031	791,600	1,505,000	2,296,600
2032-2036	465,200	1,830,000	2,295,200
2037-2039	97,313	1,280,000	1,377,313
Total	\$ 2,410,513	\$ 5,835,000	\$ 8,245,513

Village of Richton Park

Notes to the Financial Statements

Note 5: Long-Term Obligations (Continued)

On September 28, 2017, the Village issued \$6,700,000 (plus premium of \$180,992) in General Obligation, (Water and Sewer System Alternate Revenue Source) Series 2017 with an average interest rate of 3.75 percent. The proceeds principally were used to advance refund the Series 2006 Bonds and to fund capital improvements to the Village's water and sewer infrastructure. The proceeds used for the refunding were deposited in an irrevocable trust to provide for future debt service on the Series 2006 Bonds. As a result, that portion of the 2006 series bonds is considered defeased, and the Village has removed the liability from its accounts. The Trust paid off the Series 2006 bonds on the bonds' call date of October 30, 2017. The advance refunding increased total debt service payments over the next 15 years by approximately \$775,000. This resulted in a deferred loss on the refunding of \$91,506 which will be amortized over the life of the original maturity of the Series 2006 bonds. The unamortized deferred loss on refunding is \$40,237 as of April 30, 2021.

On August 6, 2020, the Village issued \$3,500,000 in Taxable General Obligation Bonds, Series 2020 that bear interest at 1.80% to 3.75%, which is due June 1 and December 1 of each year, while the principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2040. The proceeds were used for corporate purposes. The bond will be repaid from State use taxes.

Capital Leases

The Village entered into a capital lease during the year ended April 30, 2017 for the purchase of street lights at a gross cost of \$758,622. The lease is payable in monthly installments of \$13,788 including interest payable at 2.14%. The cumulative amount of assets acquired under the capital lease amounted to \$758,622 with \$335,058 of accumulated depreciation as of April 30, 2021.

The Village entered into a capital lease during the year ended April 30, 2020 for the purchase of equipment at a gross cost of \$653,042. The lease is payable in monthly installments of \$12,244 including interest payable at 4.78%. The cumulative amount of assets acquired under the capital lease amounted to \$653,042 with \$152,551 of accumulated depreciation as of April 30, 2021.

The Village entered into a capital lease during the year ended April 30, 2021 for the purchase of police vehicles at a gross cost of \$282,038. The lease is payable in monthly installments of \$6,499 including interest payable at 5.25%. The cumulative amount of assets acquired under the capital lease amounted to \$281,493 with \$18,766 of accumulated depreciation as of April 30, 2021.

The Village entered into a capital lease during the year ended April 30, 2021 for the purchase of police radios at a gross cost of \$166,380. The lease is payable in annual installments of \$37,321 including interest payable at 3.88%. The cumulative amount of assets acquired under the capital lease amounted to \$166,380 with \$13,865 of accumulated depreciation as of April 30, 2021.

Capital lease obligations will be retired by the General Fund.

Village of Richton Park

Notes to the Financial Statements

Note 5: Long-Term Obligations (Continued)

Annual debt service requirements to maturity under these capital leases are as follows:

For the Year Ended April 30,	Total
2022	\$ 344,962
2023	262,232
2024	262,232
2025	105,793
2026	37,321
Total minimum lease payments	1,012,540
Less: interest	(79,464)
Thereafter	\$ 933,076

Note 6: Interfund Receivables and Payables

Interfund receivable and payable balances at April 30, 2021, are as follows:

Fund	Due from other funds	Due to other funds
General	\$ 2,522,454	\$ 405,400
Motor Fuel Tax	360,971	163,200
TIF Lakewood	10,000	432,453
TIF Sauk Trail Governor's Highway	1,483	1,167,625
Nonmajor governmental funds	343,114	1,165,017
Water and sewer	436,035	68,482
Refuse	0	162,686
Nonmajor enterprise fund	11,417	120,611
Total	\$ 3,685,474	\$ 3,685,474

All interfund debt reflects operating advances which are expected to be repaid or reported as a transfer in the following fiscal year.

Village of Richton Park

Notes to the Financial Statements

Note 7: Interfund Transfers

Below are the interfund transfers as of April 30, 2021:

Transfer From	Transfers In	Transfers Out
General	\$ 548,020	\$ 0
TIF Lakewood	1,500,000	0
TIF Sauk Trail/Governor's Highway	1,542,310	0
Nonmajor governmental funds	25	3,803,470
Water and Sewer	213,115	0
Total all funds	\$ 3,803,470	\$ 3,803,470

The purpose of the significant transfers to/from other funds are as follows:

- a. The Village determined that the interfund loan between TIF Crossings Fund and other funds were uncollectible and wrote off \$3,744,865 of interfund loans using interfund transfers.

Note 8: Stewardship, Compliance, and Accountability

Budgetary Information

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

- (a) Prior to April 30, the Treasurer submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures/expenses and the means to finance them.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to April 30, the budget is legally enacted through passage of an appropriations ordinance.
- (d) The Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, revisions that alter the total expenditures of any fund must be approved by the Village Board.
- (e) Formal budgetary integration is employed as a management control device during the year.
- (f) Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.
- (g) Appropriations lapse at the end of the fiscal year.

Village of Richton Park

Notes to the Financial Statements

Note 8: Stewardship, Compliance, and Accountability (Continued)

The budget amounts are as originally adopted by the Village Board. The Village budgets revenue, expenditures/expenses and transfers based on anticipated funds to be received. Budgets reflect gains or losses, by fund, for each fiscal year.

As of April 30, 2021, the following major funds had expenditures in excess of budget:

General Fund	\$ 1,037,575
TIF Lakewood Fund	56,719
TIF Sauk Trail/Governor's Highway Fund	95,906

Fund Equity Deficit - The following funds reported deficit fund balances as of April 30, 2021:

TIF Sauk Trail/Governor's Highway Fund	\$ (760,999)
Refuse Fund	(112,564)
TIF Governor's Highway Fund	(30,125)
TIF Bohlman Fund	(73,055)
TIF Sauk West Fund	(186,919)
Parks and Recreation Fund	(133,949)
Community Development Block Fund	(39,003)
Capital Projects Fund	(375,833)

The Fund balance deficits will be eliminated by cutting expenses, increasing collection efforts and looking for alternate ways such as potential streaming services tax to increase revenue.

Village of Richton Park

Notes to the Financial Statements

Note 9: Illinois Municipal Retirement Fund

Plan Description. The Village contributes to a defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit level, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained on-line at www.imrf.org.

Benefits Provided. IMRF has three benefits 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).

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms - As of December 31, 2020 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	65
Inactive plan members entitled to but not yet receiving benefits	63
Active employees	69
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Total	197
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Village of Richton Park

Notes to the Financial Statements

Note 9: Illinois Municipal Retirement Fund (Continued)

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2020 was 13.95%. For the fiscal year ended April 30, 2021, the Village contributed \$460,076 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For **Non-Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, 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.

Village of Richton Park

Notes to the Financial Statements

Note 9: Illinois Municipal Retirement Fund (Continued)

- 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 real rates of return for each major asset class are summarized in the following table as of December 30, 2020:

<u>Asset Class</u>	<u>Projected Returns / Risk</u>	
	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Domestic equity	37.0 %	5.00 %
International equity	18.0	6.00
Fixed income	28.0	1.30
Real estate	9.0	6.20
Alternative investments	7.0	2.85-6.95
Cash Equivalents	1.0	0.70
	<u>100.0 %</u>	

Single Discount Rate. A single discount rate of 7.25% was used to measure the total pension liability as of December 31, 2020. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

Village of Richton Park

Notes to the Financial Statements

Note 9: Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability -

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2020	\$ 16,113,837	\$ 13,453,219	\$ 2,660,618
Changes for the year:			
Service cost	382,226	0	382,226
Interest on the total pension liability	1,154,746	0	1,154,746
Differences between expected and actual experience	(18,344)	0	(18,344)
Changes in assumptions	(82,773)	0	(82,773)
Contributions - employer	0	494,020	(494,020)
Contributions - employees	0	156,229	(156,229)
Net investment income	0	1,931,821	(1,931,821)
Other (net transfer)	0	241,928	(241,928)
Benefit payments and refunds	(754,851)	(754,851)	0
Net changes	681,004	2,069,147	(1,388,143)
Balance at December 31, 2020	\$ 16,794,841	\$ 15,522,366	\$ 1,272,475

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the plan's net pension liability (asset), calculated using a single discount rate of 7.25%. It also presents what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1.00% lower or 1.00% higher:

	1% lower 6.25%	Current Discount Rate 7.25%	1% higher 8.25%
Net pension liability (asset)	\$ 3,316,933	\$ 1,272,475	\$ (348,027)

Village of Richton Park

Notes to the Financial Statements

Note 9: Illinois Municipal Retirement Fund (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows or Resources Related to Pensions - For the year ended April 30, 2021, the Village recognized pension expense of \$547,563 for the regular plan. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to the IMRF regular plan pension from the following sources:

<i>Deferred amounts to be recognized in pension expense in future periods:</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 120,901	\$ 269,615
Changes of assumptions	97,741	61,341
Net difference between projected and actual earnings on investment	0	1,146,935
Employer contributions subsequent to the measurement date	151,640	0
Total	\$ 370,282	\$ 1,477,891

The Village reported \$151,640 of 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<i>Year ending April 30,</i>	Net deferred outflows (inflows) of resources
2022	\$ (296,635)
2023	(291,378)
2024	(480,939)
2025	(190,297)
Total	\$ (1,259,249)

Note 10: Police Pension Plan

Plan Description - Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statute (40 ILCS 5/3) and may be amended only by the Illinois Legislature. The Village accounts for the plan as a pension trust fund.

Village of Richton Park

Notes to the Financial Statements

Note 10: Police Pension Plan (Continued)

Plan Membership - At April 30, 2021, the Police Pension Plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	4
Active employees	29
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Total	53
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Benefits Provided. The Police Pension Plan provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters the plan. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to $\frac{1}{2}$ 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% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. The monthly benefit of a police officer who retired with 20 or more of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ % 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% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disable in the line of duty receive 65% of final salary.

Contributions. Covered employees are required by ILCS to contribute 9.91% of their base salary to the 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 Fund, 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 \$1,016,217 or 37.44% covered-employee payroll.

Village of Richton Park

Notes to the Financial Statements

Note 10: Police Pension Plan (Continued)

Investment Policy - ILCS limit the Plan's investments to those allowable by ILCS and require the Plan's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan's investment policy authorizes the Plan to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Plan may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities. The Plan's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Fixed income	43.0 %	3.99 %
Domestic Equity - Large Cap	35.0	9.72
Domestic Equity - Small Cap	10.0	8.53
International equities	5.0	3.80
Real estate (REITs)	5.0	5.68
Cash	2.0	0.85
	<u>100.0 %</u>	

ILCS limit the Plan's investments in equities and mutual funds to 45%. Securities in any one company should not exceed 5% of the total fund.

The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant 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 assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of long-term expected real rate of return excluding inflation for each major asset class included in the Plan's target asset allocation as of April 30, 2021 are shown above.

Investment Valuations, Concentrations, and Rate of Return - All investments in the Plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices for debt securities, equity securities, and mutual funds. There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5% or more of the Plan's investments. For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments (excluding CD's), net of pension plan investment expense, was 24.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Village of Richton Park

Notes to the Financial Statements

Note 10: Police Pension Plan (Continued)

Single Discount Rate - The single discount rate used to measure the total pension liability was 5.74%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan assets of 7.00% was blended with the index rate of 2.27% for a tax exempt general obligation municipal bonds rated AA or better at April 30, 2021 to arrive at a discount rate of 5.74% used to determine the total pension liability.

Discount Rate Sensitivity - The following is a sensitivity 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 of 5.74% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1% point lower (4.74) or 1% point higher (6.74%) than the current rate:

	1% lower 4.74%	Current Discount Rate 5.74%	1% higher 6.74%
Net pension liability	\$ 24,473,142	\$ 18,053,346	\$ 12,951,925

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at April 30, 2021:

- The **Actuarial Cost Method** used was Entry Age Normal (level % of pay).
- The **Discount Rate** used was 5.74%.
- The **Projected Individual Pay Increases** used was 3.50% - 11.74%.
- The **Projected Total Payroll Increases** used was 3.25%.
- The **Consumer Price Index** used was 2.25%.
- The **Inflation Rate** used was 2.25%.

Village of Richton Park

Notes to the Financial Statements

Note 10: Police Pension Plan (Continued)

- **Mortality Rates** are based on the Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described.
- **Retirement Rates** are based on 120% of L&A 2020 Illinois Police Retirement Rates Capped at Age 62.
- **Termination Rates** are based on 100% of L&A 2020 Illinois Police Termination Rates.
- **Disability Rates** are based on 100% of L&A 2020 Illinois Police Disability Rates.
- **Martial Assumptions** are based on 80% of Active Members and actual spousal data of Retiree & Disabled Members.

Net Pension Liability - The components of the net pension liability of the Plan as of April 30, 2021, calculated in accordance with GASB Statement No. 67, were as follows:

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at May 1, 2020	\$ 29,686,880	\$ 15,957,581	\$ 13,729,299
Changes for the year:			
Service Cost	683,694	0	683,694
Interest	2,039,381	0	2,039,381
Actual experience	199,175	0	199,175
Changes in assumptions	6,253,394	0	6,253,394
Contributions - employer	0	1,016,217	(1,016,217)
Contributions - employees	0	260,025	(260,025)
Contributions - other	0	1,300	(1,300)
Net investment income	0	3,608,956	(3,608,956)
Benefit payments, including refunds	(1,401,822)	(1,401,822)	0
Administrative expense	0	(45,272)	45,272
Prior period audit adjustment	0	10,371	(10,371)
Net Changes	7,773,822	3,449,775	4,324,047
Balances at April 30, 2021	\$ 37,460,702	\$ 19,407,356	\$ 18,053,346

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended April 30, 2021, the Village recognized pension expense of \$1,665,095.

Village of Richton Park

Notes to the Financial Statements

Note 10: Police Pension Plan (Continued)

The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 821,900	\$ 664,954
Changes in assumptions	6,884,609	2,662,473
Net difference between projected and actual earnings on pension plan investments	-	1,654,490
Total	\$ 7,706,509	\$ 4,981,917

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:

<i>Year Ending April 30,</i>	Net Deferred Outflows of Resources
2022	\$ 307,854
2023	285,280
2024	283,626
2025	(24,784)
2026	684,080
Thereafter	1,188,536
Total	\$ 2,724,592

Note 11: Other Postemployment Benefits

Plan Description - In addition to providing the pension benefits described in Notes 9 and 10, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental activities.

Village of Richton Park

Notes to the Financial Statements

Note 11: Other Postemployment Benefits (Continued)

Benefits Provided - The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses, and dependents (enrolled at the time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's two retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

Funding Policy - The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Membership - At April 30, 2021, membership in the plan consisted of:

Retirees and beneficiaries receiving benefits	6
Active vested plan members	64
Total	70

Actuarial Assumptions - The following are the methods and assumptions used to determine the total OPEB liability at April 30, 2021:

- The **Actuarial Cost Method** used was the Entry Age Normal (level percent of pay).
- The **Discount Rate** used to measure the OPEB liability was 2.27%, the 20-year municipal bond yield from the S&P Municipal Bond 20 Year High-Grade Rate Index as of April 30, 2021.
- **Salary increases** were assumed to be 3.00%; inflation is expected to be 2.50 percent.
- The **Healthcare Cost Trend Rate** is based on the 2021 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
- **Mortality Rates**
 - IMRF Mortality follows the RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017.
 - Police and Fire Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates.

Village of Richton Park

Notes to the Financial Statements

Note 11: Other Postemployment Benefits (Continued)

- Spousal Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality Improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
- Disabled Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates.

Actuarial assumptions were changed from the prior year. The discount rate was changed from 2.56% to 2.27% based on changes in market conditions as reflected in the Index.

Changes in the 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 that date.

	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Total OPEB Liability (A)-(B)
Balances at May 1, 2020	\$ 3,050,283	\$ 0	\$ 3,050,283
Changes for the year:			
Service cost	82,270	0	82,270
Interest	76,362	0	76,362
Actual experience	(904,179)	0	(904,179)
Changes in assumptions	168,715	0	168,715
Contributions - employer	0	134,776	(134,776)
Benefit payments, including refunds	(134,776)	(134,776)	0
Net changes	(711,608)	0	(711,608)
Balances at April 30, 2021	\$ 2,338,675	\$ 0	\$ 2,338,675

Village of Richton Park

Notes to the Financial Statements

Note 11: Other Postemployment Benefits (Continued)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% lower	Current Discount Rate	1% higher
	1.27	2.27	3.27
Total OPEB Liability	\$ 2,632,005	\$ 2,338,675	\$ 2,090,556

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% lower	Current Discount Rate	1% higher
	Varies	Varies	Varies
Total OPEB Liability	\$ 2,063,527	\$ 2,338,675	\$ 2,664,705

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/(income) of \$(576,832). At April 30, 2021, the Village reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

Village of Richton Park

Notes to the Financial Statements

Note 12: Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees; and natural disasters. The Village has purchased insurance from private insurance companies. Risks covered by medical, dental and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperation Statute, to pool their risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverage; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extension risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. Each member assumes the first \$2,500 for each occurrence since 2005. Beginning in 2005, members were given the option to assume higher deductibles. IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

Village of Richton Park

Notes to the Financial Statements

Note 13: Construction and Other Significant Commitments

Construction commitments.

The Village started the Town Center Stormwater Project (Project) in fiscal year 2019. The Project will be broken down in phases. Phase I engineering costs are expected to be \$655,000. As of April 30, 2021, the Village paid \$437,064 in engineering fees resulting in a remaining balance of \$217,936. In June 2021, the Village contracted with Foundation Mechanics LLC for \$447,864 for the Town Center Stormwater Improvement Phase I-Stage1 to prepare the project site. In August 2020, the Village entered into an agreement with the U.S. Army Corps of Engineers (Army Corps) for Phase I-Stage 2 for \$1,058,333 of which the Village is responsible for \$258,333. Stage 2 is being constructed by the Army Corps as a Section 219 project and will be overseen and funded primarily by the Army Corps. Stage 2 has been bid out by the Army Corps and was awarded to Foundation Mechanics LLC. In addition, the Village plans to use a \$1,000,000 Community Development Block Grant - Disaster Recovery (CDBG-DR) grant to help fund Phase I costs. Phase I of the Project is expected to be completed in fiscal year 2023.

The Village started the Poplar Avenue Bike Trail Project (Project) in fiscal year 2020. The Project will be broken down in phases. Phases I and II were completed in fiscal year 2021. Phase III engineering costs are expected to be \$244,315. As of April 30, 2021, the Village paid \$24,997 in engineering fees resulting in a remaining commitment of \$219,318. Phase III of the Project is expected to be completed in fiscal year 2023.

Economic Development Agreements.

In August 2017, the Village entered into a redevelopment agreement with a Delaware Statutory Trust (the "Developer") to provide economic assistance for the Developer to acquire and redevelop the project site located in the Lakewood Redevelopment Project Area (TIF Lakewood). Under the terms of the agreement, the Village agrees to reimburse the Developer 95 percent of incremental property tax revenues generated within the project site on an annual basis up to over 20 years in an amount not to exceed a total TIF incentive of \$10,800,000. As of April 30, 2021, the Village has remitted \$4,637,168 related to this agreement.

Note 14: New Governmental Accounting Standards

GASB Statement No. 87, Leases, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Village has not determined the effect of this Statement.

GASB Statement No. 91, Conduit Debt Obligations, clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by the issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The requirements of this Statement are effective for reporting periods beginning after February 28, 2022. The Village has not determined the effect of this Statement.

Village of Richton Park

Notes to the Financial Statements

Note 14: New Governmental Accounting Standards (Continued)

GASB Statement No. 92, Omnibus 2020, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Village has not determined the effect of this Statement.

GASB Statement No. 93, Replacement of Interbank Offered Rates, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Village has not determined the effect of this Statement.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Village has not determined the effect of this Statement.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Village has not determined the effect of this Statement.

Management of the Village is still in the process of determining what effect, if any, the above statements will have on the basic financial statements and related disclosures.

Note 15: Subsequent Events

In June 2021, the Village was approved for funding through the Federal Local Rail Highway Crossing Safety Program administered by the Illinois Department of Transportation for the Poplar Bike Trail project. Total project costs are estimated to be \$1,782,233 with the Village committing to paying their portion of \$436,823.

In October 2021, the Village entered into an intergovernmental agreement with Village of Park Forest (Park Forest) to jointly contract with Iroquois Paving for a pavement resurfacing project. Park Forest is the lead agency and awarded the contract with costs of \$794,165 which will be split between the Village and Park Forest. Iroquois Paving is required to separately invoice each municipality for their respective costs. The contract was performed in Spring 2022.

In April 2022, the Village was awarded a \$429,420 Urban Area Security Initiative grant for the purchase of police radios and cameras by the Cook County Department of Emergency Management and Regional Security.

Village of Richton Park

Notes to the Financial Statements

Note 16: Restatement

During the fiscal year, the Village made the following prior period adjustments to the beginning net position and fund balance as a result of a correction of an error and to implement GASB Statement No. 84 related to fiduciary activities to be in compliance with accounting principles generally accepted in the United States. The correction of an error is related to interfund loans that were made in previous years that were originally intended to be permanent transfers.

The Village's net position and fund balance as of April 30, 2020 have been restated as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Water and Sewer Fund	Refuse Fund	Nonmajor Enterprise Funds
Net position, as previously reported	\$ (6,680,919)	\$ 10,511,204	\$ 0	\$ 10,358,700	\$ (413,765)	\$ 566,269
Implementation of GASB Statement No. 84	0	0	32,064	0	0	0
Correction of an error	2,398,966	(2,398,966)	0	(2,884,694)	478,422	7,306
Net position, as restated	\$ (4,281,953)	\$ 8,112,238	\$ 32,064	\$ 7,474,006	\$ 64,657	\$ 573,575

	General Fund	Nonmajor Governmental Funds
Fund balance, as previously reported	\$ (600,432)	\$ 1,385,121
Correction of an error	154,025	2,244,941
Fund balance, as restated	\$ (446,407)	\$ 3,630,062

Required Supplementary Information

Village of Richton Park, Illinois

Schedule of Changes in Net Pension Liability and Related Ratios IMRF Regular Plan - Last 10 Calendar Years (schedule built prospectively from 2015)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$382,226	\$379,387	\$296,946	\$332,021	\$275,870	\$251,125				
Interest on the total pension liability	1,154,746	1,136,700	1,045,904	990,426	863,037	796,996				
Benefit changes	0	0	0	0	0	0				
Difference between expected and actual experience	(18,344)	(530,399)	574,339	455,021	1,103,413	369,115				
Assumption changes	(82,773)	0	464,311	(416,715)	(33,787)	15,273				
Benefit payments and refunds	(754,851)	(721,553)	(657,433)	(549,571)	(588,151)	(507,342)				
Net change in total pension liability	681,004	264,135	1,724,067	811,182	1,620,382	925,167				
Total pension liability - beginning	16,113,837	15,849,702	14,125,635	13,314,453	11,694,071	10,768,904				
Total pension liability - ending (a)	\$16,794,841	\$16,113,837	\$15,849,702	\$14,125,635	\$13,314,453	\$11,694,071				
Plan fiduciary net position:										
Employer contributions	\$494,020	\$483,456	\$465,613	\$379,418	\$345,169	\$276,981				
Employee contributions	156,229	162,256	161,804	181,881	288,422	106,897				
Pension plan net investment income (loss)	1,931,821	2,167,886	(651,772)	1,801,684	676,470	49,084				
Benefit payments and refunds	(754,851)	(721,553)	(657,433)	(549,571)	(588,151)	(507,342)				
Other (net transfer)	241,928	(181,717)	199,132	(203,415)	(231,555)	121,135				
Net change in plan fiduciary net position	2,069,147	1,910,328	(482,656)	1,609,997	490,355	46,755				
Plan fiduciary net position - beginning	13,453,219	11,542,891	12,025,547	10,415,550	9,925,195	9,878,440				
Plan fiduciary net position - ending (b)	\$15,522,366	\$13,453,219	\$11,542,891	\$12,025,547	\$10,415,550	\$9,925,195				
Net pension liability (asset) - Ending (a) - (b)	\$1,272,475	\$2,660,618	\$4,306,811	\$2,100,088	\$2,898,903	\$1,768,876				
Plan fiduciary net position as a percentage of total pension liability	92.42%	83.49%	72.83%	85.13%	78.23%	84.87%				
Covered valuation payroll	\$3,471,747	\$3,605,700	\$3,466,965	\$3,056,723	\$2,883,001	\$2,375,482				
Net pension liability as a percentage of covered valuation payroll	36.65%	73.79%	124.22%	68.70%	100.55%	74.46%				

The Village implemented GASB Statement No. 68 in April 30, 2016.

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Schedule of Employer Contributions

IMRF Regular Plan - Last 10 Calendar Years

(schedule built prospectively from 2015)

<u>Year Ending</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 276,981	\$ 276,981	\$ 0	\$ 2,375,482	11.66%
2016	332,987	345,169	(12,182)	2,883,001	11.97%
2017	356,108	379,418	(23,310)	3,056,723	12.41%
2018	465,613	465,613	0	3,466,965	13.43%
2019	470,544	483,456	(12,912)	3,605,700	13.41%
2020	460,076 *	460,076	0	3,393,851	13.56%

* Estimated based on 12.82% 2021 calendar year contribution rate, 13.95% 2020 calendar year contribution rate, and covered valuation payroll of \$3,393,851 to arrive at fiscal year 2021 contributions.

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Schedule of Changes in Net Pension Liability and Related Ratios

Police Pension Fund - Last 10 Fiscal Years

(schedule built prospectively from 2015)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total pension liability:										
Service cost	\$683,694	\$601,320	\$599,629	\$738,771	\$697,085	\$678,206	\$704,544			
Interest on the total pension liability	2,039,381	1,885,340	1,842,488	1,748,027	1,706,237	1,447,906	1,458,172			
Changes of Benefit Terms	0	240,799	0	0	0	0	0			
Difference between expected and actual experience	199,175	540,026	(527,252)	55,278	488,127	(887,072)	0			
Assumption changes	6,253,394	187,796	0	(4,249,555)	(1,024,694)	3,840,520	0			
Benefit payments and refunds	(1,401,822)	(1,403,654)	(1,201,728)	(1,203,252)	(1,132,582)	(1,126,673)	(995,920)			
Net change in total pension liability	7,773,822	2,051,627	713,137	(2,910,731)	734,173	3,952,887	1,166,796			
Total pension liability - beginning	29,686,880	27,635,253	26,922,116	29,832,847	29,098,674	25,145,786	23,978,990			
Total pension liability - ending (a)	\$37,460,702	\$29,686,880	\$27,635,253	\$26,922,116	\$29,832,847	\$29,098,673	\$25,145,786			
Plan fiduciary net position:										
Employer contributions	\$1,016,217	\$1,030,366	\$957,175	\$1,167,734	\$533,182	\$591,377	\$627,574			
Employee contributions	260,025	266,836	248,158	236,133	215,914	207,031	208,291			
Other contributions	1,300	62,579	1,300	1,300	1,300	0	0			
Pension plan net investment income	3,608,956	551,326	1,008,635	842,806	1,033,825	(146,008)	999,854			
Benefit payments and refunds	(1,401,822)	(1,403,654)	(1,201,728)	(1,203,251)	(1,132,582)	(1,126,673)	(995,920)			
Administrative expense	(34,901)	(38,043)	(103,012)	(37,492)	(37,230)	(35,898)	(35,789)			
Net change in plan fiduciary net position	3,449,775	469,410	910,528	1,007,230	614,409	(510,171)	804,010			
Plan fiduciary net position - beginning	15,957,581	15,488,171	14,577,643	13,570,413	12,956,004	13,466,175	12,662,164			
Plan fiduciary net position - ending (b)	\$19,407,356	\$15,957,581	\$15,488,171	\$14,577,643	\$13,570,413	\$12,956,004	\$13,466,174			
Net pension liability (asset) - Ending (a) - (b)	\$18,053,346	\$13,729,299	\$12,147,082	\$12,344,473	\$16,262,434	\$16,142,669	\$11,679,612			
Plan fiduciary net position as a percentage of total pension liability	51.81%	53.75%	56.04%	54.15%	45.49%	44.52%	53.55%			
Covered-employee payroll	\$2,714,464	\$2,593,112	\$2,562,972	\$2,287,069	\$2,215,079	\$2,199,135	\$2,057,667			
Net pension liability as a percentage of covered-employee payroll	665.08%	529.45%	473.95%	539.75%	734.17%	734.05%	567.61%			

Covered-employee payroll shown above for the current year is estimated based on the prior pensionable payroll and expected increases for plan members during the fiscal year.

The Village implemented GASB Statement No. 68 in April 30, 2016.

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Schedule of Employer Contributions

Police Pension Fund - Last 10 Fiscal Years

(schedule built prospectively from 2015)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$1,160,603	\$1,118,604	\$1,100,640	\$1,028,788	\$572,544	\$618,781	\$612,806			
Contributions in relation to the actuarially determined contribution	1,016,217	1,030,366	957,175	1,167,734	533,182	591,377	627,574			
CONTRIBUTION DEFICIENCY (EXCESS)	\$144,386	\$88,238	\$143,465	(\$138,946)	\$39,362	\$27,404	(\$14,768)			
Covered-employee payroll	\$2,714,464	\$2,593,112	\$2,562,972	\$2,287,069	\$2,215,079	\$2,199,135	\$2,057,677			
Contributions as a percentage of covered-employee payroll	37.44%	39.73%	37.35%	51.06%	24.07%	26.89%	30.50%			

The Village implemented GASB Statement No. 68 in April 30, 2016.

Notes to Schedule of Contributions

The Actuarially Determined Contribution shown above for the current year is the Recommended Contribution from the May 1, 2019 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2019 tax levy. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay
Equivalent Single Amortization Period	100% Funded Over 19 Years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation (CPI-U)	2.50%
Total Payroll Increases	3.25%
Individual Pay Increases	3.75% - 11.99%
Expected Rate of Return on Investments	7.00%
Mortality Rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
Retirement Rates	120% of L&A 2016 Illinois Police Retirement Rates Capped at age 62
Termination Rates	100% of L&A 2016 Illinois Police Termination Rates
Disability Rates	80% L&A 2016 Illinois Police Disability Rates

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Schedule of Investment Returns

Police Pension Fund - Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Annual money - weighted rate of return, net of investment expense	24.19%	3.74%	5.90%	5.90%	8.69%	-0.66%				

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Schedule of Changes in Total OPEB Liability and Related Ratios

OPEB Liability - Last 10 Fiscal Years

(schedule built prospectively from 2019)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB liability:										
Service cost	\$82,270	\$62,572	\$58,630							
Interest on the total pension liability	76,362	96,074	97,977							
Difference between expected and actual experience	(904,179)	0	0							
Assumption changes	168,715	424,008	43,144							
Benefit payments and refunds	(134,776)	(135,394)	(129,455)							
Net change in total OPEB liability	(711,608)	447,260	70,296							
Total OPEB liability - beginning	3,050,283	2,603,023	2,532,727							
Total OPEB liability - ending (a)	\$2,338,675	\$3,050,283	\$2,603,023							
OPEB Plan net position:										
Employer contributions	\$ 134,776	\$135,394	\$129,455							
Benefit payments	(134,776)	(135,394)	(129,455)							
Net change in plan fiduciary net position	0	0	0							
Plan fiduciary net position - beginning	0	0	0							
Plan fiduciary net position - ending (b)	\$0	\$0	\$0							
Employer net OPEB liability (asset) - Ending (a) - (b)	\$2,338,675	\$3,050,283	\$2,603,023							
OPEB Plan net position as a percentage of the total OPEB liability	0%	0%	0%							
Covered-employee payroll	\$ 6,553,826	\$ 4,766,865	\$ 4,628,024							
Net OPEB liability as a % of covered-employee payroll	35.68%	63.99%	56.24%							

The Village implemented GASB Statement No. 75 in April 30, 2019.

There are no actuarially determined contributions as there is no trust that exists for funding the OPEB plan. The Employer contributes to the plan when payments are due.

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Fund Year Ended April 30, 2021

	Budget		Actual	(Over) Under Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 2,632,531	\$ 2,632,531	\$ 1,812,855	\$ 819,676
Sales	1,850,000	1,850,000	2,151,826	(301,826)
Income	1,446,500	1,446,500	1,802,493	(355,993)
Other	600,000	610,000	868,205	(258,205)
Utilities	760,000	815,000	848,235	(33,235)
Licenses and permits	644,600	655,100	612,823	42,277
Fines and forfeitures	484,200	537,921	646,363	(108,442)
Charges for services	716,000	742,200	765,631	(23,431)
Grants	0	55,480	547,358	(491,878)
Interest	2,500	2,500	649	1,851
Miscellaneous	144,500	142,500	159,914	(17,414)
Total revenues	<u>9,280,831</u>	<u>9,489,732</u>	<u>10,216,352</u>	<u>(726,620)</u>
EXPENDITURES				
Current:				
General government	2,076,088	2,284,187	2,262,317	21,870
Public safety	5,733,258	5,855,688	5,869,433	(13,745)
Public works	499,968	499,968	509,442	(9,474)
Debt service:				
Principal	142,379	136,461	447,554	(311,093)
Interest and debt issuance costs	26,634	12,052	245,515	(233,463)
Capital outlay	3,000	3,000	494,670	(491,670)
Total expenditures	<u>8,481,327</u>	<u>8,791,356</u>	<u>9,828,931</u>	<u>(1,037,575)</u>
EXCESS OF REVENUES OVER EXPENDITURES	799,504	698,376	387,421	310,955
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	0	0	3,948,418	(3,948,418)
Gain on sale of capital assets	5,000	5,000	0	5,000
Transfers in	0	0	548,020	(548,020)
Transfers out	(185,000)	(185,000)	0	(185,000)
Total other financing sources (uses)	<u>(180,000)</u>	<u>(180,000)</u>	<u>4,496,438</u>	<u>(4,676,438)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 619,504</u>	<u>\$ 518,376</u>	<u>4,883,859</u>	<u>\$ (4,365,483)</u>
FUND BALANCE (DEFICIT), Beginning of year, as restated			<u>(446,407)</u>	
FUND BALANCE, End of year			<u>\$ 4,437,452</u>	

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Motor Fuel Tax Fund Year Ended April 30, 2021

	Budget		Actual	(Over) Under Budget
	Original	Final		
REVENUES				
Taxes:				
Other	\$ 516,000	\$ 516,000	\$ 556,058	\$ (40,058)
Grants	0	300,000	449,663	(149,663)
Interest	2,000	2,000	314	1,686
Total revenues	<u>518,000</u>	<u>818,000</u>	<u>1,006,035</u>	<u>(188,035)</u>
EXPENDITURES				
Current:				
Public works	188,000	675,500	332,097	343,403
Capital outlay	0	0	52,572	(52,572)
Total expenditures	<u>188,000</u>	<u>675,500</u>	<u>384,669</u>	<u>290,831</u>
NET CHANGE IN FUND BALANCE	<u>\$ 330,000</u>	<u>\$ 142,500</u>	621,366	<u>\$ (478,866)</u>
FUND BALANCE, Beginning of year			<u>515,293</u>	
FUND BALANCE, End of year			<u>\$ 1,136,659</u>	

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
TIF Lakewood Fund
Year Ended April 30, 2021

	Budget Original and Final	Actual	(Over) Under Budget
REVENUES			
Taxes:			
Property	\$ 2,500,000	\$ 2,728,074	\$ (228,074)
EXPENDITURES			
Current:			
Economic development	2,407,000	2,463,719	(56,719)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	93,000	264,355	(171,355)
OTHER FINANCING SOURCES (USES)			
Transfers in	0	1,500,000	(1,500,000)
NET CHANGE IN FUND BALANCE	<u>\$ 93,000</u>	1,764,355	<u>\$ (1,671,355)</u>
FUND BALANCE (DEFICIT), Beginning of year		<u>(573,846)</u>	
FUND BALANCE, End of year		<u>\$ 1,190,509</u>	

See Notes to Required Supplementary Information

Village of Richton Park, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 TIF Sauk Trail/Governor's Highway Fund
 Year Ended April 30, 2021

	Budget <u>Original and Final</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
REVENUES			
Taxes:			
Property	\$ 150,000	\$ 155,677	\$ (5,677)
EXPENDITURES			
Current:			
Economic development	70,400	166,306	(95,906)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	79,600	(10,629)	90,229
OTHER FINANCING SOURCES (USES)			
Transfers in	0	1,542,310	(1,542,310)
NET CHANGE IN FUND BALANCE	<u>\$ 79,600</u>	\$ 1,531,681	<u>\$ (1,452,081)</u>
FUND BALANCE (DEFICIT), Beginning of year		<u>(2,292,680)</u>	
FUND BALANCE (DEFICIT), End of year		<u>\$ (760,999)</u>	

See Notes to Required Supplementary Information

Village of Richton Park

Notes to Required Supplementary Information

Note 1: Basis of Accounting

Annual appropriated budgets are adopted for Village funds on a basis consistent with accounting principles generally accepted in the United States. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level. All annual appropriates lapse at the end of the fiscal year.

Note 2: Excess of Disbursements Over Appropriations

The General Fund, TIF Lakewood Fund, and TIF Sauk Trail/Governor's Highway Fund had excess of disbursements over appropriations of \$1,037,575, \$56,719, and \$95,906, respectively.

Note 3: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate for IMRF*

Valuation date:

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

Methods and assumptions used to determine 2020 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Non Taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 23 year closed period until remaining period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94 712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP 2017 (base year 2015). The IMRF specific rates were developed from the RP 2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP 2017 (base year 2015). The IMRF specific rates were developed from the RP 2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP 2017 (base year 2015). The IMRF specific rates were developed from the RP 2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

Supplementary Information

Village of Richton Park, Illinois

Combining Balance Sheet Nonmajor Governmental funds April 30, 2021

	Special Revenue					
	Administrative Seizure Fund	Foreign Fire Insurance Fund	DUI Fines Returned Fund	Police Article 36 Seizure Fund	Community Center Fund	TIF Crossings Fund
ASSETS						
Cash and cash equivalents	\$ 16,000	\$ 4,912	\$ 912	\$ 0	\$ 0	\$ 134,579
Receivables						
Property taxes	0	0	0	0	0	0
Accounts	0	0	0	0	0	0
Prepaid items	0	0	0	0	0	0
Due from other funds	0	407	0	0	0	0
Total assets	\$ 16,000	\$ 5,319	\$ 912	\$ 0	\$ 0	\$ 134,579
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued payroll and related	0	0	0	0	0	0
Due to other funds	0	144	0	0	0	0
Total liabilities	0	144	0	0	0	0
Deferred inflows of resources:						
Unavailable property taxes	0	0	0	0	0	0
Unavailable grant	0	0	0	0	0	0
Total deferred inflows of resources	0	0	0	0	0	0
Fund balance (deficit):						
Nonspendable:						
Prepaid items	0	0	0	0	0	0
Restricted:						
Economic development	0	0	0	0	0	134,579
Public safety	16,000	5,175	912	0	0	0
Unassigned (deficit)	0	0	0	0	0	0
Total fund balances (deficits)	16,000	5,175	912	0	0	134,579
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 16,000	\$ 5,319	\$ 912	\$ 0	\$ 0	\$ 134,579

See Independent Auditors' Report on Supplementary Information

Village of Richton Park, Illinois

Combining Balance Sheet

Nonmajor Governmental Funds (continued)

April 30, 2021

TIF Governor's Highway Fund	TIF Bohlman Fund	Special Revenue				Parks and Recreation Fund	Community Development Block Fund	Capital Projects	Total Nonmajor Funds
		TIF Sauk West Fund	TIF Town Center Fund	Capital Projects Fund	Capital Projects Fund				
\$ 0	\$ 53,182	\$ 16,614	\$ 165,599	\$ 0	\$ 0	\$ 25,000	\$ 416,798		
0	0	0	0	81,192	0	0	81,192		
0	0	0	0	205	168,254	0	168,459		
0	0	0	0	0	258,333	0	258,333		
72,947	0	0	232,722	37,038	0	0	343,114		
<u>\$ 72,947</u>	<u>\$ 53,182</u>	<u>\$ 16,614</u>	<u>\$ 398,321</u>	<u>\$ 118,435</u>	<u>\$ 426,587</u>	<u>\$ 25,000</u>	<u>\$ 1,267,896</u>		
\$ 0	\$ 0	\$ 0	\$ 45,173	\$ 275	\$ 277,826	\$ 28,552	\$ 351,826		
0	0	0	0	2,288	0	0	2,288		
103,072	126,237	203,533	140,047	171,298	48,405	372,281	1,165,017		
103,072	126,237	203,533	185,220	173,861	326,231	400,833	1,519,131		
0	0	0	0	78,523	0	0	78,523		
0	0	0	0	0	139,359	0	139,359		
0	0	0	0	78,523	139,359	0	217,882		
0	0	0	0	0	258,333	0	258,333		
0	0	0	213,101	0	0	0	347,680		
0	0	0	0	0	0	0	22,087		
(30,125)	(73,055)	(186,919)	0	(133,949)	(297,336)	(375,833)	(1,097,217)		
(30,125)	(73,055)	(186,919)	213,101	(133,949)	(39,003)	(375,833)	(469,117)		
<u>\$ 72,947</u>	<u>\$ 53,182</u>	<u>\$ 16,614</u>	<u>\$ 398,321</u>	<u>\$ 118,435</u>	<u>\$ 426,587</u>	<u>\$ 25,000</u>	<u>\$ 1,267,896</u>		

See Independent Auditors' Report on Supplementary Information

Village of Richton Park, Illinois

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds Year Ended April 30, 2021

	Special Revenue					
	Administrative	Foreign Fire	DUI Fines	Police	Community	TIF Crossings
	Seizure Fund	Insurance Fund	Returned Fund	Article 36 Seizure Fund	Center Fund	Fund
REVENUES						
Taxes:						
Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	14,419	0	0	0	0
Fines and forfeitures	17,000	0	912	0	0	0
Charges for services	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Total revenues	17,000	14,419	912	0	0	0
EXPENDITURES						
Current:						
General government	0	0	0	0	0	0
Public safety	1,000	9,244	0	0	0	0
Public works	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Economic development	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Total expenditures	1,000	9,244	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,000	5,175	912	0	0	0
OTHER FINANCING SOURCES (USES)						
Transfers in	0	0	0	0	0	0
Transfers out	0	0	0	0	0	(3,744,865)
Total other financing sources (uses)	0	0	0	0	0	(3,744,865)
NET CHANGE IN FUND BALANCES	16,000	5,175	912	0	0	(3,744,865)
FUND BALANCES (DEFICITS), Beginning of year, as restated	0	0	0	0	0	3,879,444
FUND BALANCES (DEFICITS), End of year	\$ 16,000	\$ 5,175	\$ 912	\$ 0	\$ 0	\$ 134,579

See Independent Auditors' Report on Supplementary Information

Village of Richton Park, Illinois

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds (continued)
Year Ended April 30, 2021

Special Revenue								
TIF Governor's Highway Fund	TIF Bohlman Fund	TIF Sauk West Fund	TIF Town Center Fund	Parks and Recreation Fund	Community Development Block Fund	Capital Projects Fund	Total Nonmajor Funds	
\$ 0	\$ 51,124	\$ 14,354	\$ 139,421	\$ 91,133	\$ 0	\$ 0	\$ 296,032	
0	0	0	0	0	0	0	14,419	
0	0	0	0	0	0	0	17,912	
0	0	0	0	12,302	0	0	12,302	
0	0	0	75,000	0	635,992	25,000	735,992	
0	0	13	0	0	0	0	13	
0	0	0	46,867	0	0	0	46,867	
<u>0</u>	<u>51,124</u>	<u>14,367</u>	<u>261,288</u>	<u>103,435</u>	<u>635,992</u>	<u>25,000</u>	<u>1,123,537</u>	
0	0	0	0	0	0	69,224	69,224	
0	0	0	0	0	0	25,000	35,244	
0	0	0	0	0	0	44,089	44,089	
0	0	0	0	239,026	0	0	239,026	
0	2,528	13,905	98,542	0	0	0	114,975	
0	0	0	140,735	0	674,993	100,985	916,713	
<u>0</u>	<u>2,528</u>	<u>13,905</u>	<u>239,277</u>	<u>239,026</u>	<u>674,993</u>	<u>239,298</u>	<u>1,419,271</u>	
<u>0</u>	<u>48,596</u>	<u>462</u>	<u>22,011</u>	<u>(135,591)</u>	<u>(39,001)</u>	<u>(214,298)</u>	<u>(295,734)</u>	
0	0	0	0	25	0	0	25	
0	0	0	0	0	0	(58,605)	(3,803,470)	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>	<u>0</u>	<u>(58,605)</u>	<u>(3,803,445)</u>	
0	48,596	462	22,011	(135,566)	(39,001)	(272,903)	(4,099,179)	
<u>(30,125)</u>	<u>(121,651)</u>	<u>(187,381)</u>	<u>191,090</u>	<u>1,617</u>	<u>(2)</u>	<u>(102,930)</u>	<u>3,630,062</u>	
<u>\$ (30,125)</u>	<u>\$ (73,055)</u>	<u>\$ (186,919)</u>	<u>\$ 213,101</u>	<u>\$ (133,949)</u>	<u>\$ (39,003)</u>	<u>\$ (375,833)</u>	<u>\$ (469,117)</u>	

See Independent Auditors' Report on Supplementary Information

Other Information

Village of Richton Park, Illinois

Schedule of Legal Debt Margin

Year Ended April 30, 2021

Assessed valuation - 2020 tax year		<u>\$156,806,772</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 13,524,584
Debt:		
TIF Bonds	\$ 3,500,000	
Notes payable	118,579	
Capital lease obligations	<u>933,076</u>	
Total Debt		<u>4,551,655</u>
Legal debt margin		<u>\$ 8,972,929</u>

See Independent Auditors' Report on Other Information

Compliance

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and Members
of the Board of Trustees
Village of Richton 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, each major fund, and the aggregate remaining fund information of the Village of Richton Park, Illinois ("Village") as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise Village's basic financial statements, and have issued our report thereon dated July 29, 2022.

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") as a basis for designing 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.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-002 to be a material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-001 to be a significant deficiency.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters which are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2021-003 and 2021-004.

Responses to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Village's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 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.

The image shows a handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

July 29, 2022
Aurora, Illinois

Village of Richton Park

Schedule of Findings and Responses

Year Ended April 30, 2021

Finding 2021-001: Financial Statement Preparation

Criteria – Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition – The Village does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and ensure related footnote disclosures are complete and presented in accordance with GAAP. As part of our audit, the Village has requested us to prepare the financial statements, including the related notes and supplementary information.

Effects or Potential Effects – The completeness of the financial statement disclosures and the accuracy of the overall financial presentation is negatively impacted as external auditors do not have the same comprehensive understanding of the Village as its internal financial staff.

Cause – The Village relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and related footnote disclosures.

Auditor’s Recommendation – Management should continue to review and approve the annual financial statements and the related footnote disclosure.

View of responsible officials and planned corrective actions – Management of the Village will continue to review, approve and accept responsibility for those financial statements prepared by the external auditors prior to their issuance. The Village believes this process to be most economical and appropriate to help ensure complete and proper financial reporting.

Finding 2021-002: Failure to Properly Reconcile Significant Accounts

Criteria - Internal controls should be in place that provide reasonable assurance that subledgers are being properly reconciled to account balances in a timely manner to support that the balances are accurately and timely reported.

Condition – Cash, accounts payable, and capital asset are not being properly and timely reconciled. The April 2021 pooled cash account bank reconciliation provided to the auditors did not reconcile to the cash balances in the accounting system. The Village worked with their outsourced accountants to get the account reconciled in January 2022. The accounts payable subledger provided to the auditors did not reconcile to the accounts payable balances in the accounting system. The Village properly reconciled accounts payable in June 2022. The capital assets subledger does not reconcile to the balances reported in the annual financial report due to differences in accumulated depreciation. In addition, the Village is not properly and timely tracking construction in progress. During the audit, Wipfli inquired about construction in progress and discovered there were several projects going on but no construction in progress was reported with the capital assets documents provided to auditors. After this discovery, the Village worked with their outsourced accountants to provide a schedule of construction in progress in April 2022.

Village of Richton Park

Schedule of Findings and Responses (Continued)

Year Ended April 30, 2021

Finding 2021-002: Failure to Properly Reconcile Significant Accounts (continued)

Effects or Potential Effects – As a result of this condition, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period. In addition, failure to perform these reconciliations timely inhibits the safeguarding of assets and does not provide for accurate and timely financial reporting.

Cause – Cash, accounts payable, and capital asset are not being properly and timely reconciled.

Auditor's Recommendation – We recommend that formal procedures be implemented to accurately reconcile significant account balances to the general ledger no later than 30 days after the end of the previous month for cash and accounts payable and end of the fiscal year for capital assets. We also recommend that someone review and approve the reconciliations to ensure the subledgers reconcile to the balances in the accounting system.

View of responsible officials and planned corrective actions – The Village agrees with the recommendation. The Village has put in place procedures to ensure timely monthly reconciliation for cash and accounts payable. The monthly reconciliation will be reviewed and approved by the Finance Director or Assistant Finance Director. Also, at the end of the fiscal year, a capital assets reconciliation will be performed to ensure that capital assets accurately reflect activities in our capital asset system. Our accounting consulting firm (RSM) will be supporting the Village to achieve this objective.

Finding 2021-003: Overspent Budget

Criteria - Illinois Compiled Statutes require municipalities to establish and conform to a fiscal year budget.

Condition - The Village over expended its budget in the General Fund by \$1,037,575, the TIF Lakewood Fund by \$56,719, and the TIF Sauk Trail/Governor's Highway Fund by \$95,906.

Cause – There were unforeseen emergencies and unexpected expenses that were not taken into account during the budget process.

Effect – The Village was not in compliance with state budgeting laws.

Recommendation – The Village should budget adequate resources to cover actual expenditures.

View of responsible officials and planned corrective actions – The over budget was due to adjustments made to the capital outlay expenditures of the General Fund to properly reflect the procurement of capital assets and the associated principal and interest payments, utilizing the General Fund. The Village will establish a new line item in the budget for unforeseen events.

Village of Richton Park

Schedule of Findings and Responses (Continued)

Year Ended April 30, 2021

Finding 2021-004: TIF Joint Review Board

Criteria – The Village must annually hold a joint review Board meeting for its TIF Districts in accordance with 65 ILCS 5/11-74.4-5.

Condition – The Village has not held the joint review Board meeting since fiscal year 2019.

Cause – Meetings were called by the Village in the past and other taxing agencies board members did not show up due to Covid.

Effects or Potential Effects – As a result of the condition noted above, the Village was not in compliance with the TIF requirements.

Recommendation – It is recommended that the Village conduct the required annual joint review Board meeting.

View of responsible officials and planned corrective actions – The Village’s management and Board will hold the required joint review Board meeting as recommended.