

Village of Richton Park, Illinois

Annual Financial Report

For the Year Ended April 30, 2020



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

For the Year Ended April 30, 2020

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Village of Richton Park, Illinois

For the Year Ended April 30, 2020

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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 (the "Village"), as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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. 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.

Opinions

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

Emphasis of Matters

The Village has an accumulated unassigned deficit in the General Fund of \$771,857 as of April 30, 2020, which has resulted from operating deficits over the last several years. The deficits raise significant liquidity risks regarding the Village's ability to meet its financial obligations as they come due without raising revenues, cutting costs of services provided, or financial restructuring. The liquidity risks are disclosed in Note 12 of the Notes to the Financial Statements.

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 listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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 financial statements. Such information have been subjected to the auditing procedures applied in the audit of the 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.

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

Aurora, Illinois
December 16, 2020

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, 2020. 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 \$3.83 million at the end of fiscal year 2020, which is a decrease of \$1.66 million from the prior year.
- At the end of fiscal year 2020, the Village's governmental funds reported a combined ending fund balance of \$(1.57) million, a decrease of \$0.64 million from the previous year. A complete reconciliation of the governmental funds' fund balance to the governmental activities' net position is on page 14.

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	
	2020	2019	2020	2019	2020	2019
ASSETS						
Cash and other assets	\$ 2.22	\$ 3.42	\$ 2.73	\$ 2.97	\$ 4.95	\$ 6.39
Capital assets	<u>17.52</u>	<u>16.88</u>	<u>14.11</u>	<u>14.05</u>	<u>31.63</u>	<u>30.93</u>
Total assets	<u>19.74</u>	<u>20.30</u>	<u>16.84</u>	<u>17.02</u>	<u>36.58</u>	<u>37.32</u>
DEFERRED OUTFLOWS						
OF RESOURCES	<u>3.91</u>	<u>5.05</u>	<u>0.05</u>	<u>0.05</u>	<u>3.96</u>	<u>5.10</u>
Total assets and deferred inflows of resources	<u>23.65</u>	<u>25.35</u>	<u>16.89</u>	<u>17.07</u>	<u>40.54</u>	<u>42.42</u>
LIABILITIES						
Current liabilities	2.04	2.64	0.15	0.27	2.19	2.91
Non-current liabilities	<u>21.41</u>	<u>20.77</u>	<u>6.23</u>	<u>6.46</u>	<u>27.64</u>	<u>27.23</u>
Total liabilities	<u>23.45</u>	<u>23.42</u>	<u>6.38</u>	<u>6.72</u>	<u>29.83</u>	<u>30.14</u>
DEFERRED INFLOWS						
OF RESOURCES	<u>6.89</u>	<u>6.80</u>	<u>0.00</u>	<u>0.00</u>	<u>6.89</u>	<u>6.80</u>
Total liabilities and deferred inflows of resources	<u>30.34</u>	<u>30.22</u>	<u>6.38</u>	<u>6.72</u>	<u>36.72</u>	<u>36.94</u>
NET POSITION	<u>\$ (6.69)</u>	<u>\$ (4.87)</u>	<u>\$ 10.51</u>	<u>\$ 10.35</u>	<u>\$ 3.83</u>	<u>\$ 5.48</u>

The Village's combined assets (governmental activities and business-type activities) exceeded liabilities at the close of the most recent year. Net position decreased 30% in fiscal year 2020. The net position of governmental activities decreased by \$1.82 million. This decrease is primarily due to the decrease in TIF Lakewood Fund property tax revenues in fiscal year 2020.

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	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for Services	\$ 1.10	\$ 1.00	\$ 4.39	\$ 4.23	\$ 5.49	\$ 5.23
Capital Grants & Contributions	0.15	0.36	0.00	0.00	0.15	0.36
Operating Grants & Contributions	0.00	0.00	0.00	0.00	0.00	0.00
Total Program Revenues	<u>1.25</u>	<u>1.36</u>	<u>4.39</u>	<u>4.23</u>	<u>5.64</u>	<u>5.59</u>
General Revenues:						
Property taxes	5.98	7.84	0.00	0.00	5.98	7.84
Other taxes	5.30	5.04	0.00	0.00	5.30	5.04
Other	1.52	1.61	0.00	0.00	1.52	1.61
Total General Revenues	<u>12.80</u>	<u>14.49</u>	<u>0.00</u>	<u>0.00</u>	<u>12.80</u>	<u>14.49</u>
TOTAL REVENUES	<u>14.05</u>	<u>15.85</u>	<u>4.39</u>	<u>4.23</u>	<u>18.44</u>	<u>20.08</u>
PROGRAM EXPENSES						
General government	4.10	3.19	0.00	0.00	4.10	3.19
Public safety	7.55	7.19	0.00	0.00	7.55	7.19
Public works	0.67	0.72	0.00	0.00	0.67	0.72
Culture and recreation	0.56	0.50	0.00	0.00	0.56	0.50
Economic development	2.94	2.96	0.00	0.00	2.94	2.96
Interest and fees	0.04	0.08	0.00	0.00	0.04	0.08
Sewer and water	0.00	0.00	3.01	3.19	3.01	3.19
Refuse	0.00	0.00	1.06	1.00	1.06	1.00
Commuter parking lot	0.00	0.00	0.16	0.21	0.16	0.21
TOTAL EXPENSES	<u>15.86</u>	<u>14.64</u>	<u>4.23</u>	<u>4.40</u>	<u>20.09</u>	<u>19.04</u>
Changes in Net Position	<u>(1.81)</u>	<u>1.21</u>	<u>0.16</u>	<u>(0.17)</u>	<u>(1.65)</u>	<u>1.04</u>
Net Position - Beginning of year, as previously stated	\$ (4.87)	\$ (3.88)	\$ 10.35	\$ 10.52	\$ 5.48	\$ 6.64
Prior period adjustment	0.00	(2.20)	0.00	0.00	0.00	(2.20)
Net Position - Beginning of year, as restated	<u>(4.87)</u>	<u>(6.08)</u>	<u>10.35</u>	<u>10.52</u>	<u>5.48</u>	<u>4.44</u>
Net Position - End of year	<u>\$ (6.68)</u>	<u>\$ (4.87)</u>	<u>\$ 10.51</u>	<u>\$ 10.35</u>	<u>\$ 3.83</u>	<u>\$ 5.48</u>

Village of Richton Park, Illinois

Management's Discussion and Analysis

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

Governmental activities decreased the net position of the Village by \$1.82 million, accounting for a 38% decrease in the Village's total net position. Total governmental activities revenues were \$14.05 million while governmental activities total expenses were \$15.88 million. Governmental activities accounted for 76% of the total revenues and 79% of the total expenses in fiscal year 2020. Total governmental activities revenues were \$15.85 million while governmental activities total expenses were \$14.64 million in fiscal year 2019. This represented 72% of total revenues and 77% of total expenses in fiscal year 2019.

Total governmental activities revenues were significantly lower due to \$2.67 million property taxes collected in 2020 in comparison to \$4.00 million collected in 2019 from TIF Lakewood Fund.

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

Business-type activities saw an increase in net position of \$0.16 million accounting for a 2% increase in the Village's business-type activities net position. Total business-type activities revenues were \$4.39 million while business-type activities total expenses were \$4.23 million. Business-type activities accounted for 24% of total revenues and 21% of total Village expenses in fiscal year 2020. This compares to 21% of total revenues and 23% of total expenses in fiscal year 2019.

Total business-type revenues increased 4% while business-type activities total expenses decreased 4%. Total business-type activities revenues increased due to a rate increase enacted during 2019.

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 \$(1.57) million, a decrease of \$0.64 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 planning. At the end of the fiscal year, the total fund balance of the General Fund was \$(0.60) million.

The General Fund balance decreased \$0.30 million as the prior year's fund balance was \$(0.30) million. Total General Fund revenues and other financing sources were \$10.1 million while total expenditures were \$11.0 million in fiscal year 2020. Property tax revenues were \$2.9 million which were also consistent as the prior year or \$2.8 million.

Village of Richton Park, Illinois

Management's Discussion and Analysis

General Fund revenues and other financing sources increased 7% while expenditures increased 10% in fiscal year 2020. The increase in General Fund revenues was primarily due to funds shared with a new non-home rule sales tax imposed by the state and fines collected from the installation of a new traffic light. The expenditure increase for fiscal year 2020 was related to capital outlay.

Proprietary Funds – Revenues and expenses for fiscal year 2020 were consistent with fiscal year 2019.

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 beginning on page 50.

General Fund actual revenues of \$10.1 million were \$0.05 million over budgeted revenues of \$9.6 million. Actual expenditures were \$1.7 million over budget due to capital outlay expenditures.

Capital Assets – The Village's investment in capital assets for its governmental and business-type activities amounts to \$31.63 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 \$1.90 million consisting of \$1.23 million in land improvements and water towers, and \$0.67 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 asset activity (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
	Land	6.28	6.28	0.57	0.57	6.85
Construction in progress	0.40	0.40	0.00	0.69	0.40	1.09
Land improvements	0.09	0.09	1.43	1.45	1.52	1.54
Infrastructure	7.45	7.19	14.25	12.98	21.70	20.17
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	3.36	3.36	0.91	0.91	4.27	4.27
Equipment	1.81	1.21	2.51	2.51	4.32	3.72
Less: Accumulated						
Depreciation	(7.20)	(6.60)	(8.83)	(8.30)	(16.03)	(14.90)
	<u>\$ 17.52</u>	<u>\$ 17.26</u>	<u>\$ 14.11</u>	<u>\$ 14.07</u>	<u>\$ 31.63</u>	<u>\$ 31.33</u>

Debt Administration

At the end of the fiscal year, the Village had a total bonded debt outstanding of \$7.25 million. This amount represents bonds secured by specified revenue sources, namely property taxes. The Village's outstanding compensated absences liability was \$0.97 million at April 30, 2020. 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 as of April 30, 2020 and 2019:

Outstanding Long-Term Debt

(In millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
	Bonds and Notes	\$ 0.23	\$ 0.47	\$ 6.20	\$ 6.43	\$ 6.43
Capital Lease Obligation	0.82	0.40	0.00	0.00	0.82	0.40
Compensated Absences	<u>0.93</u>	<u>0.86</u>	<u>0.04</u>	<u>0.03</u>	<u>0.97</u>	<u>0.89</u>
Total	<u>\$ 1.98</u>	<u>\$ 1.73</u>	<u>\$ 6.24</u>	<u>\$ 6.46</u>	<u>\$ 8.22</u>	<u>\$ 8.19</u>

Village of Richton Park, Illinois

Management's Discussion and Analysis

Economic Factors

The Village annually updates its Five-Year Plan which was originated in November 2007. The Village sets rates for the enterprise funds and vehicle stickers on an annual basis. In addition, the Village adopted a procedure to allocate overhead costs from the General Fund service departments to the Proprietary Funds. The main goal of the Five-Year Plan is to restore sufficient cash reserves to the funds.

Like most other organizations, the Village strives to maintain programs and services during the slow economic recovery being experienced locally. Village expenditures face pressure from increased labor, pension, and health care costs. This is offset by actuarial requirements for the Village's pension funds and a continuing need to address aging infrastructure and equipment. The Village carefully reviews vacant positions prior to hiring due to uncertainty with the State's budget. There is also a continued need to address infrastructure needs with new revenue sources. The Village continues to focus on new economic development in the Village that will enhance the Village's revenue base and allow the Village to maintain the current level of service to its residents and business owners.

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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,441,718	\$ 0	\$ 1,441,718
Investments	364,636	0	364,636
Receivables			
Property taxes	1,796,255	0	1,796,255
Other taxes	546,108	0	546,108
Accounts	11,101	623,680	634,781
Prepaid items	171,425	0	171,425
Due from fiduciary funds	7,895	0	7,895
Internal balances	(2,109,020)	2,109,020	0
Capital assets, net of depreciation	<u>17,516,416</u>	<u>14,112,457</u>	<u>31,628,873</u>
Total assets	<u>\$ 19,746,534</u>	<u>\$ 16,845,157</u>	<u>\$ 36,591,691</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	\$ 0	\$ 46,943	\$ 46,943
Pension items - IMRF	760,855	0	760,855
Pension items - Police Pension Fund	<u>3,153,542</u>	<u>0</u>	<u>3,153,542</u>
Total deferred outflows of resources	<u>3,914,397</u>	<u>46,943</u>	<u>3,961,340</u>
Total assets and deferred outflows of resources	<u>\$ 23,660,931</u>	<u>\$ 16,892,100</u>	<u>\$ 40,553,031</u>
LIABILITIES			
Accounts payable	\$ 1,697,346	\$ 36,895	\$ 1,734,241
Accrued payroll and related liabilities	118,917	5,604	124,521
Deposits	224,459	30,916	255,375
Accrued interest	400	75,700	76,100
Noncurrent liabilities			
Due within one year	466,207	220,000	686,207
Due in more than one year	1,516,749	6,011,781	7,528,530
Net pension liability - IMRF	2,660,618	0	2,660,618
Net pension liability - Police Pension Fund	13,718,928	0	13,718,928
Total OPEB Liability	<u>3,050,283</u>	<u>0</u>	<u>3,050,283</u>
Total liabilities	<u>\$ 23,453,907</u>	<u>\$ 6,380,896</u>	<u>\$ 29,834,803</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property tax	\$ 1,755,940	\$ 0	\$ 1,755,940
Pension items - IMRF	1,027,884	0	1,027,884
Pension items - Police Pension Fund	<u>4,104,119</u>	<u>0</u>	<u>4,104,119</u>
Total deferred inflows of resources	<u>\$ 6,887,943</u>	<u>\$ 0</u>	<u>\$ 6,887,943</u>
Total liabilities and deferred inflows of resources	<u>\$ 30,341,850</u>	<u>\$ 6,380,896</u>	<u>\$ 36,722,746</u>
NET POSITION			
Net investment in capital assets	\$ 16,465,625	\$ 7,912,663	24,378,288
Restricted	4,145,251	0	4,145,251
Unrestricted	<u>(27,291,795)</u>	<u>2,598,541</u>	<u>(24,693,254)</u>
Total net position	<u>\$ (6,680,919)</u>	<u>\$ 10,511,204</u>	<u>\$ 3,830,285</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 23,660,931</u>	<u>\$ 16,892,100</u>	<u>\$ 40,553,031</u>

See Accompanying Notes

Village of Richton Park, Illinois

Statement of Activities
Year Ended April 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 4,100,551	\$ 1,096,821	\$ 0	\$ 148,912	\$ (2,854,818)	\$ 0	\$ (2,854,818)
Public safety	7,557,973	0	0	0	(7,557,973)	0	(7,557,973)
Public works	665,933	0	0	0	(665,933)	0	(665,933)
Culture and recreation	563,950	0	0	0	(563,950)	0	(563,950)
Economic development	2,936,747	0	0	0	(2,936,747)	0	(2,936,747)
Interest and fees (unallocated)	35,314	0	0	0	(35,314)	0	(35,314)
Total governmental activities	15,860,468	1,096,821	0	148,912	(14,614,735)	0	(14,614,735)
Business-type activities:							
Water and sewer	3,003,719	3,145,941	0	0	0	142,222	142,222
Refuse	1,072,767	1,056,714	0	0	0	(16,053)	(16,053)
Commuter parking lot	157,678	190,243	0	0	0	32,565	32,565
Total business-type activities	4,234,164	4,392,898	0	0	0	158,734	158,734
Total primary government	\$ 20,094,632	\$ 5,489,719	\$ 0	\$ 148,912	\$ (14,614,735)	\$ 158,734	\$ (14,456,001)
			General revenues:				
			Taxes:				
			Property		5,978,968	0	5,978,968
			Sales		1,979,615	0	1,979,615
			Income		1,365,740	0	1,365,740
			Other		1,159,996	0	1,159,996
			Utility		793,154	0	793,154
			Licenses and permits		565,963	0	565,963
			Fines and forfeitures		705,286	0	705,286
			Miscellaneous		212,906	0	212,906
			Interest		4,226	0	4,226
			Gains on disposal of capital assets		30,000	0	30,000
			Total general revenues		12,795,854	0	12,795,854
			Change in net position		\$ (1,818,881)	\$ 158,734	\$ (1,660,147)
			Net position, beginning of year		(4,862,038)	10,352,470	5,490,432
			Net position, end of year		\$ (6,680,919)	\$ 10,511,204	\$ 3,830,285

See Accompanying Notes

Village of Richton Park, Illinois

Balance Sheet - Governmental Funds

April 30, 2020

	Major Funds					Total Governmental Funds
	General Fund	TIF Crossings Fund	TIF Lakewood Fund	TIF Sauk Trail Governor's Highway Fund	Non-major Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 331,696	\$ 134,579	\$ 568,912	\$ 257,551	\$ 148,980	1,441,718
Investments	278,883	0	0	0	85,753	364,636
Receivables						
Property taxes	1,722,551	0	0	0	73,704	1,796,255
Other taxes	546,108	0	0	0	0	546,108
Accounts	11,476	0	(580)	0	205	11,101
Prepaid items	171,425	0	0	0	0	171,425
Due from fiduciary funds	7,895	0	0	0	0	7,895
Due from other funds	1,469,613	3,744,865	433,542	1,483	827,012	6,476,515
Total assets	<u>\$ 4,539,647</u>	<u>\$ 3,879,444</u>	<u>\$ 1,001,874</u>	<u>\$ 259,034</u>	<u>\$ 1,135,654</u>	<u>\$ 10,815,653</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,541,288	\$ 0	\$ 1,906	\$ 0	\$ 154,152	\$ 1,697,346
Accrued payroll and related liabilities	115,906	0	0	0	3,011	118,917
Deposits	220,959	0	3,500	0	0	224,459
Due to other funds	1,578,300	0	1,570,314	2,551,714	2,885,207	8,585,535
Total liabilities	<u>\$ 3,456,453</u>	<u>\$ 0</u>	<u>\$ 1,575,720</u>	<u>\$ 2,551,714</u>	<u>\$ 3,042,370</u>	<u>\$ 10,626,257</u>
Deferred inflows of resources:						
Unavailable property taxes	1,683,626	0	0	0	72,314	1,755,940
Fund balances (deficit):						
Nonspendable:						
Prepaid items	171,425	0	0	0	0	171,425
Restricted:						
Economic development	0	3,879,444	0	0	191,090	4,070,534
Public safety	0	0	0	0	74,717	74,717
Unassigned (deficit)	(771,857)	0	(573,846)	(2,292,680)	(2,244,837)	(5,883,220)
Total fund balances (deficit)	<u>(600,432)</u>	<u>3,879,444</u>	<u>(573,846)</u>	<u>(2,292,680)</u>	<u>(1,979,030)</u>	<u>(1,566,544)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,539,647</u>	<u>\$ 3,879,444</u>	<u>\$ 1,001,874</u>	<u>\$ 259,034</u>	<u>\$ 1,135,654</u>	<u>\$ 10,815,653</u>

See Accompanying Notes

Village of Richton Park, Illinois

Reconciliation of Governmental Funds - Balance Sheet to Statement of Net Position April 30, 2020

Total Fund Balance - Governmental Funds \$ (1,566,544)

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	24,734,279	
Accumulated depreciation	<u>(7,217,863)</u>	
Net capital assets		17,516,416

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	(2,660,618)
Police Pension Fund	(13,718,928)

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	(267,029)
Police Pension Fund	(950,577)

Total OPEB Liability is not recorded in governmental funds but is recorded
as a liability in the statement of net position.

(3,050,283)

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

These liabilities consist of:

Loans payable	(234,658)
Capital lease obligation	(816,133)
Accrued interest	(400)
Compensated absences	<u>(932,165)</u>

Net Position of Governmental Activities

\$ (6,680,919)

See Accompanying Notes

Village of Richton Park, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended April 30, 2020

	Major Funds					Total Governmental Funds
	General Fund	TIF Crossings Fund	TIF Lakewood Fund	TIF Sauk Trail Governor's Highway Fund	Non-major Governmental Funds	
REVENUES						
Taxes:						
Property	\$ 2,919,635	\$ 0	\$ 2,669,246	\$ 159,140	\$ 230,947	\$ 5,978,968
Sales	1,979,615	0	0	0	0	1,979,615
Income	1,365,740	0	0	0	0	1,365,740
Other	649,927	0	0	0	510,069	1,159,996
Utilities	793,154	0	0	0	0	793,154
Licenses and permits	565,963	0	0	0	0	565,963
Fines and forfeitures	682,644	0	0	0	22,642	705,286
Charges for services	793,754	0	0	0	303,067	1,096,821
Grants	148,912	0	0	0	0	148,912
Interest	3,334	0	0	0	892	4,226
Miscellaneous	157,547	0	0	0	55,359	212,906
Total revenues	\$ 10,060,225	\$ 0	\$ 2,669,246	\$ 159,140	\$ 1,122,976	\$ 14,011,587
EXPENDITURES						
Current:						
General government	\$ 2,339,080	\$ 0	\$ 0	\$ 44	\$ 118,857	\$ 2,457,981
Public safety	7,035,537	0	0	0	8,865	7,044,402
Public works	507,434	0	0	0	133,212	640,646
Culture and recreation	0	0	0	0	563,950	563,950
Economic development	0	0	2,431,748	214,917	144,568	2,791,233
Debt service:						
Principal	346,276	0	0	0	120,571	466,847
Interest	33,075	0	0	0	3,139	36,214
Capital outlay	784,390	0	0	0	552,821	1,337,211
Total expenditures	\$ 11,045,792	\$ 0	\$ 2,431,748	\$ 214,961	\$ 1,645,983	\$ 15,338,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(985,567)</u>	<u>0</u>	<u>237,498</u>	<u>(55,821)</u>	<u>(523,007)</u>	<u>(1,326,897)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of long-term debt	\$ 653,042	\$ 0	\$ 0	\$ 0	\$ 0	\$ 653,042
Gains on sale of capital assets	30,000	0	0	0	0	30,000
Total other financing sources (uses)	\$ 683,042	\$ 0	\$ 0	\$ 0	\$ 0	\$ 683,042
NET CHANGE IN FUND BALANCES	(302,525)	0	237,498	(55,821)	(523,007)	(643,855)
FUND BALANCE (DEFICIT), Beginning of year	<u>(297,907)</u>	<u>3,879,444</u>	<u>(811,344)</u>	<u>(2,236,859)</u>	<u>(1,456,023)</u>	<u>(922,689)</u>
FUND BALANCE (DEFICIT), End of year	<u>\$ (600,432)</u>	<u>\$ 3,879,444</u>	<u>\$ (573,846)</u>	<u>\$ (2,292,680)</u>	<u>\$ (1,979,030)</u>	<u>\$ (1,566,544)</u>

See Accompanying Notes

Village of Richton Park, Illinois

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities Year Ended April 30, 2020

Net Change in Fund Balances - Total Government Funds	\$ (643,855)
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	1,337,211
Depreciation	(702,106)
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	466,847
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	(653,042)
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	(644,637)
Police Pension Fund	(416,797)
The change in the total OPEB liability and related deferred outflows of resources are reported in the statement of activities.	
	(487,582)
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	(75,820)
Change in accrued interest payable	900
Change in Net Position of Governmental Activities	<u>\$ (1,818,881)</u>

See Accompanying Notes

Village of Richton Park, Illinois

Statement of Net Position

Proprietary Funds

April 30, 2020

	Business-type Activities - Enterprise Funds			
	Major		Non-major	Total
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Accounts receivable	575,452	48,228	0	623,680
Due from other funds	2,884,694	0	179,855	3,064,549
Total current assets	3,460,146	48,228	179,855	3,688,229
NONCURRENT ASSETS				
Capital Assets:				
Land	299,311	0	272,349	571,660
Land improvements	0	0	1,431,334	1,431,334
Buildings and improvements	3,219,087	0	36,393	3,255,480
Machinery and equipment	5,207,955	151,657	98,387	5,457,999
Infrastructure	12,080,383	0	132,171	12,212,554
Less accumulated depreciation	(7,317,748)	(135,228)	(1,363,594)	(8,816,570)
Total noncurrent assets	13,488,988	16,429	607,040	14,112,457
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on debt refunding	46,943	0	0	46,943
Total assets and deferred outflows of resources	\$ 16,996,077	\$ 64,657	\$ 786,895	\$ 17,847,629
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 19,823	\$ 0	\$ 17,072	\$ 36,895
Accrued payroll and related	4,387	0	1,217	5,604
Accrued interest	75,700	0	0	75,700
Deposits	30,916	0	0	30,916
Due to other funds	281,597	478,422	195,510	955,529
Total current liabilities	412,423	478,422	213,799	1,104,644
NONCURRENT LIABILITIES				
Due within one year	220,000	0	0	220,000
Due in more than one year	6,004,954	0	6,827	6,011,781
Total noncurrent liabilities	6,224,954	0	6,827	6,231,781
Total liabilities	6,637,377	478,422	220,626	7,336,425
NET POSITION				
Net investment in capital assets	7,296,021	16,429	600,213	7,912,663
Unrestricted (deficit)	3,062,679	(430,194)	(33,944)	2,598,541
Total net position	10,358,700	(413,765)	566,269	10,511,204
Total liabilities and net position	\$ 16,996,077	\$ 64,657	\$ 786,895	\$ 17,847,629

See Accompanying Notes

Village of Richton Park, Illinois

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended April 30, 2020

	Business-type Activities - Enterprise Funds			
	Major		Non-Major	Total
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot Fund	
Operating revenues				
Charges for services	\$ 3,144,702	\$ 1,056,638	\$ 190,243	\$ 4,391,583
Other	1,239	76	0	1,315
Total operating revenues	3,145,941	1,056,714	190,243	4,392,898
Operating expenses				
Personnel	1,230,741	253,984	102,068	1,586,793
Contractual	606,027	770,615	3,171	1,379,813
Commodities	47,581	7,882	6,649	62,112
Other operating expenses	405,612	23,395	20,641	449,648
Depreciation	472,533	15,166	25,149	512,848
Total operating expenses	2,762,494	1,071,042	157,678	3,991,214
Operating income (loss)	383,447	(14,328)	32,565	401,684
Non-operating revenues (expenses)				
Interest expense	(241,225)	(1,725)	0	(242,950)
Change in net position	142,222	(16,053)	32,565	158,734
Net position (deficit), beginning of year	10,216,478	(397,712)	533,704	10,352,470
Net position (deficit), end of year	\$ 10,358,700	\$ (413,765)	\$ 566,269	\$ 10,511,204

See Accompanying Notes

Village of Richton Park, Illinois

Statement of Cash Flows
Proprietary Funds
Year Ended April 30, 2020

	Major		Non-major	Total
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot Fund	
Cash flows from operating activities				
Receipts from customers	\$ 2,965,754	\$ 951,065	\$ 171,265	\$ 4,088,084
Payments to suppliers	(1,042,579)	(801,892)	(30,761)	(1,875,232)
Payments to employees	(1,223,133)	(253,984)	(102,880)	(1,579,997)
Net cash from operating activities	700,042	(104,811)	37,624	632,855
Cash flows from noncapital financing activities				
Advances from other funds	338,577	106,536	0	445,113
Payments to other funds	0	0	(37,624)	(37,624)
Net cash from noncapital financing activities	338,577	106,536	(37,624)	407,489
Cash flows from capital and related financing activities				
Principal paid on long-term debt	(215,000)	0	0	(215,000)
Interest paid	(249,285)	(1,725)	0	(251,010)
Purchase of capital assets	(574,334)	0	0	(574,334)
Net cash from capital and related financing activities	(1,038,619)	(1,725)	0	(1,040,344)
Net increase (decrease) in cash and cash equivalents	0	0	0	0
Cash and cash equivalents, beginning of year	0	0	0	0
Cash and cash equivalents, end of year	\$ 0	\$ 0	\$ 0	\$ 0
Reconciliation of operating income (loss) to net cash from operating activities				
Operating income (loss)	\$ 383,447	\$ (14,328)	\$ 32,565	\$ 401,684
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	472,533	15,166	25,149	512,848
(Increase) decrease in receivables	(143,886)	(24,057)	0	(167,943)
Increase (decrease) in unearned revenue	(36,301)	(81,592)	(18,978)	(136,871)
Increase (decrease) in accrued expenses	32,560	0	(812)	31,748
Increase (decrease) in payables	(8,311)	0	(300)	(8,611)
Net cash from operating activities	\$ 700,042	\$ (104,811)	\$ 37,624	\$ 632,855

See Accompanying Notes

Village of Richton Park, Illinois

Statement of Fiduciary Net Position

Fiduciary Funds

April 30, 2020

	<u>Police Pension Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 600,764	\$ 39,046
Accrued interest	58,348	0
Prepaid expenses	4,056	913
Due from the Village of Richton Park	0	0
Investments, at fair value:		
Money market mutual funds	22,381	0
Corporate bonds	3,001,257	0
Certificates of deposit	215,582	0
U.S. government and agency obligations	3,596,353	0
Equity securities	8,422,876	0
Mutual funds	46,335	0
Total assets	<u>15,967,952</u>	<u>39,959</u>
LIABILITIES		
Due to other funds	0	39,959
Accounts payable	0	0
Deferred revenue	0	0
Total liabilities	<u>0</u>	<u>\$ 39,959</u>
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 15,967,952</u>	

See Accompanying Notes

Village of Richton Park, Illinois

Statement of Changes in Fiduciary Net Position Pension Trust Fund Year Ended April 30, 2020

	<u>Police Pension Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 1,030,366
Plan members	329,415
Total contributions	<u>1,359,781</u>
Investment income:	
Net appreciation in fair value of investments	15,179
Interest and dividends	598,846
Total investment income	614,025
Less: investment expense	(62,651)
Net investment income	<u>551,374</u>
Total additions	<u>1,911,155</u>
DEDUCTIONS	
Benefits and refunds	1,403,654
Administrative expenses	31,015
Total deductions	<u>1,434,669</u>
CHANGE IN NET POSITION	476,486
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year	<u>15,491,466</u>
End of year	<u><u>\$ 15,967,952</u></u>

See Accompanying Notes

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

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.

The Village has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. Financially accountable is defined as the appointment of a voting majority of the component unit's Board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden or fiscal dependency on the Village. The Village's financial statements present the Pension Trust Fund as a component unit.

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.

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.

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 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 funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has two major proprietary funds, the Water and Sewer and Refuse 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, liabilities, 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
- Total assets, liabilities, 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.

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 fund and pension trust 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.

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 (Continued)

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.

Sales taxes, excise taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available.

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.

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.

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

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.

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 (Continued)

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.

Agency Fund - accounts for the operations of the Fleming Scholarship and annual golf outing.

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, 2020 to be the fair value of its investments.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses, consistent with the consumption method of accounting.

Inventories

The Village values inventories at the lower of cost or market, using the first-in first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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.

Capital Assets

Capital assets, which include buildings, 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 fair market 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)

Unearned Revenue

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

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.

Property Tax Revenue

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.

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.

Long-Term Obligations

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

The bond and interest fund was 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.

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.

Village of Richton Park

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

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 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.

Note 2: Cash and Investments

Deposits with financial institutions are fully insured or collateralized by securities held in the Village's name. The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

Investments - As of April 30, 2020, the Village had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	5 - 10	More than 10
State investment pool	\$ 364,636	N/A	N/A	N/A	N/A
Money market mutual funds	22,381	N/A	N/A	N/A	N/A
Equity securities	8,469,211	8,469,211	0	0	0
US agency securities	3,596,353	262,497	692,043	2,023,602	618,211
Corporate bonds	3,001,257	448,370	1,563,265	989,622	0
Certificates of deposits	215,582	0	215,582	0	0
Total investments	\$ 15,669,420	\$ 9,180,078	\$ 2,470,890	\$ 3,013,224	\$ 618,211

Village of Richton Park

Notes to the Financial Statements

Note 2: Cash and Investments (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

Credit Risk - The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in Illinois Funds and U.S. agency securities. As of April 30, 2020, the Village's investments in debt securities were rated as follows:

Investment	Credit Rating	Rating Source
State investment pool	AAA	Standard and Poor's
US agency securities	AA+	Standard and Poor's
Corporate bonds	AA-AAA	Standard and Poor's

Concentration of credit risk is the risk that the Village has too high a percentage of the investments invested in one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk.

Custodial credit risk is the risk, in the event of a bank failure, the Village's bank deposits may not be recovered. The Village does not have a policy for custodial credit risk. At April 30, 2020, \$434,287 was not fully insured or collateralized.

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 August 1 and are repayable in two installments on or about June 1 and September 1. The County collects such taxes and periodically remits them to the Village.

The 2019 property tax assessment, which was levied in December 2019, is to finance the budget for the fiscal year beginning May 1, 2019, 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.

Village of Richton Park

Notes to the Financial Statements

Note 4: Capital Assets

Capital asset activity for the year ended April 30, 2020 was as follows:

Governmental activities:	Balance May 1, 2019	Additions	Deletions	Balance April 30, 2020
Capital assets not being depreciated:				
Land	\$ 6,283,372	\$ 0	\$ 0	\$ 6,283,372
Land improvements	400,000	0	0	400,000
Subtotal	6,683,372	0	0	6,683,372
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	0	0	3,304,513
Equipment	1,210,735	677,495	(81,000)	1,807,230
Infrastructure	6,852,973	659,715	0	7,512,688
Subtotal	16,794,697	1,337,210	(81,000)	18,050,907
Accumulated depreciation	(6,596,757)	(702,106)	81,000	(7,217,863)
Capital assets being depreciated, net	10,197,940	635,104	0	10,833,044
Total governmental activities capital assets, net	\$ 16,881,312	\$ 635,104	\$ 0	\$ 17,516,416

Village of Richton Park

Notes to the Financial Statements

Note 4: Capital Assets (Continued)

Business-type activities:	Balance May 1, 2019	Additions	Deletions	Balance April 30, 2020
Capital assets not being depreciated:				
Land	\$ 571,660	\$ 0	\$ 0	\$ 571,660
Construction in progress	691,931	0	(691,931)	-
Subtotal	1,263,591	0	(691,931)	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	12,982,538	1,266,265	0	14,248,803
Subtotal	21,091,101	1,266,265	0	22,357,366
Accumulated depreciation	(8,303,721)	(512,848)	0	(8,816,569)
Total capital assets being depreciated, net	12,787,380	753,417	0	13,540,797
Total business-type activities capital assets, net	\$ 14,050,971	\$ 753,417	\$ (691,931)	\$ 14,112,457

Depreciation expense was charged to the governmental functions as follows for the year ended April 30, 2020:

Governmental activities:	
General government	\$ 434,531
Public works	25,287
Economic development	145,514
Public safety	96,774
Total	\$ 702,106

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, 2020:

Business-type activities:

Water and sewer	\$	472,533
Refuse		15,166
Commuter parking lot		25,149
Total		\$ 512,848

Note 5: Long-Term Obligations

Long-term obligations consisted of the following at April 30, 2020:

	Date of issuance	Maturity date	Interest rate	Face amount	Carrying amount
Governmental activities					
G.O. bonds	12/12/2013	5/11/2021	2.61%	\$ 422,000	\$ 0
Notes payable	3/1/2016	3/1/2023	2.14%	675,000	234,658
Capital lease (equipment)	8/31/2019	8/31/2024	4.78%	653,042	574,619
Capital lease (street lights)	5/11/2016	5/11/2021	2.14%	758,622	241,514
Business-type activities					
Alternative revenue source bonds - Series 2017	12/1/2017	12/1/2032	3.00 - 4.00%	\$ 6,700,000	\$ 6,055,000

Long-term obligation activity for the year ended April 30, 2020 was as follows:

	Balance May 1, 2019	Issued	Retired	Balance April 30, 2020	Due Within One Year
Governmental activities					
TIF Series 2013	\$ 120,570	\$ 0	\$ 120,570	\$ 0	\$ 0
Notes payable	348,289	0	113,631	234,658	116,079
Capital lease (equipment)	0	653,042	78,423	574,619	122,364
Capital lease (street lights)	395,737	0	154,223	241,514	227,764
Compensated absences	856,345	75,820	0	932,165	0
Total governmental		\$ 1,720,941	\$ 728,862	\$ 466,847	\$ 1,982,956
		\$ 466,207			

Village of Richton Park

Notes to the Financial Statements

Note 5: Long-Term Obligations (Continued)

	Balance May 1, 2019	Issued	Retired	Balance April 30, 2020	Due Within One Year
Business-type activities:					
Alternative revenue source -					
Series 2017	\$ 6,270,000	\$ 0	\$ 215,000	\$ 6,055,000	\$ 220,000
Unamortized bond premium	156,860	0	12,066	144,794	0
Compensated absences	30,795	1,192	0	31,987	0
Total business-type	\$ 6,457,655	\$ 1,192	\$ 227,066	\$ 6,231,781	\$ 220,000

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

	Alternative Revenue Source - Series 2017	Notes Payable	Interest	Total
2021	\$ 220,000	\$ 116,079	\$ 240,889	\$ 576,968
2022	230,000	118,579	231,790	580,369
2023	235,000	0	221,000	456,000
2024	245,000	0	211,600	456,600
2025	250,000	0	201,800	451,800
2026-2039	4,875,000	0	1,545,913	6,420,913
Total	\$ 6,055,000	\$ 234,658	\$ 2,652,992	\$ 8,942,650

On September 28, 2017, the Village issued \$6,700,000 (plus premium of \$180,992) in General Obligation, (Water and Sewer System Alternative 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 outstanding principal of the defeased bonds is \$1,765,000 at April 30, 2020.

The advance refunding increased total debt service payments over the next 15 years by approximately \$775,000. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$46,943.

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 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%. These 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
2021	\$ 381,329
2022	160,715
2023	146,926
2024	146,926
2025	48,975
Total minimum lease payments	884,871
Less: interest	(68,738)
Thereafter	\$ 816,133

Note 6: Interfund Receivables and Payables

Interfund receivable and payable balances at April 30, 2020, are as follows:

Fund	Due from other funds	Due to other funds
General	\$ 1,477,508	\$ 1,578,300
TIF Crossings	3,744,865	0
TIF Lakewood	433,542	1,570,314
TIF Sauk Trail Governor's Highway	1,483	2,551,714
Non-major governmental funds	827,012	2,885,207
Water and sewer	2,884,694	281,597
Refuse	0	478,422
Non-major enterprise funds	179,855	195,510
Agency Fund	0	7,895
Total	\$ 9,548,959	\$ 9,548,959

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: Retirement Fund Commitments

The Village contributes to one agent multiple employer public employee defined benefit pension plan (collectively referred to as the Pension Plan), the Illinois Municipal Retirement Fund (IMRF), which is administered by IMRF. The benefits benefit levels, employee contributions and employer contributions for the plan are governed by Illinois Compiled Statutes (ILCS), and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. The report is available for download at www.imrf.org.

Illinois Municipal Retirement Fund

Plan Description - All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. Effective January 1, 2011, IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in Regular Tier 1. If the member first participated in IMRF on or after January 1, 2011, they participate in Regular Tier 2.

For Regular Tier 1, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. For Regular Tier 2, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees Covered by Benefit Terms - As of December 31, 2019 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive plan members entitled to but not yet receiving benefits	59
Active employees	79
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Total	199
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Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2019 was 13.05%. For the calendar year ended December 31, 2019, the Village contributed \$470,544 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.

Village of Richton Park

Notes to the Financial Statements

Note 7: Retirement Fund Commitments (Continued)

Net Pension Liability. The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was 5-year smoothed market, 20% corridor.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, 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 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- 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 **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.
- 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.

Village of Richton Park

Notes to the Financial Statements

Note 7: Retirement Fund Commitments (Continued)

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<i>Asset Class</i>	<u>Projected Returns / Risk</u>		
	Target Allocation	One Year Arithmetic	Ten Year Geometric
Domestic equity	37.0 %	7.05 %	5.75 %
International equity	18.0	8.10	6.50
Fixed income	28.0	3.70	3.25
Real estate	9.0	6.35	5.20
Alternative investments	7.0		
Private equity	0.0	11.30	7.60
Hedge funds	0.0	0.00	0.00
Commodities	0.0	4.65	3.60
Cash Equivalents	1.0	1.85 %	1.85 %
	100.0 %		

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of 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 2.75%, and the resulting single discount rate is 7.25% for the plan.

Village of Richton Park

Notes to the Financial Statements

Note 7: Retirement Fund Commitments (Continued)

Changes in the Net Pension Liability -

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2019	\$ 15,849,702	\$ 11,542,891	\$ 4,306,811
Changes for the year:			
Service Cost	379,387	0	379,387
Interest on the total pension liability	1,136,700	0	1,136,700
Differences between expected and actual experience	(530,399)	0	(530,399)
Contributions - employer	0	483,456	(483,456)
Contributions - employees	0	162,256	(162,256)
Net investment income	0	2,167,886	(2,167,886)
Other (net transfer)	0	(721,553)	721,553
Benefit payments and refunds	(721,553)	(181,717)	(539,836)
Net Changes	264,135	1,910,328	(1,646,193)
Balance at December 31, 2019	\$ 16,113,837	\$ 13,453,219	\$ 2,660,618

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 1.0 percent lower or 1.0 percent higher:

	1% lower 6.25%	Current Discount Rate 7.25%	1% higher 8.25%
Net pension liability (asset)	\$ 4,784,228	\$ 2,660,618	\$ 916,913

Village of Richton Park

Notes to the Financial Statements

Note 7: Retirement Fund Commitments (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows or Resources Related to Pensions - For the year ended April 30, 2020, the Village recognized pension expense of \$644,637 for the regular plan. At April 30, 2020, 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	\$ 380,703	\$ 393,210
Changes of assumptions	219,931	99,507
Net difference between projected and actual earnings on investment	0	535,167
Contributions subsequent to the measurement date	160,221	0
Total	\$ 760,855	\$ 1,027,884

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 December 31,</i>	Net deferred outflows of resources
2020	\$ (4,124)
2021	(80,156)
2022	(74,899)
2023	(268,071)
Total	\$ (427,250)

Note 8: Police Pension Plan

Plan Description - The Police Pension Plan (Plan) is a single-employer, defined benefit pension plan which covers the qualified police sworn employees of the Village. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by ILCS and may be amended only by the Illinois legislature. The Village accounts for the plan as a Pension Trust Fund and does not issue a stand-alone financial report.

Village of Richton Park

Notes to the Financial Statements

Note 8: Police Pension Plan (Continued)

Plan Membership - Membership in the Plan consisted of the following at April 30, 2020, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	1
Active employees	29
<hr/>	
Total	50
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Benefits Provided - The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 3 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

Tier 1 employees (those hired as a police officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive 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 initially capped at \$111,572 (as of January 1, 2015), plus the lesser of one-half 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 10 years of service may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55).

Contributions - Employees are required by Illinois Compiled Statutes (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 Plan and the administrative costs as actuarially determined by an enrolled actuary. For the year ended April 30, 2020, the Village's contribution was 39.73% of covered payroll.

Village of Richton Park

Notes to the Financial Statements

Note 8: 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 %	4.13 %
Domestic Equity - Large Cap	35.0	8.29
Domestic Equity - Small Cap	5.0	6.74
International equities	10.0	3.35
Real estate	5.0	5.94
Cash	2.0	1.02
	100.0 %	

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, 2020 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, 2020, the annual money-weighted rate of return on pension plan investments (excluding CD's), net of pension plan investment expense, was 3.74%. 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 8: Police Pension Plan (Continued)

Deposits with Financial Institutions - Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Plan's deposits may not be returned to it. The Plan's investment policy requires all bank balances to be covered by federal depository insurance.

Single Discount Rate - The single discount rate used to measure the total pension liability was 7.0%. 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 investments was applied to all periods of projected benefit payments 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 7.0% 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 (6.0%) or 1% point higher (8.0%) than the current rate:

	1% lower 6.0%	Current Discount Rate 7.0%	1% higher 8.0%
Net pension liability (asset)	\$ 18,414,858	\$ 13,729,299	\$ 9,976,744

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at April 30, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal (level % of pay).
- The **Asset Valuation Method** used was 5-Year Smoothed Market Value.
- The **Amortization Method** was Level % Pay (Closed).
- The **Amortization Periods** used was 22 Years.
- The **Rate of Return** on present and future assets was assumed to be 7.00%.
- **Salary Increases** were expected to be 3.25%.

Village of Richton Park

Notes to the Financial Statements

Note 8: Police Pension Plan (Continued)

Mortality Rates are based on the assumption study prepared by Lauterbach & Amen LLP in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Net Pension Liability - The components of the net pension liability of the Plan as of April 30, 2020, 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, 2019	\$ 27,635,253	\$ 15,491,466	\$ 12,143,787
Changes for the year:			
Service Cost	601,320	0	601,320
Interest	1,885,340	0	1,885,340
Actual experience	540,026	0	540,026
Changes in assumptions	187,796	0	187,796
Changes of benefit terms	240,799	0	240,799
Contributions - employer	0	1,030,366	(1,030,366)
Contributions - employees	0	266,836	(266,836)
Contributions - other	0	62,579	(62,579)
Net investment income	0	551,374	(551,374)
Benefit payments, including refunds	(1,403,654)	(1,403,654)	0
Administrative expense	0	(31,015)	31,015
Net Changes	2,051,627	476,486	1,575,141
Balances at April 30, 2020	\$ 29,686,880	\$ 15,967,952	\$ 13,718,928

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended April 30, 2020, the Village recognized pension expense of \$416,797.

Village of Richton Park

Notes to the Financial Statements

Note 8: 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	\$ 773,917	\$ 818,947
Changes in assumptions	1,933,941	3,285,172
Net difference between projected and actual earnings on pension plan investments	445,684	0
Total	\$ 3,153,542	\$ 4,104,119

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
2021	\$ (115,836)
2022	(87,522)
2023	(110,096)
2024	(111,750)
2025	(420,160)
Thereafter	(105,213)
Total	\$ (950,577)

Note 9: Other Postemployment Benefits

Plan Description - In addition to providing the pension benefits described in Notes 7 and 8, 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 9: 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, 2020, membership in the plan consisted of:

Retirees and beneficiaries receiving benefits	8
Active vested plan members	70
Total	78

Actuarial Assumptions - The following are the methods and assumptions used to determine the total OPEB liability at April 30, 2020:

- The **Actuarial Cost Method** used was the Entry Age Normal (level percent of pay)
- The **Discount Rate** used to measure the OPEB liability was 2.56 percent, the 20-year municipal bond yield from the S&P Municipal Bond 20 Year High-Grade Rate Index as of April 30, 2020.
- **Salary increases** were assumed to be 3.00 percent; inflation is expected to be 2.50 percent.
- The **Healthcare Cost Trend Rate** is based on the 2019 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
- 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 Disable Retirees Mortality Table, applying the same adjustments that were applied to the non-disable 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.

Village of Richton Park

Notes to the Financial Statements

Note 9: Other Postemployment Benefits (Continued)

Actuarial assumptions were changed from the prior year. The discount rate was changed from 3.79 percent to 2.56 percent to comply with GASB 75. Rates of inflation, mortality, mortality improvement, termination, and disability were changed from the prior year.

Changes in the Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2020, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balances at May 1, 2019	\$ 2,603,023
Changes for the year:	
Service Cost	62,572
Interest	96,074
Changes in assumptions	424,008
Benefit payments, including refunds	(135,394)
Net Changes	447,260
Balances at April 30, 2020	\$ 3,050,283

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
	1.56	2.56	3.56
OPEB Liability	\$ 3,378,656	\$ 3,050,283	\$ 2,768,904

Village of Richton Park

Notes to the Financial Statements

Note 9: Other Postemployment Benefits (Continued)

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 Varies	Current Discount Rate Varies	1% higher Varies
OPEB Liability	\$ 2,666,371	\$ 3,050,283	\$ 3,508,178

The liability of \$3,050,283 is reported in the financial statements within the governmental activities as it will be liquidated by the Village's general fund.

At April 30, 2020, the Village did not report any deferred outflows of resources or deferred inflows of resources related to OPEB.

Village of Richton Park

Notes to the Financial Statements

Note 10: Tax Anticipation Notes

The Village issues tax anticipation warrants to finance operations. Tax anticipation warrants activity for the year ended April 30, 2020 was as follows:

Issue	Balance May 1, 2019	Issued	Retired	Balance April 30, 2020
\$550,000 General Obligation Tax Anticipation Warrant, Series 2019, principal plus interest at 3.50% due at December 1, 2019	\$ 284,250	\$ 0	\$ 284,250	\$ 0

The tax anticipation note was retired by the General Fund.

Note 11: 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 12: Stewardship, Compliance, and Accountability

Budgetary Information

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

- (a) Prior to June 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 July 31, 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.

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, 2020, the following major funds had expenditures in excess of budget:

General Fund	\$ (1,730,007)
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Fund Equity Deficit - The following funds reported deficit fund balances as of April 30, 2020:

General Fund	\$ (600,432)
TIF Lakewood Fund	(573,846)
TIF Sauk Trail/Governor's Highway Fund	(2,292,680)
Refuse Fund	(413,765)
Administrative Seizure Fund	(24,381)
Community Center Fund	(254,187)
TIF Governor's Highway Fund	(30,125)
TIF Bohlman Fund	(121,651)
TIF Sauk West Fund	(187,381)
Parks and Recreation Fund	(716,712)
Community Development Block Fund	(74,139)
Capital Projects Fund	(1,351,554)

Village of Richton Park

Notes to the Financial Statements

Note 12: Stewardship, Compliance, and Accountability (Continued)

Liquidity Risk

Liquidity risk is the risk of not having sufficient liquid financial resources to meet obligations when they come due. The Village faces significant risks threatening its ability to generate cash from revenues sufficient to pay operating expenditures, fire pension contributions and debt service. As a result of the ongoing operating deficits over the past several years, the Village had an accumulated unassigned General Fund deficit of \$771,857 at April 30, 2020.

Liquidity improvement is dependent upon the elimination of the Village's accumulated deficit, reduction of operating costs, improving revenues or enhancing collections, and improvement in the local economy and tax base. If the Village is unable to make improvements in these areas, the Village's financial status could deteriorate further and its options to improve its fiscal health may be limited.

Note 13: New Governmental Accounting Standards

GASB Statement No. 83, Certain Asset Retirement Obligations, will be effective for the Village beginning with its year ending April 30, 2021. This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84, Fiduciary Activities, will be effective for the Village beginning with its year ended April 30, 2021. This statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

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 the Village beginning with its year ending April 30, 2022.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements, will be effective for the Village beginning with its year ended April 30, 2021. This statement provides guidance to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of Construction Period, will be effective for the Village beginning with its year ending April 30, 2021. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset on the Statement of Net Position.

Village of Richton Park

Notes to the Financial Statements

Note 13: New Governmental Accounting Standards (Continued)

GASB Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61, will be effective for the Village beginning with its year ending April 30, 2021. This Statement clarifies the accounting and financial reporting requirements for a state or local government's majority equity interest in an organization that remains legally separate after acquisition. Under this statement, a government entity should report its majority equity interest in a legally separate organization as an investment if the equity interest meets the GASB's definition of an investment.

GASB Statement No. 91, Conduit Debt Obligations, will be effective for the Village beginning with its year ending December 31, 2021. This Statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91 a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

GASB Statement No. 92, Omnibus 2020, addresses practice issues that have been identified during implementation and application of certain GASB statements. In particular, this Statement addresses the effective date of GASB Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases, which is effective upon issuance. It also addresses 1.) Reporting of intra-entity transfers of assets between the primary government employer and component unit defined benefit retirement plans; 2.) The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; 3.) The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; 4.) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; 5.) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; 6.) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and 7.) Terminology used to refer to derivative instruments, GASB Statement No. 92, Omnibus 2020, addresses practice issues that have been identified during implementation and application of certain GASB statements. In particular, this Statement addresses the effective date of GASB Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases, which is effective upon issuance. The remaining provisions are effective for the Village with its year ending December 31, 2021.

GASB Statement No. 93, Replacement of Interbank Offered Rates established how the Village will report the change in any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement is effective for periods beginning after June 15, 2020 except for provision relating to the removal of the LIBOR rate which will be effective for periods ending after December 31, 2021. Earlier application is encouraged.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the City with its year ending December 31, 2023.

Village of Richton Park

Notes to the Financial Statements

Note 13: New Governmental Accounting Standards (Continued)

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance delays the implementation dates of the pronouncements listed above, except for Statement No. 87 and 94, by one year due to the effects of the COVID-19 pandemic. Statement 87 is delayed by 18 months and there is no delay on the implementation date of Statement 94 as it was issued after the onset of the COVID-19 pandemic. Additionally, implementation guides related to the affected pronouncements have also been delayed. Earlier implementation will still be allowed.

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 14: Subsequent Events

Economic Uncertainty

The Village has evaluated subsequent events through December 16, 2020, which is the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, and all States of the United States of America. On March 20, J.B. Pritzker, Governor of Illinois, issued a stay-at-home order taking effect on March 7 and lasting through April 7 for all residents of the state for all except essential activities. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Village. To date, the Village, as with most local municipalities in the State and Country, is experiencing declining revenue, and significant changes in the fair value of assets. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including expected credit losses on receivables and investments; Net Pension and OPEB liabilities and related deferred assets and liabilities; and contingent obligations.

Bond Issuance

In August 2020, the Village issued \$3,500,000 in General Obligation Bonds, (Alternative Revenue Source) Series 2020, with an average interest rate of 2.76 percent. The proceeds principally will be used to replenish cash reserves and support ongoing economic development initiatives.

Required Supplementary Information

Village of Richton Park, Illinois

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

IMRF Regular Plan - Last 10 Calendar Years

(schedule built prospectively from 2015)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$379,387	\$296,946	\$332,021	\$275,870	\$251,125					
Interest on the total pension liability	1,136,700	1,045,904	990,426	863,037	796,996					
Benefit changes	0	0	0	0	0					
Difference between expected and actual experience	(530,399)	574,339	455,021	1,103,413	369,115					
Assumption changes	0	464,311	(416,715)	(33,787)	15,273					
Benefit payments and refunds	(721,553)	(657,433)	(549,571)	(588,151)	(507,342)					
Net change in total pension liability	264,135	1,724,067	811,182	1,620,382	925,167					
Total pension liability - beginning	15,849,702	14,125,635	13,314,453	11,694,071	10,768,904					
Total pension liability - ending (a)	\$16,113,837	\$15,849,702	\$14,125,635	\$13,314,453	\$11,694,071					
Plan fiduciary net position:										
Employer contributions	\$483,456	\$465,613	\$379,418	\$345,169	\$276,981					
Employee contributions	162,256	161,804	181,881	288,422	106,897					
Pension plan net investment income (loss)	2,167,886	(651,772)	1,801,684	676,470	49,084					
Benefit payments and refunds	(721,553)	(657,433)	(549,571)	(588,151)	(507,342)					
Other (net transfer)	(181,717)	199,132	(203,415)	(231,555)	121,135					
Net change in plan fiduciary net position	1,910,328	(482,656)	1,609,997	490,355	46,755					
Plan fiduciary net position - beginning	11,542,891	12,025,547	10,415,550	9,925,195	9,878,440					
Plan fiduciary net position - ending (b)	\$13,453,219	\$11,542,891	\$12,025,547	\$10,415,550	\$9,925,195					
Net pension liability(asset) - Ending (a) - (b)	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	83.49%	72.83%	85.13%	78.23%	84.87%					
Covered valuation payroll	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	73.79%	124.22%	68.70%	100.55%	74.46%					

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

See independent auditor's report and accompanying notes

Village of Richton Park, Illinois

Required Supplementary Information

Schedule of Employer Contributions

IMRF Regular Plan - Last 10 Calendar Years

(schedule built prospectively from 2015)

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 470,544 *	\$ 483,456	\$ (12,912)	\$ 3,605,700	13.41%
2018	465,613	465,613	0	3,466,965	13.43%
2017	356,108	379,418	(23,310)	3,056,723	12.41%
2016	332,987	345,169	(12,182)	2,883,001	11.97%
2015	276,981	276,981	0	2,375,482	11.66%

* Estimated based on contribution rate of 13.05% and covered valuation payroll of \$3,605,700

See independent auditor's report and accompanying notes

Village of Richton Park, Illinois

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Police Pension Fund - Last 10 Fiscal Years

(schedule built prospectively from 2015)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability:										
Service cost	\$601,320	\$599,629	\$738,771	\$697,085	\$678,206	\$704,544				
Interest on the total pension liability	1,885,340	1,842,488	1,748,027	1,706,237	1,447,906	1,458,172				
Changes of Benefit Terms	240,799	0	0	0	0	0				
Difference between expected and actual experience	540,026	(527,252)	55,278	488,127	(887,072)	0				
Assumption changes	187,796	0	(4,249,555)	(1,024,694)	3,840,520	0				
Benefit payments and refunds	(1,403,654)	(1,201,728)	(1,203,252)	(1,132,582)	(1,126,673)	(995,920)				
Net change in total pension liability	2,051,627	713,137	(2,910,731)	734,173	3,952,887	1,166,796				
Total pension liability - beginning	27,635,253	26,922,116	29,832,847	29,098,674	25,145,786	23,978,990				
Total pension liability - ending (a)	\$29,686,880	\$27,635,253	\$26,922,116	\$29,832,847	\$29,098,673	\$25,145,786				
Plan fiduciary net position:										
Employer contributions	\$ 1,030,366	\$957,175	\$1,167,734	\$533,182	\$591,377	\$627,574				
Employee contributions	266,836	248,158	237,433	215,914	207,031	208,291				
Other contributions	62,579	1,300	0	1,300	0	0				
Pension plan net investment income	551,374	1,011,393	843,307	1,033,825	(146,008)	999,854				
Benefit payments and refunds	(1,403,654)	(1,201,728)	(1,203,251)	(1,132,582)	(1,126,673)	(995,920)				
Administrative expense	(31,015)	(105,354)	(35,114)	(37,230)	(35,898)	(35,789)				
Net change in plan fiduciary net position	476,486	910,944	1,010,109	614,409	(510,171)	804,010				
Plan fiduciary net position - beginning	15,491,466	14,580,522	13,570,413	12,956,004	13,466,175	12,662,164				
Plan fiduciary net position - ending (b)	\$15,967,952	\$15,491,466	\$14,580,522	\$13,570,413	\$12,956,004	\$13,466,174				
Employer net pension liability (asset) - Ending (a) - (b)	\$13,718,928	\$12,143,787	\$12,341,594	\$16,262,434	\$16,142,669	\$11,679,612				

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

The current year information was developed in the completion of this report.

See independent auditor's report and accompanying notes

Village of Richton Park, Illinois

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Police Pension Fund - Last 10 Fiscal Years

(schedule built prospectively from 2015)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability - ending (a)	\$29,686,880	\$27,635,253	\$26,922,116	\$29,832,847	\$29,098,674	\$25,145,786				
Plan fiduciary net position - ending (b)	15,967,952	15,491,466	14,580,522	13,570,413	12,956,004	\$13,466,175				
Employer net pension liability (asset) - Ending (a) - (b)	\$13,718,928	\$12,143,787	\$12,341,594	\$16,262,434	\$16,142,670	\$11,679,611				
Plan fiduciary net positions as a percentage of total pension liability	53.79%	56.06%	54.16%	45.49%	44.52%	53.55%				
Covered valuation payroll	\$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 valuation payroll	529.05%	473.82%	539.62%	734.17%	734.05%	567.61%				

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

Covered employee payroll shown is the total covered payroll for the fiscal year for all fund members.

See independent auditors' report and accompanying notes

Village of Richton Park, Illinois

Required Supplementary Information
 Schedule of Employer Contributions
 Police Pension Fund - Last 10 Fiscal Years
 (schedule built prospectively from 2015)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$1,118,604	\$1,100,640	\$1,028,788	\$572,544	\$618,781	\$612,806				
Contributions in relation to the actuarially determined contribution	1,030,366	957,175	1,167,734	533,182	591,377	627,574				
CONTRIBUTION DEFICIENCY (EXCESS)	\$88,238	\$143,465	(\$138,946)	\$39,362	\$27,404	(\$14,768)				
Covered-employee payroll	\$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	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 the Schedule of Contributions

The actuarially determined contributions shown above is the statutory minimum contribution, using the projected unit credit method, from the April 30, 2020 actuary's report completed by Lauterbach & Amen, LLP for the tax levy recommendation for the December, 2019 tax levy.

See independent auditor's report and accompanying notes

Village of Richton Park, Illinois

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios

OPEB Liability - Last 10 Fiscal Years

(schedule built prospectively from 2020)

	2020	2019	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB liability:											
Service cost	\$62,572	\$58,630									
Interest on the total pension liability	96,074	97,977									
Difference between expected and actual experience	0	0									
Assumption changes	424,008	43,144									
Benefit payments and refunds	(135,394)	(129,455)									
Net change in total OPEB liability	447,260	70,296									
Total OPEB liability - beginning	2,603,023	2,532,727									
Total OPEB liability - ending (a)	\$3,050,283	\$2,603,023									
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%									
Covered valuation payroll	\$ 4,766,865	\$ 4,628,024									
Total OPEB liability as a % of covered valuation payroll	63.99%	56%									

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

See independent auditor's report and accompanying notes

Village of Richton Park, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Fund Year Ended April 30, 2020

	Budget		Actual	(Over) Under Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 2,045,855	\$ 2,045,855	\$ 2,919,635	\$ (873,780)
State shared	4,283,000	4,283,000	3,995,282	287,718
Utilities	915,000	915,000	793,154	121,846
Licenses and permits	690,100	690,100	565,963	124,137
Fines and forfeitures	710,400	710,400	682,644	27,756
Charges for services	707,500	707,500	793,754	(86,254)
Grants	69,000	69,000	148,912	(79,912)
Interest	2,500	2,500	3,334	(834)
Miscellaneous	158,000	158,000	157,547	453
Total revenues	<u>\$ 9,581,355</u>	<u>\$ 9,581,355</u>	<u>10,060,225</u>	<u>(478,870)</u>
EXPENDITURES				
Current:				
General government	2,265,345	2,265,345	2,339,080	(73,735)
Public safety	5,970,724	5,970,724	7,035,537	(1,064,813)
Public works	792,966	792,966	507,434	285,532
Debt service:				
Principal	80,000	80,000	346,276	(266,276)
Interest	31,250	31,250	33,075	(1,825)
Capital outlay	175,500	175,500	784,390	(608,890)
Total expenditures	<u>9,315,785</u>	<u>9,315,785</u>	<u>11,045,792</u>	<u>(1,730,007)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	265,570	265,570	(985,567)	1,251,137
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	0	0	653,042	(653,042)
Gain on sale of capital assets	30,000	30,000	30,000	0
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>683,042</u>	<u>(653,042)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 295,570</u>	<u>\$ 295,570</u>	<u>\$ (302,525)</u>	<u>\$ 598,095</u>
FUND BALANCE, Beginning of year			<u>(297,907)</u>	
FUND BALANCE, End of year			<u>\$ (600,432)</u>	

See independent auditor's report and accompanying notes

Village of Richton Park, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
TIF Crossings Fund
Year Ended April 30, 2020

	Budget Original and Final	Actual	(Over) Under Budget
REVENUES			
Miscellaneous	\$ 0	\$ 0	\$ 0
EXPENDITURES			
Current:			
Economic development	0	0	0
NET CHANGE IN FUND BALANCES	\$ 0	\$ 0	\$ 0
FUND BALANCE, Beginning of year		3,879,444	
FUND BALANCE, End of year		\$ 3,879,444	

See independent auditor's report and accompanying notes

Village of Richton Park, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
TIF Lakewood Fund
Year Ended April 30, 2020

	Budget Original and Final	Actual	(Over) Under Budget
REVENUES			
Taxes:			
Property	\$ 2,645,000	\$ 2,669,246	\$ (24,246)
Total revenues	2,645,000	2,669,246	(24,246)
EXPENDITURES			
Current:			
Economic development	2,530,000	2,431,748	98,252
NET CHANGE IN FUND BALANCES	\$ 115,000	237,498	\$ (122,498)
FUND BALANCE (DEFICIT), Beginning of year		(811,344)	
FUND BALANCE (DEFICIT), End of year		\$ (573,846)	

See independent auditor's report and accompanying notes

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, 2020

	Budget Original and Final	Actual	(Over) Under Budget
REVENUES			
Taxes:			
Property	\$ 125,000	\$ 159,140	\$ (34,140)
Total revenues	125,000	159,140	(34,140)
EXPENDITURES			
Current:			
General government	980	44	936
Economic development	253,798	214,917	38,881
Total expenditures	254,778	214,961	39,817
NET CHANGE IN FUND BALANCES	\$ (129,778)	\$ (55,821)	\$ (73,957)
FUND BALANCE (DEFICIT), Beginning of year		(2,236,859)	
FUND BALANCE (DEFICIT), End of year		\$ (2,292,680)	

See independent auditor's report and accompanying notes

Village of Richton Park

Notes to Required Supplementary Information

Note 1: Summary of Significant Accounting Policies

Budgetary Data: A budget to actual comparison is presented for the General, TIF Crossings, TIF Lakewood, and TIF Sauk Trail/Governor's Highway funds. These budgets are prepared on the cash basis method of accounting. This differs from the modified accrual basis used in financial reporting for the General, TIF Crossings, TIF Lakewood, and TIF Sauk Trail/Governor's Highway funds. See Note 11 to the financial statements for further information regarding individual funds presented in the budgetary comparison with an excess of expenditures over appropriations.

Note 2: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate from IMRF*

Valuation date: 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 2019 Contribution Rates:

- Actuarial Cost Method Aggregate Entry Age Normal
- Amortization Method Level Percentage of Payroll, Closed
- Remaining Amortization Period Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 24-year closed 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 19 years for most employers (two employers were financed over 29 years)
- Asset Valuation Method 5-Year smoothed market; 20% corridor
- Wage growth 3.25%
- Price Inflation 2.50%
- Salary Increases 3.35% to 14.25% including inflation
- Investment Rate of Return 7.50%

Village of Richton Park

Notes to Required Supplementary Information

Note 2: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate from IMRF* (Continued)

Methods and Assumptions Used to Determine 2019 Contribution Rates (Continued):

- 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.

Supplementary Information

Village of Richton Park, Illinois

Combining Balance Sheet
Non-major Governmental funds
April 30, 2020

	Special Revenue					
	Administrative Seizure Fund	Motor Fuel Tax Fund	Foreign Fire Insurance Fund	DUI Fines Returned Fund	Police Article 36 Seizure Fund	Community Center Fund
ASSETS						
Cash and cash equivalents	\$ 0	\$ 12,630	\$ 0	\$ 0	\$ 0	\$ 0
Investments	0	85,753	0	0	0	0
Receivables						
Property taxes	0	0	0	0	0	0
Accounts	0	0	0	0	0	0
Due from other funds	0	438,184	22,805	51,562	350	38,780
Total assets	\$ 0	\$ 536,567	\$ 22,805	\$ 51,562	\$ 350	\$ 38,780
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 0	\$ 21,274	\$ 0	\$ 0	\$ 0	\$ 0
Accrued payroll and related	0	0	0	0	0	0
Due to other funds	24,381	0	0	0	0	292,967
Total liabilities	\$ 24,381	\$ 21,274	\$ 0	\$ 0	\$ 0	\$ 292,967
Deferred inflows of resources:						
Unavailable property taxes	0	0	0	0	0	0
Fund balance (deficit):						
Restricted:						
Economic development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public safety	0	0	22,805	51,562	350	0
Unassigned (deficit)	(24,381)	515,293	0	0	0	(254,187)
Total fund balances (deficit)	\$ (24,381)	\$ 515,293	\$ 22,805	\$ 51,562	\$ 350	\$ (254,187)
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ (0)	\$ 536,567	\$ 22,805	\$ 51,562	\$ 350	\$ 38,780

See independent auditors' report

Village of Richton Park, Illinois

Combining Balance Sheet

Non-major Governmental Funds (continued)

April 30, 2020

		Special Revenue						Capital Projects	Total
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 Capital Projects Fund	Nonmajor Funds
\$ 0	\$ 41,595	\$ 4,248	\$ 91,047	\$ 0	\$ 0	\$ (540)		\$ 148,980	
0	0	0	0	0	0	0		85,753	
0	0	0	0	73,704	0	0		73,704	
0	0	0	0	205	0	0		205	
<u>72,947</u>	<u>68,831</u>	<u>0</u>	<u>129,895</u>	<u>3,658</u>	<u>0</u>	<u>0</u>		<u>827,012</u>	
<u>\$ 72,947</u>	<u>\$ 110,426</u>	<u>\$ 4,248</u>	<u>\$ 220,942</u>	<u>\$ 77,567</u>	<u>\$ 0</u>	<u>\$ (540)</u>		<u>\$ 1,135,654</u>	
\$ 0	\$ 0	\$ 34	\$ 29,852	\$ 600	\$ 2	\$ 102,390		\$ 154,152	
0	0	0	0	3,011	0	0		3,011	
<u>103,072</u>	<u>232,077</u>	<u>191,595</u>	<u>0</u>	<u>718,354</u>	<u>74,137</u>	<u>1,248,624</u>		<u>2,885,207</u>	
<u>\$ 103,072</u>	<u>\$ 232,077</u>	<u>\$ 191,629</u>	<u>\$ 29,852</u>	<u>\$ 721,965</u>	<u>\$ 74,139</u>	<u>\$ 1,351,014</u>		<u>\$ 3,042,370</u>	
0	0	0	0	72,314	0	0		72,314	
\$ 0	\$ 0	\$ 0	\$ 191,090	\$ 0	\$ 0	\$ 0		\$ 191,090	
0	0	0	0	0	0	0		74,717	
<u>(30,125)</u>	<u>(121,651)</u>	<u>(187,381)</u>	<u>0</u>	<u>(716,712)</u>	<u>(74,139)</u>	<u>(1,351,554)</u>		<u>(2,244,837)</u>	
<u>\$ (30,125)</u>	<u>\$ (121,651)</u>	<u>\$ (187,381)</u>	<u>\$ 191,090</u>	<u>\$ (716,712)</u>	<u>\$ (74,139)</u>	<u>\$ (1,351,554)</u>		<u>\$ (1,979,030)</u>	
<u>\$ 72,947</u>	<u>\$ 110,426</u>	<u>\$ 4,248</u>	<u>\$ 220,942</u>	<u>\$ 77,567</u>	<u>\$ 0</u>	<u>\$ (540)</u>		<u>\$ 1,135,654</u>	

See independent auditor's report

Village of Richton Park, Illinois

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds Year Ended April 30, 2020

	Special Revenue					
	Administrative	Motor Fuel	Foreign Fire	DUI Fines	Police	Community
	Seizure Fund	Tax Fund	Insurance Fund	Returned Fund	Article 36 Seizure Fund	Center Fund
REVENUES						
Taxes:						
Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	496,070	13,999	0	0	0
Licenses and permits	0	0	0	0	0	0
Fines and forfeitures	20,500	0	0	2,142	0	0
Charges for services	0	0	0	0	0	0
Interest	0	892	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Total revenues	\$ 20,500	\$ 496,962	\$ 13,999	\$ 2,142	\$ 0	\$ 0
EXPENDITURES						
Current:						
General government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public safety	0	0	8,865	0	0	0
Public works	0	133,212	0	0	0	0
Parks and recreation	0	0	0	0	0	0
Economic development	0	0	0	0	0	0
Debt service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Capital outlay	0	15,657	0	0	0	0
Total expenditures	\$ 0	\$ 148,869	\$ 8,865	\$ 0	\$ 0	\$ 0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,500	348,093	5,134	2,142	(0)	(0)
FUND BALANCE (DEFICIT), Beginning of year	(44,881)	167,200	17,671	49,420	350	(254,187)
FUND BALANCE (DEFICIT), End of year	\$ (24,381)	\$ 515,293	\$ 22,805	\$ 51,562	\$ 350	\$ (254,187)

See independent auditor's report

Village of Richton Park, Illinois

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds (continued) Year Ended April 30, 2020

TIF		Special Revenue				Community	Capital	Total
Governor's Highway Fund	TIF Bohlman Fund	TIF Sauk West Fund	TIF Town Center Fund	Parks and Recreation Fund	Development Block Fund	Projects Capital Projects Fund	Nonmajor Funds	
\$ 0	\$ 102,715	\$ 10	\$ 23,566	\$ 104,656	\$ 0	\$ 0	\$ 230,947	
0	0	0	0	0	0	0	510,069	
0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	22,642	
0	0	0	0	303,067	0	0	303,067	
0	0	0	0	0	0	0	892	
0	0	0	55,318	41	0	0	55,359	
<u>\$ 0</u>	<u>\$ 102,715</u>	<u>\$ 10</u>	<u>\$ 78,884</u>	<u>\$ 407,764</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,122,976</u>	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 118,857	\$ 118,857	
0	0	0	0	0	0	0	8,865	
0	0	0	0	0	0	0	133,212	
0	0	0	0	563,950	0	0	563,950	
0	24,288	13,316	106,964	0	0	0	144,568	
0	120,571	0	0	0	0	0	120,571	
0	3,139	0	0	0	0	0	3,139	
0	188,013	0	177,808	0	0	171,343	552,821	
<u>\$ 0</u>	<u>\$ 336,011</u>	<u>\$ 13,316</u>	<u>\$ 284,772</u>	<u>\$ 563,950</u>	<u>\$ 0</u>	<u>\$ 290,200</u>	<u>\$ 1,645,983</u>	
(0)	(233,296)	(13,306)	(205,888)	(156,186)	0	(290,200)	(523,007)	
(30,125)	111,645	(174,075)	396,978	(560,526)	(74,139)	(1,061,354)	(1,456,023)	
<u>\$ (30,125)</u>	<u>\$ (121,651)</u>	<u>\$ (187,381)</u>	<u>\$ 191,090</u>	<u>\$ (716,712)</u>	<u>\$ (74,139)</u>	<u>\$ (1,351,554)</u>	<u>\$ (1,979,030)</u>	

See independent auditor's report

Village of Richton Park, Illinois

Schedule of Legal Debt Margin Year Ended April 30, 2020

Assessed valuation - 2019 tax year		<u>\$ 143,900,332</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 12,411,404
Debt:		
Notes payable	\$ 234,658	
Capital lease obligations	<u>816,133</u>	
Total Debt		<u>\$ 1,050,791</u>
Legal debt margin		<u>\$ 11,360,613</u>

See independent auditor's report