

**VILLAGE OF RICHTON PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

Year Ended April 30, 2022

VILLAGE OF RICHTON PARK, ILLINOIS

Year Ended April 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Qualified and Unmodified Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Richton Park, Illinois (the Village), as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

#### *Summary of Opinions*

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

#### *Qualified Opinions on Governmental Activities, Business-Type Activities, Water and Sewer Fund, and Aggregate Remaining Fund Information*

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, water and sewer fund, and the aggregate remaining fund information of the Village, as of April 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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*Unmodified Opinions on General Fund, Motor Fuel Tax Fund, TIF Lakewood Fund, TIF Sauk Trail Governor's Highway Fund, Capital Projects Fund, and Refuse Fund*

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Motor Fuel Tax Fund, TIF Lakewood Fund, TIF Sauk Trail Governor's Highway Fund, Capital Projects Fund, and Refuse Fund of the Village, as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Qualified and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

*Matter Giving Rise to Qualified Opinions on Governmental Activities, Business-Type Activities, Water and Sewer Fund, and Aggregate Remaining Fund Information*

Management has not maintained an accurate capital asset subledger and, accordingly, has not considered the accuracy of the capital asset balances. We were unable to obtain sufficient audit evidence to support the Village's capital asset balances for the governmental activities, business-type activities, water and sewer fund, and aggregate remaining fund information. The amount by which this limitation would affect the capital assets, net position, and depreciation expense in the governmental activities, business-type activities, water and sewer fund, and aggregate remaining fund information has not been determined.

***Emphasis of Matter***

As discussed in Note 15 to the financial statements, management of the Village restated net position as of May 1, 2021 during the current year. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are

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considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the schedule of legal debt margin but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid.

Crowe LLP

Oak Brook, Illinois  
February 23, 2023

VILLAGE OF RICHTON PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2022

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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, 2022. 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 \$10.68 million at the end of fiscal year 2022, which is an increase of \$4.16 million from the prior year.
- At the end of fiscal year 2022, the Village's governmental funds reported a combined ending fund balance of \$8.60 million, an increase of \$3.07 million from the previous year. A complete reconciliation of the governmental funds' fund balance to the governmental activities' net position is included in the Basic Financial Statements Section of this report.

### **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide a broad overview of the Village's finances, in a manner similar to private businesses. The Statement of Net Position presents information on all the Village's assets and deferred outflows of resources, as well as its liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed over the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, 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 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  
April 30, 2022

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>						
Cash and other assets	\$ 13,121,034	\$ 8,680,182	\$ 821,603	\$ 726,465	\$ 13,942,637	\$ 9,406,647
Capital assets	<u>18,010,305</u>	<u>18,294,799</u>	<u>14,248,284</u>	<u>13,613,925</u>	<u>32,258,589</u>	<u>31,908,724</u>
Total assets	<u>31,131,339</u>	<u>26,974,981</u>	<u>15,069,887</u>	<u>14,340,390</u>	<u>46,201,226</u>	<u>41,315,371</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>7,569,320</u>	<u>8,076,791</u>	<u>170,309</u>	<u>40,237</u>	<u>7,739,629</u>	<u>8,117,028</u>
<b>LIABILITIES</b>						
Current liabilities	2,532,915	1,459,372	643,183	524,757	3,176,098	1,984,129
Non-current liabilities	<u>26,241,211</u>	<u>26,753,816</u>	<u>5,574,006</u>	<u>5,761,634</u>	<u>31,815,217</u>	<u>32,515,450</u>
Total liabilities	<u>28,774,126</u>	<u>28,213,188</u>	<u>6,217,189</u>	<u>6,286,391</u>	<u>34,991,315</u>	<u>34,499,579</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>7,687,481</u>	<u>8,410,396</u>	<u>583,865</u>	-	<u>8,271,346</u>	<u>8,410,396</u>
<b>NET POSITION</b>	<u>\$ 2,239,052</u>	<u>\$ (1,571,812)</u>	<u>\$ 8,439,142</u>	<u>\$ 8,094,236</u>	<u>\$ 10,678,194</u>	<u>\$ 6,522,424</u>

The Village's combined assets (governmental activities and business-type activities) exceeded liabilities at the close of the most recent year. Net position increased 64% in fiscal year 2022. The net position of governmental activities increased by \$3.16 million. This increase is primarily due to the increase of property tax revenue and reduction in interest and fee related expenses.

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

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VILLAGE OF RICHTON PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2022

**Statement of Activities**

The following table reflects the condensed Statement of Activities:

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 2,901,403	\$ 2,055,031	\$ 4,573,880	\$ 4,319,611	\$ 7,475,283	\$ 6,374,642
Operating grants & contributions	-	474,249	-	-	-	474,249
Capital grants & contributions	<u>1,357,679</u>	<u>1,398,123</u>	<u>-</u>	<u>-</u>	<u>1,357,679</u>	<u>1,398,123</u>
Total program revenues	<u>4,259,082</u>	<u>3,927,403</u>	<u>4,573,880</u>	<u>4,319,611</u>	<u>8,832,962</u>	<u>8,247,014</u>
General revenues:						
Property taxes	7,031,535	6,008,855	-	-	7,031,535	6,008,855
Other taxes	6,741,492	6,241,236	-	-	6,741,492	6,241,236
Other	<u>329,996</u>	<u>207,757</u>	<u>-</u>	<u>-</u>	<u>329,996</u>	<u>207,757</u>
Total general revenues	<u>14,103,023</u>	<u>12,457,848</u>	<u>-</u>	<u>-</u>	<u>14,103,023</u>	<u>12,457,848</u>
Total revenues	<u>18,362,105</u>	<u>16,385,251</u>	<u>4,573,880</u>	<u>4,319,611</u>	<u>22,935,985</u>	<u>20,704,862</u>
<b>EXPENSES</b>						
General government	2,241,090	1,492,954	-	-	2,241,090	1,492,954
Public safety	7,756,461	7,651,181	-	-	7,756,461	7,651,181
Public works	843,987	898,958	-	-	843,987	898,958
Culture and recreation	388,154	239,026	-	-	388,154	239,026
Economic development	2,777,125	2,889,861	-	-	2,777,125	2,889,861
Interest and fees	88,288	290,015	-	-	88,288	290,015
Water and sewer	-	-	3,369,284	3,204,137	3,369,284	3,204,137
Refuse	-	-	1,227,903	1,215,142	1,227,903	1,215,142
Commuter parking lot	<u>-</u>	<u>-</u>	<u>87,923</u>	<u>131,449</u>	<u>87,923</u>	<u>131,449</u>
Total expenses	<u>14,095,105</u>	<u>13,461,995</u>	<u>4,685,110</u>	<u>4,550,728</u>	<u>18,780,215</u>	<u>18,012,723</u>
Income (loss) before transfers	4,267,000	2,923,256	(111,230)	(231,117)	4,155,770	2,692,139
Transfers and capital contributions	<u>(1,109,025)</u>	<u>(213,115)</u>	<u>1,109,025</u>	<u>213,115</u>	<u>-</u>	<u>-</u>
Change in net position	3,157,975	2,710,141	997,795	(18,002)	4,155,770	2,692,139
Net position, beginning of year, as restated	<u>(918,923)</u>	<u>(4,281,953)</u>	<u>7,441,347</u>	<u>8,112,238</u>	<u>6,522,424</u>	<u>3,830,285</u>
Net position, end of year	<u>\$ 2,239,052</u>	<u>\$ (1,571,812)</u>	<u>\$ 8,439,142</u>	<u>\$ 8,094,236</u>	<u>\$ 10,678,194</u>	<u>\$ 6,522,424</u>

(Continued)

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

Governmental activities increased the total net position of the Village by \$3.16 million. Total governmental activities revenues were \$18.36 million while governmental activities total expenses were \$14.10 million. Governmental activities accounted for 80% of the total revenues and 75% of the total expenses in fiscal year 2022. Total governmental activities revenues were \$16.39 million while governmental activities total expenses were \$13.46 million in fiscal year 2021. This represented 79% of total revenues and 75% of total expenses in fiscal year 2021.

Total governmental activities revenues were higher due to \$1.02 million increase in property taxes. Total governmental activities expenses were higher due to an increase in pension and OPEB related expenses.

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

Business-type activities net position increased \$1.00 million. Total business-type activities revenues were \$4.57 million while business-type activities total expenses were \$4.69 million. Business-type activities accounted for 21% of total revenues and 26% of total Village expenses in fiscal year 2022. This compares to 22% of total revenues and 27% of total expenses in fiscal year 2021.

Total business-type revenues increased 6% while business-type activities total expenses increased 3%. The governmental activities transferred \$1.11 million to the business-type activities during fiscal year 2022.

**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 \$8.60 million, an increase of \$3.07 million from the previous year. The General Fund is the chief operating fund of the Village and accounts for many of the major functions of the government including general government, public safety, and public works. At the end of the fiscal year, the total fund balance of the General Fund was \$6.07 million.

The General Fund balance increased \$1.64 million as the prior year's fund balance was \$4.44 million. Total General Fund revenues and other financing sources were \$12.37 million while total expenditures were \$10.26 million in fiscal year 2022. Property tax revenues were \$3.03 million which were an increase over the prior year revenues of \$2.83 million.

General Fund revenues and other financing sources decreased 16% while expenditures decreased 4% in fiscal year 2022. The decrease in General Fund revenues and other financing sources was primarily due to the prior year issuance of long-term debt and transfers in from other funds. Expenditures were fairly consistent with fiscal year 2021.

**Proprietary Funds** - Revenues and expenses for fiscal year 2022 were fairly consistent with fiscal year 2021.

VILLAGE OF RICHTON PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2022

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### Budgetary Highlights

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

General Fund actual revenues of \$12.29 million were \$1.90 million over budgeted revenues of \$10.39 million due to the Village receiving sales and income tax revenue in excess of budget. Actual expenditures were consistent with budgeted amounts.

### Capital Assets

The Village's investment in capital assets for its governmental and business-type activities amounts to \$32.26 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 \$1.49 million consisting primarily of construction in progress.

The following table provides a breakdown of the Village's capital assets:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 6,283,372	\$ 6,283,372	\$ 571,660	\$ 571,660	\$ 6,855,032	\$ 6,855,032
Site improvements	400,000	400,000	-	-	400,000	400,000
Construction in progress	378,821	462,061	-	-	378,821	462,061
Land improvements	164,473	89,573	1,431,334	1,431,334	1,595,807	1,520,907
Buildings	4,773,425	4,773,425	3,255,480	3,255,480	8,028,905	8,028,905
Building improvements	577,148	563,478	-	-	577,148	563,478
Vehicles	3,547,671	3,568,258	912,333	912,333	4,460,004	4,480,591
Equipment	2,317,171	1,992,025	2,509,416	2,509,416	4,826,587	4,501,441
Infrastructure	8,019,912	8,019,912	15,345,181	14,248,803	23,365,093	22,268,715
Accumulated depreciation	(8,451,688)	(7,857,305)	(9,777,120)	(9,315,101)	(18,228,808)	(17,172,406)
	<u>\$ 18,010,305</u>	<u>\$ 18,294,799</u>	<u>\$ 14,248,284</u>	<u>\$ 13,613,925</u>	<u>\$ 32,258,589</u>	<u>\$ 31,908,724</u>

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VILLAGE OF RICHTON PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2022

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**Debt Administration**

At the end of the fiscal year, the Village had a total bonded debt outstanding of \$9.23 million, including unamortized premiums. This amount represents bonds secured by specified revenue sources, namely use taxes and water and sewer charges for services. The Village issued a \$3.50 million general obligation bond in fiscal year 2021 for corporate purposes. 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 obligations of the Village, excluding those related to pensions and OPEB:

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Bonds and notes	\$ 3,500,000	\$ 3,618,579	\$ 5,728,902	\$ 5,967,728	\$ 9,228,902	\$ 9,586,307
Capital lease obligations	659,344	933,076	-	-	659,344	933,076
Compensated absences	926,197	896,406	19,686	23,906	945,883	920,312
	<u>\$ 5,085,541</u>	<u>\$ 5,448,061</u>	<u>\$ 5,748,588</u>	<u>\$ 5,991,634</u>	<u>\$ 10,834,129</u>	<u>\$ 11,439,695</u>

**Economic Factors**

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

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

**Requests for Information**

The 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, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,324,630	\$ 834,601	\$ 6,159,231
Investments	3,498,334	-	3,498,334
Receivables			
Property taxes	2,102,229	-	2,102,229
Other taxes	1,107,230	-	1,107,230
Accounts	466,735	487,995	954,730
Prepaid items	120,883	-	120,883
Internal balances	500,993	(500,993)	-
Land and construction in progress	7,062,193	571,660	7,633,853
Other capital assets, net of depreciation	10,948,112	13,676,624	24,624,736
Total assets	<u>31,131,339</u>	<u>15,069,887</u>	<u>46,201,226</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on debt refunding	-	33,531	33,531
Pension items - IMRF	423,687	136,778	560,465
Pension items - Police Pension Fund	7,145,633	-	7,145,633
Total deferred outflows of resources	<u>7,569,320</u>	<u>170,309</u>	<u>7,739,629</u>
Total assets and deferred outflows of resources	<u>\$ 38,700,659</u>	<u>\$ 15,240,196</u>	<u>\$ 53,940,855</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 535,134	\$ 127,935	\$ 663,069
Accrued payroll and related liabilities	182,172	10,851	193,023
Deposits	296,231	175,997	472,228
Accrued interest	48,900	93,400	142,300
Unearned grant revenue	1,088,022	-	1,088,022
Noncurrent liabilities			
Due within one year	382,456	235,000	617,456
Due in more than one year	4,703,085	5,513,588	10,216,673
Net pension liability - IMRF	175,577	60,418	235,995
Net pension liability - Police Pension Fund	19,260,224	-	19,260,224
Total OPEB liability	<u>2,102,325</u>	<u>-</u>	<u>2,102,325</u>
Total liabilities	<u>28,774,126</u>	<u>6,217,189</u>	<u>34,991,315</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax	2,031,062	-	2,031,062
Pension items - IMRF	1,602,736	583,865	2,186,601
Pension items - Police Pension Fund	4,053,683	-	4,053,683
Total deferred inflows of resources	<u>7,687,481</u>	<u>583,865</u>	<u>8,271,346</u>
Total liabilities and deferred inflows of resources	<u>36,461,607</u>	<u>6,801,054</u>	<u>43,262,661</u>
<b>NET POSITION</b>			
Net investment in capital assets	17,190,330	8,552,912	25,743,242
Restricted	4,085,062	-	4,085,062
Unrestricted (deficit)	<u>(19,036,340)</u>	<u>(113,770)</u>	<u>(19,150,110)</u>
Total net position	<u>2,239,052</u>	<u>8,439,142</u>	<u>10,678,194</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 38,700,659</u>	<u>\$ 15,240,196</u>	<u>\$ 53,940,855</u>

See accompanying Notes to Financial Statements

Village of Richton Park, Illinois  
Statement of Activities  
Year Ended April 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,241,090	\$ 1,962,034	\$ -	\$ -	\$ (279,056)	\$ -	\$ (279,056)
Public safety	7,756,461	867,911	-	29,417	(6,859,133)	-	(6,859,133)
Public works	843,987	-	-	1,328,262	484,275	-	484,275
Culture and recreation	388,154	71,458	-	-	(316,696)	-	(316,696)
Economic development	2,777,125	-	-	-	(2,777,125)	-	(2,777,125)
Interest and fees	88,288	-	-	-	(88,288)	-	(88,288)
Total governmental activities	<u>14,095,105</u>	<u>2,901,403</u>	<u>-</u>	<u>1,357,679</u>	<u>(9,836,023)</u>	<u>-</u>	<u>(9,836,023)</u>
Business type activities:							
Water and sewer	3,369,284	3,464,110	-	-	-	94,826	94,826
Refuse	1,227,903	1,039,513	-	-	-	(188,390)	(188,390)
Commuter parking lot	87,923	70,257	-	-	-	(17,666)	(17,666)
Total business type activities	<u>4,685,110</u>	<u>4,573,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,230)</u>	<u>(111,230)</u>
Total primary government	<u>\$ 18,780,215</u>	<u>\$ 7,475,283</u>	<u>\$ -</u>	<u>\$ 1,357,679</u>	<u>(9,836,023)</u>	<u>(111,230)</u>	<u>(9,947,253)</u>
General revenues and transfers:							
Taxes:							
Property					7,031,535	-	7,031,535
Sales					2,384,090	-	2,384,090
Income					2,069,433	-	2,069,433
Other					1,370,845	-	1,370,845
Utility					917,124	-	917,124
Miscellaneous					327,539	-	327,539
Interest					2,457	-	2,457
Transfers					(1,109,025)	1,109,025	-
Total general revenues					<u>12,993,998</u>	<u>1,109,025</u>	<u>14,103,023</u>
Change in net position					<u>3,157,975</u>	<u>997,795</u>	<u>4,155,770</u>
Net position, beginning of year					(1,571,812)	8,094,236	6,522,424
Restatement (see note 15)					652,889	(652,889)	-
Net position, beginning of year, as restated					<u>(918,923)</u>	<u>7,441,347</u>	<u>6,522,424</u>
Net position, end of year					<u>\$ 2,239,052</u>	<u>\$ 8,439,142</u>	<u>\$ 10,678,194</u>

See accompanying Notes to Financial Statements



Village of Richton Park, Illinois  
Balance Sheet - Governmental Funds  
April 30, 2022

	Major Funds						
	Special Revenue						
	General Fund	Motor Fuel Tax Fund	TIF Lakewood Fund	TIF Sauk Trail Governor's Highway Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 35,347	\$ 255,204	\$ 2,080,358	\$ 518,616	\$ 41,127	\$ 2,393,978	\$ 5,324,630
Investments	2,485,011	1,013,323	-	-	-	-	3,498,334
Receivables							
Property taxes	2,019,808	-	-	-	-	82,421	2,102,229
Other taxes	1,061,439	45,791	-	-	-	-	1,107,230
Accounts	82,103	-	-	-	221,230	163,402	466,735
Prepaid items	120,883	-	-	-	-	-	120,883
Due from other funds	4,355,072	395,555	10,000	1,483	-	269,198	5,031,308
	<u>4,355,072</u>	<u>395,555</u>	<u>10,000</u>	<u>1,483</u>	<u>-</u>	<u>269,198</u>	<u>5,031,308</u>
Total assets	<u>\$ 10,159,663</u>	<u>\$ 1,709,873</u>	<u>\$ 2,090,358</u>	<u>\$ 520,099</u>	<u>\$ 262,357</u>	<u>\$ 2,908,999</u>	<u>\$ 17,651,349</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 245,988	\$ 32,864	\$ 2,925	\$ 3,328	\$ 194,645	\$ 55,384	\$ 535,134
Accrued payroll and related liabilities	178,172	-	-	-	-	4,000	182,172
Deposits	292,486	-	3,500	-	-	245	296,231
Unearned grant revenue	-	-	-	-	183,603	904,419	1,088,022
Due to other funds	1,419,626	-	930,889	1,172,486	345,804	661,510	4,530,315
	<u>1,419,626</u>	<u>-</u>	<u>930,889</u>	<u>1,172,486</u>	<u>345,804</u>	<u>661,510</u>	<u>4,530,315</u>
Total liabilities	<u>2,136,272</u>	<u>32,864</u>	<u>937,314</u>	<u>1,175,814</u>	<u>724,052</u>	<u>1,625,558</u>	<u>6,631,874</u>
Deferred inflows of resources:							
Unavailable property taxes	1,949,962	-	-	-	-	81,100	2,031,062
Unavailable grant	-	-	-	-	221,230	163,197	384,427
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,230</u>	<u>163,197</u>	<u>384,427</u>
Total deferred inflows of resources	<u>1,949,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,230</u>	<u>244,297</u>	<u>2,415,489</u>
Fund balances (deficit):							
Nonspendable:							
Prepaid items	120,883	-	-	-	-	-	120,883
Restricted:							
Economic development	-	-	1,153,044	-	-	1,202,884	2,355,928
Rebuild Illinois	-	749,438	-	-	-	-	749,438
Highways and streets	-	927,571	-	-	-	-	927,571
Public safety	-	-	-	-	-	52,125	52,125
Unassigned (deficit)	5,952,546	-	-	(655,715)	(682,925)	(215,865)	4,398,041
	<u>5,952,546</u>	<u>-</u>	<u>-</u>	<u>(655,715)</u>	<u>(682,925)</u>	<u>(215,865)</u>	<u>4,398,041</u>
Total fund balances (deficit)	<u>6,073,429</u>	<u>1,677,009</u>	<u>1,153,044</u>	<u>(655,715)</u>	<u>(682,925)</u>	<u>1,039,144</u>	<u>8,603,986</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,159,663</u>	<u>\$ 1,709,873</u>	<u>\$ 2,090,358</u>	<u>\$ 520,099</u>	<u>\$ 262,357</u>	<u>\$ 2,908,999</u>	<u>\$ 17,651,349</u>

See accompanying Notes to Financial Statements

Village of Richton Park, Illinois  
 Reconciliation of Balance Sheet - Governmental Funds  
 to the Statement of Net Position  
 April 30, 2022

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Total Fund Balance Governmental Funds	\$	8,603,986
Amounts reported for governmental activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds:		
Capital assets	\$ 26,461,993	
Accumulated depreciation	<u>(8,451,688)</u>	
Net capital assets		18,010,305
Certain assets are not available to report as revenue in the governmental funds but are revenue on the accrual basis of accounting		384,427
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		(175,577)
Police Pension Fund		(19,260,224)
Differences between expected and actual experiences, assumption changes net differences between projected and actual earnings, are recognized as deferred outflows and deferred inflows of resources:		
Illinois Municipal Retirement Fund		(1,179,049)
Police Pension Fund		3,091,950
Total OPEB Liability is not recorded in governmental funds but is recorded as a liability in the statement of net position.		(2,102,325)
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
These liabilities consist of:		
Bonds payable		(3,500,000)
Capital lease obligation		(659,344)
Accrued interest		(48,900)
Compensated absences		<u>(926,197)</u>
Net Position of Governmental Activities	\$	<u><u>2,239,052</u></u>

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See accompanying Notes to Financial Statements

Village of Richton Park, Illinois  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2022

	Major Funds						Total Governmental Funds
	Special Revenue						
	General Fund	Motor Fuel Tax Fund	TIF Lakewood Fund	TIF Sauk Trail Governor's Highway Fund	Capital Projects Fund	Nonmajor Governmental Funds	
<b>REVENUES</b>							
Taxes:							
Property	\$ 3,027,599	\$ -	\$ 2,339,351	\$ 211,130	\$ -	\$ 1,453,455	\$ 7,031,535
Sales	2,384,090	-	-	-	-	-	2,384,090
Income	2,069,433	-	-	-	-	-	2,069,433
Other	790,245	562,663	-	-	-	17,937	1,370,845
Utilities	917,124	-	-	-	-	-	917,124
Licenses and permits	769,599	-	-	-	-	-	769,599
Fines and forfeitures	848,391	-	-	-	-	19,520	867,911
Charges for services	1,192,435	-	-	-	-	71,458	1,263,893
Grants	6,020	410,571	-	-	23,397	672,623	1,112,611
Interest	1,468	894	-	-	-	95	2,457
Miscellaneous	284,322	-	-	-	-	43,217	327,539
Total revenues	<u>12,290,726</u>	<u>974,128</u>	<u>2,339,351</u>	<u>211,130</u>	<u>23,397</u>	<u>2,278,305</u>	<u>18,117,037</u>
<b>EXPENDITURES</b>							
Current:							
General government	1,947,290	-	-	-	134,272	-	2,081,562
Public safety	7,020,915	-	-	-	11,745	7,419	7,040,079
Public works	671,245	157,713	-	-	8,401	-	837,359
Culture and recreation	-	-	-	-	-	388,154	388,154
Economic development	-	-	2,376,816	105,846	-	240,350	2,723,012
Debt service:							
Principal	475,308	-	-	-	-	-	475,308
Interest and debt issuance costs	84,288	-	-	-	-	-	84,288
Capital outlay	58,404	-	-	-	773,584	656,154	1,488,142
Total expenditures	<u>10,257,450</u>	<u>157,713</u>	<u>2,376,816</u>	<u>105,846</u>	<u>928,002</u>	<u>1,292,077</u>	<u>15,117,904</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,033,276</u>	<u>816,415</u>	<u>(37,465)</u>	<u>105,284</u>	<u>(904,605)</u>	<u>986,228</u>	<u>2,999,133</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Capital lease proceeds	82,996	-	-	-	-	-	82,996
Transfers in	-	-	-	-	597,513	260,343	857,856
Transfers out	(480,295)	(276,065)	-	-	-	(114,143)	(870,503)
Total other financing sources (uses)	<u>(397,299)</u>	<u>(276,065)</u>	<u>-</u>	<u>-</u>	<u>597,513</u>	<u>146,200</u>	<u>70,349</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,635,977	540,350	(37,465)	105,284	(307,092)	1,132,428	3,069,482
<b>FUND BALANCES (DEFICITS), Beginning of year</b>	<u>4,437,452</u>	<u>1,136,659</u>	<u>1,190,509</u>	<u>(760,999)</u>	<u>(375,833)</u>	<u>(93,284)</u>	<u>5,534,504</u>
<b>FUND BALANCES (DEFICITS), End of year</b>	<u>\$ 6,073,429</u>	<u>\$ 1,677,009</u>	<u>\$ 1,153,044</u>	<u>\$ (655,715)</u>	<u>\$ (682,925)</u>	<u>\$ 1,039,144</u>	<u>\$ 8,603,986</u>

See accompanying Notes to Financial Statements

Village of Richton Park, Illinois  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances - Governmental Funds  
 to the Statement of Activities  
 Year Ended April 30, 2022

Net Change in Fund Balances (Deficits) - Total Government Funds	\$	3,069,482
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		1,488,142
Depreciation		(676,258)
Capital contributions to business-type activities		(1,096,378)
Revenues in the statement of activities that do not provide current financial resources are unavailable in the funds.		245,068
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		475,308
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:		
Capital lease proceeds		(82,996)
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		372,568
Police Pension Fund		(839,520)
The change in the total OPEB liability are reported in the statement of activities.		236,350
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		(29,791)
Change in accrued interest payable		(4,000)
Change in Net Position of Governmental Activities	\$	<u>3,157,975</u>

See accompanying Notes to Financial Statements

Village of Richton Park, Illinois  
Statement of Net Position  
Proprietary Funds  
April 30, 2022

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot Fund	Total
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 313,212	\$ 475,110	\$ 46,279	\$ 834,601
Accounts receivable	476,054	11,941	-	487,995
Due from other funds	403,685	-	11,417	415,102
Total current assets	<u>1,192,951</u>	<u>487,051</u>	<u>57,696</u>	<u>1,737,698</u>
Noncurrent Assets:				
Capital Assets:				
Land	299,311	-	272,349	571,660
Other capital assets, net of depreciation	13,374,032	-	302,592	13,676,624
Total noncurrent assets	<u>13,673,343</u>	<u>-</u>	<u>574,941</u>	<u>14,248,284</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on debt refunding	33,531	-	-	33,531
Pension items - IMRF	108,766	23,260	4,752	136,778
Total assets and deferred outflows of resources	<u>\$ 15,008,591</u>	<u>\$ 510,311</u>	<u>\$ 637,389</u>	<u>\$ 16,156,291</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	\$ 60,745	\$ 67,190	\$ -	\$ 127,935
Accrued payroll and related	9,986	-	865	10,851
Accrued interest	93,400	-	-	93,400
Deposits	175,997	-	-	175,997
Due to other funds	-	741,437	174,658	916,095
Total current liabilities	<u>340,128</u>	<u>808,627</u>	<u>175,523</u>	<u>1,324,278</u>
Noncurrent Liabilities:				
Due within one year	235,000	-	-	235,000
Due in more than one year	5,562,190	9,693	2,123	5,574,006
Total noncurrent liabilities	<u>5,797,190</u>	<u>9,693</u>	<u>2,123</u>	<u>5,809,006</u>
Total liabilities	<u>6,137,318</u>	<u>818,320</u>	<u>177,646</u>	<u>7,133,284</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items - IMRF	466,584	88,482	28,799	583,865
Total liabilities and deferred inflows of resources	<u>6,603,902</u>	<u>906,802</u>	<u>206,445</u>	<u>7,717,149</u>
<b>NET POSITION</b>				
Net investment in capital assets	7,977,971	-	574,941	8,552,912
Unrestricted (deficit)	426,718	(396,491)	(143,997)	(113,770)
Total net position	<u>8,404,689</u>	<u>(396,491)</u>	<u>430,944</u>	<u>8,439,142</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 15,008,591</u>	<u>\$ 510,311</u>	<u>\$ 637,389</u>	<u>\$ 16,156,291</u>

See accompanying Notes to Financial Statements

Village of Richton Park, Illinois  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
Year Ended April 30, 2022

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot Fund	Total
<b>Operating revenues</b>				
Charges for services	\$ 3,463,508	\$ 1,039,513	\$ 70,257	\$ 4,573,278
Other	602	-	-	602
Total operating revenues	<u>3,464,110</u>	<u>1,039,513</u>	<u>70,257</u>	<u>4,573,880</u>
<b>Operating expenses</b>				
Personnel	1,293,800	267,620	58,064	1,619,484
Contractual	839,556	907,546	14,660	1,761,762
Commodities	82,218	10,886	1,609	94,713
Other operating expenses	452,422	38,742	-	491,164
Depreciation	447,166	1,263	13,590	462,019
Total operating expenses	<u>3,115,162</u>	<u>1,226,057</u>	<u>87,923</u>	<u>4,429,142</u>
Operating income (loss)	<u>348,948</u>	<u>(186,544)</u>	<u>(17,666)</u>	<u>144,738</u>
<b>Nonoperating revenues (expenses)</b>				
Interest expense	<u>(254,122)</u>	<u>(1,846)</u>	<u>-</u>	<u>(255,968)</u>
Change in net position before capital contributions and transfers	<u>94,826</u>	<u>(188,390)</u>	<u>(17,666)</u>	<u>(111,230)</u>
Capital contributions	1,096,378	-	-	1,096,378
Transfers in	<u>-</u>	<u>-</u>	<u>12,647</u>	<u>12,647</u>
Change in net position	<u>1,191,204</u>	<u>(188,390)</u>	<u>(5,019)</u>	<u>997,795</u>
Net position, beginning of year	7,736,096	(112,564)	470,704	8,094,236
Restatement (see note 15)	<u>(522,611)</u>	<u>(95,537)</u>	<u>(34,741)</u>	<u>(652,889)</u>
Net position, beginning of year, as restated	<u>7,213,485</u>	<u>(208,101)</u>	<u>435,963</u>	<u>7,441,347</u>
Net position (deficit), end of year	<u>\$ 8,404,689</u>	<u>\$ (396,491)</u>	<u>\$ 430,944</u>	<u>\$ 8,439,142</u>

See accompanying Notes to Financial Statements

Village of Richton Park, Illinois  
Statement of Cash Flows  
Proprietary Funds  
Year Ended April 30, 2022

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	
	Water and Sewer Fund	Refuse Fund	Commuter Parking Lot Fund	Total
<b>Net cash flows from operating activities</b>				
Receipts from customers	\$ 3,603,968	\$ 1,031,936	\$ 70,257	\$ 4,706,161
Payments to suppliers	(1,387,712)	(1,022,768)	(16,861)	(2,427,341)
Payments to employees	(1,403,740)	(288,242)	(67,021)	(1,759,003)
Net cash provided (used) by operating activities	<u>812,516</u>	<u>(279,074)</u>	<u>(13,625)</u>	<u>519,817</u>
<b>Net cash flows from noncapital financing activities</b>				
Interfund borrowing	(36,132)	578,751	54,047	596,666
Transfers from/(to) other funds	-	-	12,647	12,647
Net cash provided (used) by noncapital financing activities	<u>(36,132)</u>	<u>578,751</u>	<u>66,694</u>	<u>609,313</u>
<b>Net cash flows from capital and related financing activities</b>				
Principal paid on long term debt	(236,256)	-	(6,790)	(243,046)
Interest paid	(226,916)	(1,846)	-	(228,762)
Net cash (used) by capital and related financing activities	<u>(463,172)</u>	<u>(1,846)</u>	<u>(6,790)</u>	<u>(471,808)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	313,212	297,831	46,279	657,322
<b>Cash and cash equivalents, beginning of year</b>	-	177,279	-	177,279
<b>Cash and cash equivalents, end of year</b>	<u>\$ 313,212</u>	<u>\$ 475,110</u>	<u>\$ 46,279</u>	<u>\$ 834,601</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities</b>				
Operating income (loss)	\$ 348,948	\$ (186,544)	\$ (17,666)	\$ 144,738
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	447,166	1,263	13,590	462,019
(Increase) decrease in receivables	(26,905)	(7,577)	-	(34,482)
(Increase) decrease in deferred outflows of resources - IMRF	(27,461)	(8,397)	653	(35,205)
Increase (decrease) in customer deposits	166,763	-	-	166,763
Increase (decrease) in accrued payroll and related	6,251	-	(386)	5,865
Increase (decrease) in accounts payable	(13,516)	(65,594)	(592)	(79,702)
Increase (decrease) in net pension liability	(230,804)	(41,384)	(16,451)	(288,639)
Increase (decrease) in deferred inflows of resources - IMRF	142,074	29,159	7,227	178,460
Net cash flows from operating activities	<u>\$ 812,516</u>	<u>\$ (279,074)</u>	<u>\$ (13,625)</u>	<u>\$ 519,817</u>

See accompanying Notes to Financial Statements

Village of Richton Park, Illinois  
Statement of Fiduciary Net Position  
Fiduciary Funds  
April 30, 2022

	Police Pension Fund	Friends of Richton Park Foundation Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 604,878	\$ 45,870
Accrued interest	68,139	47
Prepaid expenses	3,870	-
Investments, at fair value:		
Money market mutual funds	769,084	-
Corporate bonds	2,136,246	-
U.S. government and agency obligations	5,144,879	-
Equity securities	797,938	-
Mutual funds	9,000,924	-
Total assets	\$ 18,525,958	\$ 45,917
<b>LIABILITIES</b>		
Accounts payable	\$ 11,031	\$ 100
<b>NET POSITION</b>		
Restricted for pension plan held in trust for pension benefits	18,514,927	-
Restricted for organizations	-	45,817
Total net position	\$ 18,514,927	\$ 45,817

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See accompanying Notes to Financial Statements



Village of Richton Park, Illinois  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended April 30, 2022

	Police Pension Fund	Friends of Richton Park Foundation Fund
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 1,015,349	\$ -
Plan members	338,860	-
Donations/events	-	37,562
Total contributions	<u>1,354,209</u>	<u>37,562</u>
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	(1,230,623)	-
Interest and dividends	615,988	-
Total investment income (loss)	(614,635)	-
Less: investment expense	(67,475)	-
Net investment income (loss)	<u>(682,110)</u>	<u>-</u>
Total additions	<u>672,099</u>	<u>37,562</u>
<b>DEDUCTIONS</b>		
Benefits and refunds	1,520,236	-
Administrative expenses	44,292	20,155
Total deductions	<u>1,564,528</u>	<u>20,155</u>
<b>CHANGE IN NET POSITION</b>	(892,429)	17,407
<b>NET POSITION</b>		
Net position, beginning of year	<u>19,407,356</u>	<u>28,410</u>
Net position, end of year	<u>\$ 18,514,927</u>	<u>\$ 45,817</u>

See accompanying Notes to Financial Statements

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Nature of Activities**

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

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

### **Financial Reporting Entity**

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

### **Police Pension Fund**

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

### **Government-Wide Financial Statements**

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide Financial Statements** (Continued)

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

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

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

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

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

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

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

**Fund Financial Statements**

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

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

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

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fund Financial Statements** (Continued)

The Village reports the following major governmental funds:

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

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

*TIF Lakewood Fund* – This fund accounts 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* – This fund accounts for financial resources to be used in the acquisition or development of property within the tax incremental financing district.

*Capital Projects Fund* – This fund accounts for financial resources to be used in the acquisition or construction of major capital facilities (other than those financed by proprietary or pension trust funds).

The Village reports the following major enterprise funds:

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

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

Additionally, the Village reports the following fiduciary funds:

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

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

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(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus and Basis of Accounting and Financial Statement Presentation**

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

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

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

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

**Cash and Cash Equivalents**

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

**Investments**

Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The Village considers quoted market prices at April 30, 2022 to be the fair value of its investments.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**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 the fund balance sheets or fund statements of net position.

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

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

**Prepaid Items**

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

**Capital Assets**

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

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

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

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(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Property Taxes**

The Village's policy is to record property taxes when they have been levied and extended and are both measurable and available. Property taxes receivable are initially recorded at the gross levy amount less an allowance for uncollectible taxes, determined by management estimate. The receivable and the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value. The allowance for uncollectible taxes as of April 30, 2022 is \$132,020.

**Receivables**

Other receivables in the proprietary funds are recorded net of allowance for uncollectible accounts. As of April 30, 2022, the allowance for uncollectible accounts in the proprietary funds is \$50,446.

**Unearned Revenue**

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

**Long-Term Obligations**

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

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

**Compensated Absences**

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

**Deferred Outflows of Resources**

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

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(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Deferred Inflows of Resources**

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

**Pensions**

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

**Other Post-Employment Benefits (OPEB) Obligations**

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

**Fund Balances**

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

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

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

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

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

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(Continued)



VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fund Balances** (Continued)

*Unassigned* - amounts that are available for any purpose.

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

**Use of Estimates**

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

**NOTE 2 – CASH AND INVESTMENTS**

**Deposits with Financial Institutions**

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. The Police Pension Plan's investment policy requires all bank balances to be covered by federal depository insurance. As of April 30, 2022, the Village's total bank balance was \$7,325,690. Account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

**Investments**

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6. As of April 30, 2022, the Village and Police Pension Fund had the following investments:

		Fair Value	
	Statement of Net Position	Statement of Fiduciary Net Position	Total
Local government investment pool	\$ 3,498,334	\$ -	\$ 3,498,334
Money market mutual funds	-	769,084	769,084
Corporate bonds	-	2,136,246	2,136,246
U.S. government and agency obligations	-	5,144,879	5,144,879
Equity securities	-	797,938	797,938
Mutual funds	-	9,000,924	9,000,924
Total	\$ 3,498,334	\$ 17,849,071	\$ 21,347,405

(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Investments** (Continued)

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

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

	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Less than One Year</u>	<u>One to Five Years</u>	<u>Greater than Five Years</u>
Corporate bonds	\$ 2,136,246	\$ 290,913	\$ 1,771,898	\$ 73,435
U.S. government and agency obligations	5,144,879	3,011,816	1,133,982	999,081
Total	7,281,125	<u>\$ 3,302,729</u>	<u>\$ 2,905,880</u>	<u>\$ 1,072,516</u>
Investments not sensitive to interest rate risk:				
Local government investment pool	3,498,334			
Money market mutual funds	769,084			
Equity securities	797,938			
Mutual funds	<u>9,000,924</u>			
Total investments	<u>\$ 21,347,405</u>			

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

<u>Investment</u>	<u>Credit Rating</u>	<u>Rating Source</u>
Local government investment pool	AAA	Standard and Poor's
Corporate bonds	AAA-BBB	Standard and Poor's
U.S. government and agency obligations	AA+	Standard and Poor's

*Concentration of Credit Risk.* The Village's and Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk.

*Custodial Credit Risk-Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Village or Police Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The local government investment pool is not subject to custodial credit risk in that they are insured. All other investments are subject to custodial credit risk.

*Foreign Currency Risk.* The Village and Police Pension Fund have no foreign currency risk for investments at year end.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Investments** (Continued)

*Fair Value Measurement and Application.* The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair value of bonds is determined using recently executed transactions, market price quotations, bond spreads, credit default swap spreads, or at the money volatility or volatility skew, adjusted for any basis difference between cash and derivative instruments. The fair value of U.S. government and agency obligations is model-driven based on spreads of a comparable to-be-announced security. As of April 30, 2022, the Village's and Police Pension Fund's investments are valued as follows:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Local government investment pool	\$ 3,498,334	\$ 3,498,334	\$ -	\$ -
Money market mutual funds	769,084	769,084	-	-
Corporate bonds	2,136,246	-	2,136,246	-
U.S. government and agency obligations	5,144,879	-	5,144,879	-
Equity securities	797,938	797,938	-	-
Mutual funds	9,000,924	9,000,924	-	-
Total	<u>\$ 21,347,405</u>	<u>\$ 14,066,280</u>	<u>\$ 7,281,125</u>	<u>\$ -</u>

**NOTE 3 – PROPERTY TAXES**

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

The 2021 property tax assessment, which was levied in December 2021, is to finance the budget for the fiscal year beginning May 1, 2021, 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.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2022 was as follows:

	Balance at May 1, 2021	Additions	Deletions	Balance at April 30, 2022
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 6,283,372	\$ -	\$ -	\$ 6,283,372
Site improvements	400,000	-	-	400,000
Construction in progress	462,061	1,013,138	(1,096,378)	378,821
Subtotal	<u>7,145,433</u>	<u>1,013,138</u>	<u>(1,096,378)</u>	<u>7,062,193</u>
Capital assets being depreciated:				
Land improvements	89,573	74,900	-	164,473
Buildings	4,773,425	-	-	4,773,425
Building improvements	563,478	13,670	-	577,148
Vehicles	3,568,258	61,288	(81,875)	3,547,671
Equipment	1,992,025	325,146	-	2,317,171
Infrastructure	8,019,912	-	-	8,019,912
Subtotal	<u>19,006,671</u>	<u>475,004</u>	<u>(81,875)</u>	<u>19,399,800</u>
Accumulated depreciation	<u>(7,857,305)</u>	<u>(676,258)</u>	<u>81,875</u>	<u>(8,451,688)</u>
Capital assets being depreciated, net	<u>11,149,366</u>	<u>(201,254)</u>	<u>-</u>	<u>10,948,112</u>
Total governmental activities capital assets, net	<u>\$ 18,294,799</u>	<u>\$ 811,884</u>	<u>\$ (1,096,378)</u>	<u>\$ 18,010,305</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 571,660	\$ -	\$ -	\$ 571,660
Subtotal	<u>571,660</u>	<u>-</u>	<u>-</u>	<u>571,660</u>
Capital assets being depreciated:				
Land improvements	1,431,334	-	-	1,431,334
Buildings	3,255,480	-	-	3,255,480
Vehicles	912,333	-	-	912,333
Equipment	2,509,416	-	-	2,509,416
Infrastructure	14,248,803	1,096,378	-	15,345,181
Subtotal	<u>22,357,366</u>	<u>1,096,378</u>	<u>-</u>	<u>23,453,744</u>
Accumulated depreciation	<u>(9,315,101)</u>	<u>(462,019)</u>	<u>-</u>	<u>(9,777,120)</u>
Capital assets being depreciated, net	<u>13,042,265</u>	<u>634,359</u>	<u>-</u>	<u>13,676,624</u>
Total business-type activities capital assets, net	<u>\$ 13,613,925</u>	<u>\$ 634,359</u>	<u>\$ -</u>	<u>\$ 14,248,284</u>

Depreciation expense was charged to the following functions:

<u>Governmental Activities</u>		<u>Business-type Activities</u>	
General government	\$ 410,027	Water and sewer	\$ 447,166
Public safety	91,317	Refuse	1,263
Economic development	151,053	Commuter parking lot	13,590
Public works	23,861	Total	<u>\$ 462,019</u>
Total	<u>\$ 676,258</u>		

(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

**NOTE 5 – LONG-TERM OBLIGATIONS**

Long-term debt and capital leases consisted of the following at April 30, 2022:

	Date of Issuance	Maturity Date	Interest Rate	Original Issuance	Carrying Amount
Governmental activities:					
GO Bonds, Series 2020	8/6/2020	12/1/2040	1.80 - 3.75%	\$ 3,500,000	\$ 3,500,000
Capital lease (equipment)	8/31/2019	8/31/2024	4.78%	653,042	323,973
Capital lease (street lights)	5/11/2016	5/15/2022	2.14%	841,618	34,582
Capital lease (police vehicles)	8/31/2020	7/31/2024	5.25%	282,038	165,158
Capital lease (police radios)	7/1/2020	7/1/2025	3.88%	166,380	135,631
Business-type activities:					
Alternate revenue source bonds, Series 2017	12/1/2017	12/1/2039	3.00 - 4.00%	6,700,000	5,605,000

Long-term debt, capital lease, and compensated absences activity for the year ended April 30, 2022 was as follows:

	Balance May 1, 2021	Issued	Retired	Balance April 30, 2022	Due Within One Year
Governmental activities:					
GO Bond, Series 2020	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000	\$ 145,000
Notes payable	118,579	-	118,579	-	-
Capital lease (equipment)	452,255	-	128,282	323,973	134,486
Capital lease (street lights)	81,901	82,996	130,315	34,582	-
Capital lease (police vehicles)	232,540	-	67,382	165,158	71,006
Capital lease (police radios)	166,380	-	30,749	135,631	31,964
Compenstated absences	896,406	29,791	-	926,197	-
Total governmental activities	<u>\$ 5,448,061</u>	<u>\$ 112,787</u>	<u>\$ 475,307</u>	<u>\$ 5,085,541</u>	<u>\$ 382,456</u>
Business-type activities:					
Alternate revenue source, Series 2017	\$ 5,835,000	\$ -	\$ 230,000	\$ 5,605,000	\$ 235,000
Unamortized bond premium	132,728	-	8,826	123,902	-
Compensated absences	23,906	-	4,220	19,686	-
Total business-type activities	<u>\$ 5,991,634</u>	<u>\$ -</u>	<u>\$ 243,046</u>	<u>\$ 5,748,588</u>	<u>\$ 235,000</u>

(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

**NOTE 5 – LONG-TERM OBLIGATIONS** (Continued)

**Bonds Payable**

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

Year End	General Obligation Bond		Alternate Revenue Source	
	Principal	Interest	Principal	Interest
2023	\$ 145,000	\$ 106,880	\$ 235,000	\$ 221,000
2024	145,000	104,270	245,000	211,600
2025	150,000	101,515	250,000	201,800
2026	155,000	98,365	260,000	191,800
2027	155,000	94,955	275,000	181,400
2028-2032	850,000	412,903	1,570,000	731,400
2033-2037	985,000	274,069	1,900,000	392,000
2038-2041	915,000	87,044	870,000	49,313
	<u>\$ 3,500,000</u>	<u>\$ 1,280,001</u>	<u>\$ 5,605,000</u>	<u>\$ 2,180,313</u>

On September 28, 2017, the Village issued \$6,700,000 (plus premium of \$180,992) in General Obligation, (Water and Sewer System Alternate Revenue Source) Series 2017 with an average interest rate of 3.75%. 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 deceased, and the Village has removed the liability from its accounts. The Trust paid off the Series 2006 bonds on the bonds' call date of October 30, 2017. The advance refunding increased total debt service payments over the next 15 years by approximately \$775,000. This resulted in a deferred loss on the refunding of \$91,506 which is being amortized over the life of the original maturity of the Series 2006 bonds. The unamortized deferred loss on refunding is \$33,531 as of April 30, 2022.

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

**Capital Leases**

The Village entered into a capital lease during the year ended April 30, 2017 for the purchase of street lights at a gross cost of \$758,622. The lease was amended during the fiscal year ended April 30, 2022. The lease is payable in monthly installments of \$13,788 including interest payable at 2.14%. The cumulative amount of assets acquired under the capital lease amounted to \$841,618 with \$455,876 of accumulated depreciation as of April 30, 2022.

The Village entered into a capital lease during the year ended April 30, 2020 for the purchase of equipment at a gross cost of \$653,042. The lease is payable in monthly installments of \$12,244 including interest payable at 4.78%. The cumulative amount of assets acquired under the capital lease amounted to \$653,042 with \$217,681 of accumulated depreciation as of April 30, 2022.

(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended April 30, 2022

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**NOTE 5 – LONG-TERM OBLIGATIONS** (Continued)

**Capital Leases** (Continued)

The Village entered into a capital lease during the year ended April 30, 2021 for the purchase of police vehicles at a gross cost of \$282,038. The lease is payable in monthly installments of \$6,499 including interest payable at 5.25%. The cumulative amount of assets acquired under the capital lease amounted to \$281,493 with \$46,916 of accumulated depreciation as of April 30, 2022.

The Village entered into a capital lease during the year ended April 30, 2021 for the purchase of police radios at a gross cost of \$166,380. The lease is payable in annual installments of \$37,321 including interest payable at 3.88%. The cumulative amount of assets acquired under the capital lease amounted to \$166,380 with \$30,503 of accumulated depreciation as of April 30, 2022.

Capital lease obligations will be paid by the General Fund.

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

For the Year Ended April 30,	Total
2023	\$ 296,813
2024	262,232
2025	105,793
2026	37,321
Total minimum lease payments	702,159
Less: Interest	(42,815)
Total principal	\$ 659,344

**NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at April 30, 2022, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 4,355,072	\$ 1,419,626
Motor Fuel Tax Fund	395,555	-
TIF Lakewood Fund	10,000	930,889
TIF Sauk Trail Governor's Highway Fund	1,483	1,172,486
Capital Projects Fund	-	345,804
Nonmajor Governmental Funds	269,198	661,510
Water and Sewer Fund	403,685	-
Refuse Fund	-	741,437
Commuter Parking Lot Fund	11,417	174,658
	\$ 5,446,410	\$ 5,446,410

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

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 7 – INTERFUND TRANSFERS**

The following transfers were made during the year:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 480,295
Motor Fuel Tax Fund	-	276,065
Capital Projects Fund	597,513	-
Nonmajor Governmental Funds	260,343	114,143
Commuter Parking Lot Fund	12,647	-
Total	<u>\$ 870,503</u>	<u>\$ 870,503</u>

The Village transferred \$260,343 and \$12,647 from the General Fund to the Parks and Recreation Fund and Commuter Parking Lot Fund, respectively, to cover the excess of expenditures/expenses over revenues in those funds. The other transfers were repayments of interfund debt.

Governmental activities transferred stormwater infrastructure to the Water and Sewer Fund in the amount of \$1,096,378.

**NOTE 8 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

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

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

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.

For the fiscal year ended April 30, 2022, the general fund's expenditures exceeded budget by \$999,544.

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(Continued)



VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND**

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

*Benefits Provided.* IMRF has three benefits plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

*Employees Covered by Benefit Terms.* As of December 31, 2021 the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	72
Inactive plan members entitled to but not yet receiving benefits	73
Active plan members	59
Total	<u>204</u>

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND** (Continued)

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2021 was 12.82%. For the fiscal year ended April 30, 2022, the Village contributed \$442,765 to the plan. For the fiscal year ended April 30, 2021, the Village contributed \$460,076 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

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

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended April 30, 2022

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**NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND** (Continued)

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	39%	1.90%
International Equities	15%	3.15%
Fixed Income	25%	-0.60%
Real Estate	10%	3.30%
Alternatives	10%	1.70%-5.50%
Cash Equivalents	1%	-0.90%
	100%	

There were no benefit changes during the year or other significant assumption changes. The Village is not aware of any changes that have occurred subsequent to the measurement date that are expected to have a significant effect on the net pension liability.

*Discount Rate.* A single discount rate of 7.25% was used to measure the total pension liability as of December 31, 2021. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

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

Based on those assumptions, the 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 not blended with the AA rated general obligation bond index at December 31, 2021 to arrive at the discount rate used to determine the total pension liability. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, which is unchanged from the previous measurement date. The last year the plan is expected to be fully funded is December 31, 2121.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

**NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND** (Continued)

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Primary government:			
Balances at January 1, 2021	\$ 16,794,841	\$ 15,522,366	\$ 1,272,475
Changes for the year:			
Service cost	312,581	-	312,581
Interest	1,198,726	-	1,198,726
Actuarial experience	550,003	-	550,003
Assumption changes	-	-	-
Contributions - Employer	-	505,573	(505,573)
Contributions - Employee	-	215,724	(215,724)
Net investment income	-	2,602,652	(2,602,652)
Benefit payments, including refunds	(833,968)	(833,968)	-
Other (net transfer)	-	(226,159)	226,159
Net changes	<u>1,227,342</u>	<u>2,263,822</u>	<u>(1,036,480)</u>
Balances at December 31, 2021	<u>\$ 18,022,183</u>	<u>\$ 17,786,188</u>	<u>\$ 235,995</u>

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Village's net pension liability (asset)	\$ 2,393,640	\$ 235,995	\$ (1,468,539)

*Pension Income, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* For the year ended April 30, 2022, the Village recognized pension income of \$24,495 for the regular plan. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to the IMRF regular plan pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental activities:		
Differences between expected and actual experience	\$ 289,114	\$ 94,989
Assumption changes	-	29,692
Net difference between projected and actual earnings on pension plan investments	-	1,478,055
Change in proportionate share	30,769	-
Contributions made subsequent to the measurement date	103,804	-
	<u>\$ 423,687</u>	<u>\$ 1,602,736</u>

(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Business-type activities:		
Differences between expected and actual experience	\$ 99,489	\$ 32,687
Assumption changes	-	10,217
Net difference between projected and actual earnings on pension plan investments	-	508,624
Change in proportionate share	1,568	32,337
Contributions made subsequent to the measurement date	35,721	-
	\$ 136,778	\$ 583,865

The Village reported \$139,525 of deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year-Ending April 30	Governmental Activities	Business-Type Activities
2023	\$ (305,564)	\$ (122,327)
2024	(446,594)	(170,858)
2025	(309,055)	(113,352)
2026	(221,640)	(76,271)
Total	\$ (1,282,853)	\$ (482,808)

**NOTE 10 – POLICE PENSION PLAN**

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

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

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	29
Total	53

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 10 – POLICE PENSION PLAN** (Continued)

*Benefits Provided.* The Police Pension Plan provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters the plan. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. The monthly benefit of a police officer who retired with 20 or more of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the preceding calendar year.

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

*Contributions.* Covered employees are required by ILCS to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Fund, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year ended April 30, 2022, the Village's contribution was \$1,015,349 or 36.22% covered-employee payroll.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 10 – POLICE PENSION PLAN** (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	43.00%	0.19%
Domestic equity - Large cap	25.00%	4.15%
Domestic equity - Mid cap	7.50%	4.35%
Domestic equity - Small cap	7.50%	4.54%
International equities	10.00%	2.20%
Real estate (REITs)	5.00%	4.00%
Cash	2.00%	-0.27%
	100.00%	

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, 2022 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, 2022, the annual money-weighted rate of return on pension plan investments (excluding CD's), net of pension plan investment expense, was (3.64)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended April 30, 2022

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**NOTE 10 – POLICE PENSION PLAN** (Continued)

*Single Discount Rate.* The single discount rate used to measure the total pension liability was 5.62%. 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 not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan assets of 6.80% was blended with the index rate of 3.21% for a tax exempt general obligation municipal bonds rated AA or better at April 30, 2022 to arrive at a discount rate of 5.62% used to determine the total pension liability.

*Discount Rate Sensitivity.* The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 5.62% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1% point lower (4.62%) or 1% point higher (6.62%) than the current rate:

	1% Decrease 4.62%	Current Discount Rate 5.62%	1% Increase 6.62%
Village's net pension liability for the police pension	\$ 25,347,461	\$ 19,260,224	\$ 14,359,879

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total pension liability at April 30, 2022:

- The Actuarial Cost Method used was Entry Age Normal (level % of pay).
- The Discount Rate used was 5.62%.
- The Projected Individual Pay Increases used was 3.50% - 11.74%.
- The Projected Total Payroll Increases used was 3.25%.
- The Consumer Price Index used was 2.25%.
- The Inflation Rate used was 2.25%.
- Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. Retiree Mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates. Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
- Retirement Rates are based on 120% of L&A 2020 Illinois Police Retirement Rates Capped at Age 62.
- Termination Rates are based on 100% of L&A 2020 Illinois Police Termination Rates.

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(Continued)



VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

**NOTE 10 – POLICE PENSION PLAN** (Continued)

- Disability Rates are based on 100% of L&A 2020 Illinois Police Disability Rates.
- Martial Assumptions are based on 80% of Active Members and actual spousal data of Retiree & Disabled Members.

The High-Quality 20 Year Tax-Exempt General Obligation Bond Rate assumption was changed from 2.27% to 3.21% for the current year. The choice of index is unchanged from the prior year. The rate has been updated based on changes in market conditions as reflected in the index. The discount rate used in the determination of the total pension liability was changed from 5.74% to 5.62%. The expected rate of return on investments was updated from 7.00% to 6.80%.

*Changes in the Net Pension Liability for the Police Pension Fund:*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at May 1, 2021	\$ 37,460,702	\$ 19,407,356	\$ 18,053,346
Changes for the year:			
Service cost	945,984	-	945,984
Interest	2,000,538	-	2,000,538
Actuarial experience	(1,756,397)	-	(1,756,397)
Assumptions changes	644,560	-	644,560
Changes of benefit terms	-	-	-
Contributions - employer	-	1,015,349	(1,015,349)
Contributions - employee	-	261,170	(261,170)
Contributions - other	-	77,690	(77,690)
Net investment income	-	(682,110)	682,110
Benefit payments, including refunds	(1,520,236)	(1,520,236)	-
Administrative expense	-	(44,292)	44,292
Net changes	<u>314,449</u>	<u>(892,429)</u>	<u>1,206,878</u>
Balances at April 30, 2022	<u>\$ 37,775,151</u>	<u>\$ 18,514,927</u>	<u>\$ 19,260,224</u>

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions.* For the year ended April 30, 2022, the Village recognized pension expense of \$1,854,869.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 670,708	\$ 2,013,909
Changes of assumptions	6,133,432	2,039,774
Net difference between projected and actual earnings on investments	341,493	-
Total	<u>\$ 7,145,633</u>	<u>\$ 4,053,683</u>

(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 10 – POLICE PENSION PLAN** (Continued)

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

Year-Ended April 30	
2023	\$ 531,495
2024	529,841
2025	221,431
2026	930,294
2027	756,383
Thereafter	<u>122,506</u>
Total	<u><u>\$3,091,950</u></u>

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS**

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

*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, 2022, membership in the plan consisted of:

Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>64</u>
Total	<u><u>70</u></u>

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

*Actuarial Assumptions.* The following are the methods and assumptions used to determine the total OPEB liability at April 30, 2022:

- The Actuarial Cost Method used was the Entry Age Normal (level percent of pay).
- The Discount Rate used to measure the OPEB liability was 3.21%, the 20-year municipal bond yield from the S&P Municipal Bond 20 Year High-Grade Rate Index as of April 30, 2022.
- Salary increases were assumed to be 3.00%; inflation is expected to be 2.25%.
- The Healthcare Cost Trend Rate is based on the 2021 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
- IMRF Mortality follows the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020.
- Police Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates.
- Spousal Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality Improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
- Disabled Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates.

Actuarial assumptions were changed from the prior year. The discount rate was changed from 2.27% to 3.21% based on changes in market conditions as reflected in the Index.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

*Changes in the Total OPEB Liability.* The Village's total OPEB liability was measured as of April 30, 2022 and was determined by an actuarial valuation as of that date.

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at May 1, 2021	\$ 2,338,675
Changes for the year:	
Service cost	66,349
Interest	52,210
Change of Benefit Terms	-
Actuarial experience	-
Assumptions changes	(277,547)
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds	(77,362)
Administrative expense	-
Net changes	(236,350)
Balance at April 30, 2022	\$ 2,102,325

*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% Decrease	Current Rate	1% Increase
	2.21%	3.21%	4.21%
Total OPEB Liability	\$ 2,346,698	\$ 2,102,325	\$ 1,893,306

*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% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	(Varies)	(Varies)	(Varies)
Total OPEB Liability	\$ 1,848,961	\$ 2,102,325	\$ 2,402,385

*OPEB Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* For the year ended April 30, 2022, the Village recognized OPEB income of \$158,988. At April 30, 2022, the Village reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 12 – RISK MANAGEMENT**

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

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

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

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

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

**NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

**Construction Commitments**

The Village started the Town Center Stormwater Project (Project) in fiscal year 2019. The Project will be broken down in phases. As of April 30, 2022, Phases I and II are complete, and Phase III is in progress.

The Village started the Poplar Avenue Bike Trail Project (Project) in fiscal year 2020. The Project will be broken down in phases. Phases I and II were completed in fiscal year 2021. Phase III of the Project is expected to be completed in fiscal year 2023.

The Village started the Park Forest – Richton Park Joint Repaving Project in fiscal year 2022.

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**NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS** (Continued)

**Economic Development Agreements**

In August 2017, the Village entered into a redevelopment agreement with a Delaware Statutory Trust (the “Developer”) to provide economic assistance for the Developer to acquire and redevelop the project site located in the Lakewood Redevelopment Project Area (TIF Lakewood). Under the terms of the agreement, the Village agrees to reimburse the Developer 95 percent of incremental property tax revenues generated within the project site on an annual basis up to over 20 years in an amount not to exceed a total TIF incentive of \$10,800,000. As of April 30, 2022, the Village has remitted \$6,309,382 related to this agreement.

**NOTE 14 – NEW GOVERNMENTAL ACCOUNTING STANDARDS**

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

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

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

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement that were not implemented during the fiscal year are effective for the Village’s fiscal year ended April 30, 2023. Management has not yet determined the impact of this statement on the Village’s financial statements.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 14 – NEW GOVERNMENTAL ACCOUNTING STANDARDS** (Continued)

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

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement is effective for the Village's fiscal year ended April 30, 2024. Management has not yet determined the impact of this statement on the Village's financial statements.

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

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, public-private and public-public partnerships, and subscription-based information technology arrangements are effective for the Village's fiscal year ended April 30, 2024. The requirements related to financial guarantees and the classification and reporting of derivative instruments are effective for the Village's fiscal year ended April 30, 2025. Management has not yet determined the impact of this statement on the Village's financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the Village's fiscal year ended April 30, 2025. Management has not yet determined the impact of this statement on the Village's financial statements.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended April 30, 2022

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**NOTE 14 – NEW GOVERNMENTAL ACCOUNTING STANDARDS** (Continued)

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the Village’s fiscal year ended April 30, 2025. Management has not yet determined the impact of this statement on the Village’s financial statements.

**NOTE 15 – RESTATEMENT**

During the fiscal year, the Village made the following prior period adjustments to the beginning net position. The adjustments are related to the allocation of the Illinois Municipal Retirement Fund (IMRF) net pension liability and related deferred inflows of resources and deferred outflows of resources between governmental activities and business-type activities as required by the Governmental Accounting Standards Board.

The Village’s net position as of May 1, 2021 has been restated as follows:

	<u>Governmental Activities</u>	<u>Water and Sewer Fund</u>	<u>Refuse Fund</u>	<u>Commuter Parking Lot Fund</u>	<u>Business Type Activities</u>
Net position, beginning of year	\$ (1,571,812)	\$ 7,736,096	\$ (112,564)	\$ 470,704	\$ 8,094,236
Deferred outflows of resources - IMRF	(101,573)	81,305	14,863	5,405	101,573
Net pension liability - IMRF	349,057	(279,406)	(51,077)	(18,574)	(349,057)
Deferred inflows of resources - IMRF	<u>405,405</u>	<u>(324,510)</u>	<u>(59,323)</u>	<u>(21,572)</u>	<u>(405,405)</u>
Adjustments	<u>652,889</u>	<u>(522,611)</u>	<u>(95,537)</u>	<u>(34,741)</u>	<u>(652,889)</u>
Net position, beginning of year, as restated	<u>\$ (918,923)</u>	<u>\$ 7,213,485</u>	<u>\$ (208,101)</u>	<u>\$ 435,963</u>	<u>\$ 7,441,347</u>



**REQUIRED SUPPLEMENTARY INFORMATION**

Village of Richton Park, Illinois  
Schedule of Changes in Net Pension Liability and Related Ratios  
IMRF Regular Plan  
Last Seven Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension liability:							
Service cost	\$ 312,581	\$ 382,226	\$ 379,387	\$ 296,946	\$ 332,021	\$ 275,870	\$ 251,125
Interest on the total pension liability	1,198,726	1,154,746	1,136,700	1,045,904	990,426	863,037	796,996
Benefit changes	-	-	-	-	-	-	-
Difference between expected and actual experience	550,003	(18,344)	(530,399)	574,339	455,021	1,103,413	369,115
Assumption changes	-	(82,773)	-	464,311	(416,715)	(33,787)	15,273
Benefit payments and refunds	<u>(833,968)</u>	<u>(754,851)</u>	<u>(721,553)</u>	<u>(657,433)</u>	<u>(549,571)</u>	<u>(588,151)</u>	<u>(507,342)</u>
Net change in total pension liability	1,227,342	681,004	264,135	1,724,067	811,182	1,620,382	925,167
Total pension liability - beginning	<u>16,794,841</u>	<u>16,113,837</u>	<u>15,849,702</u>	<u>14,125,635</u>	<u>13,314,453</u>	<u>11,694,071</u>	<u>10,768,904</u>
Total pension liability - ending (a)	<u>\$ 18,022,183</u>	<u>\$ 16,794,841</u>	<u>\$ 16,113,837</u>	<u>\$ 15,849,702</u>	<u>\$ 14,125,635</u>	<u>\$ 13,314,453</u>	<u>\$ 11,694,071</u>
Plan fiduciary net position:							
Employer contributions	\$ 505,573	\$ 494,020	\$ 483,456	\$ 465,613	\$ 379,418	\$ 345,169	\$ 276,981
Employee contributions	215,724	156,229	162,256	161,804	181,881	288,422	106,897
Pension plan net investment income (loss)	2,602,652	1,931,821	2,167,886	(651,772)	1,801,684	676,470	49,084
Benefit payments and refunds	(833,968)	(754,851)	(721,553)	(657,433)	(549,571)	(588,151)	(507,342)
Other (net transfer)	<u>(226,159)</u>	<u>241,928</u>	<u>(181,717)</u>	<u>199,132</u>	<u>(203,415)</u>	<u>(231,555)</u>	<u>121,135</u>
Net change in plan fiduciary net position	2,263,822	2,069,147	1,910,328	(482,656)	1,609,997	490,355	46,755
Plan fiduciary net position - beginning	<u>15,522,366</u>	<u>13,453,219</u>	<u>11,542,891</u>	<u>12,025,547</u>	<u>10,415,550</u>	<u>9,925,195</u>	<u>9,878,440</u>
Plan fiduciary net position - ending (b)	<u>\$ 17,786,188</u>	<u>\$ 15,522,366</u>	<u>\$ 13,453,219</u>	<u>\$ 11,542,891</u>	<u>\$ 12,025,547</u>	<u>\$ 10,415,550</u>	<u>\$ 9,925,195</u>
Net pension liability (asset) - ending (a) - (b)	\$ 235,995	\$ 1,272,475	\$ 2,660,618	\$ 4,306,811	\$ 2,100,088	\$ 2,898,903	\$ 1,768,876
Plan fiduciary net position as a percentage of total pension liability	98.69%	92.42%	83.49%	72.83%	85.13%	78.23%	84.87%
Covered payroll	\$ 3,547,794	\$ 3,471,747	\$ 3,605,700	\$ 3,466,965	\$ 3,056,723	\$ 2,883,001	\$ 2,375,482
Net pension liability as a percentage of covered payroll	6.65%	36.65%	73.79%	124.22%	68.70%	100.55%	74.46%

This is a 10-year schedule. However, information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years will be presented. The amounts presented for each fiscal year were determined as of the calendar year that occurred within the fiscal year.

Village of Richton Park, Illinois  
Schedule of Employer Contributions  
IMRF Regular Plan  
Last Seven Fiscal Years

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Fiscal Year	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 276,981	\$ 276,981	\$ -	\$ 2,375,482	11.66%
2017	332,987	345,169	(12,182)	2,883,001	11.97%
2018	356,108	379,418	(23,310)	3,056,723	12.41%
2019	465,613	465,613	-	3,466,965	13.43%
2020	470,544	483,456	(12,912)	3,605,700	13.41%
2021	460,076	460,076	-	3,393,851	13.56%
2022	442,765	442,765	-	3,500,848	12.65%

This is a 10-year schedule. Years will be added to this schedule in future fiscal years until 10 years will be presented.

Village of Richton Park, Illinois  
Schedule of Changes in Net Pension Liability and Related Ratios  
Police Pension Fund  
Last Eight Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension liability:								
Service Cost	\$ 945,984	\$ 683,694	\$ 601,320	\$ 599,629	\$ 738,771	\$ 697,085	\$ 678,206	\$ 704,544
Interest on the total pension liability	2,000,538	2,039,381	1,885,340	1,842,488	1,748,027	1,706,237	1,447,906	1,458,172
Benefit changes	-	-	240,799	-	-	-	-	-
Difference between expected and actual experience	(1,756,397)	199,175	540,026	(527,252)	55,278	488,127	(887,072)	-
Assumption changes	644,560	6,253,394	187,796	-	(4,249,555)	(1,024,694)	3,840,520	-
Benefit payments and refunds	<u>(1,520,236)</u>	<u>(1,401,822)</u>	<u>(1,403,654)</u>	<u>(1,201,728)</u>	<u>(1,203,252)</u>	<u>(1,132,582)</u>	<u>(1,126,673)</u>	<u>(995,920)</u>
Net change in total pension liability	314,449	7,773,822	2,051,627	713,137	(2,910,731)	734,173	3,952,887	1,166,796
Total pension liability - beginning	<u>37,460,702</u>	<u>29,686,880</u>	<u>27,635,253</u>	<u>26,922,116</u>	<u>29,832,847</u>	<u>29,098,674</u>	<u>25,145,786</u>	<u>23,978,990</u>
Total pension liability - ending (a)	<u>\$ 37,775,151</u>	<u>\$ 37,460,702</u>	<u>\$ 29,686,880</u>	<u>\$ 27,635,253</u>	<u>\$ 26,922,116</u>	<u>\$ 29,832,847</u>	<u>\$ 29,098,673</u>	<u>\$ 25,145,786</u>
Plan fiduciary net position:								
Employer contributions	\$ 1,015,349	\$ 1,016,217	\$ 1,030,366	\$ 957,175	\$ 1,167,734	\$ 533,182	\$ 591,377	\$ 627,574
Employee contributions	261,170	260,025	266,836	248,158	236,133	215,914	207,031	208,291
Other contributions	77,690	1,300	62,579	1,300	1,300	1,300	-	-
Pension plan net investment income (loss)	(682,110)	3,608,956	551,326	1,008,635	842,806	1,033,825	(146,008)	999,854
Benefit payments and refunds	(1,520,236)	(1,401,822)	(1,403,654)	(1,201,728)	(1,203,251)	(1,132,582)	(1,126,673)	(995,920)
Administrative expense	<u>(44,292)</u>	<u>(34,901)</u>	<u>(38,043)</u>	<u>(103,012)</u>	<u>(37,492)</u>	<u>(37,230)</u>	<u>(35,898)</u>	<u>(35,789)</u>
Net change in plan fiduciary net position	(892,429)	3,449,775	469,410	910,528	1,007,230	614,409	(510,171)	804,010
Plan fiduciary net position - beginning	<u>19,407,356</u>	<u>15,957,581</u>	<u>15,488,171</u>	<u>14,577,643</u>	<u>13,570,413</u>	<u>12,956,004</u>	<u>13,466,175</u>	<u>12,662,164</u>
Plan fiduciary net position - ending (b)	<u>\$ 18,514,927</u>	<u>\$ 19,407,356</u>	<u>\$ 15,957,581</u>	<u>\$ 15,488,171</u>	<u>\$ 14,577,643</u>	<u>\$ 13,570,413</u>	<u>\$ 12,956,004</u>	<u>\$ 13,466,174</u>
Net pension liability (asset) - ending (a) - (b)	\$ 19,260,224	\$ 18,053,346	\$ 13,729,299	\$ 12,147,082	\$ 12,344,473	\$ 16,262,434	\$ 16,142,669	\$ 11,679,612
Plan fiduciary net position as a percentage of total pension liability	49.01%	51.81%	53.75%	56.04%	54.15%	45.49%	44.52%	53.55%
Covered payroll	\$ 2,803,459	\$ 2,714,464	\$ 2,593,112	\$ 2,562,972	\$ 2,287,069	\$ 2,215,079	\$ 2,199,135	\$ 2,057,667
Net pension liability as a percentage of covered payroll	687.02%	665.08%	529.45%	473.95%	539.75%	734.17%	734.05%	567.61%

Village of Richton Park, Illinois  
Schedule of Employer Contributions  
Police Pension Fund  
Last Eight Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,394,320	\$ 1,160,603	\$ 1,118,604	\$ 1,100,640	\$ 1,028,788	\$ 572,544	\$ 618,781	\$ 612,806
Contribution in relation to the actuarially determined contribution	<u>1,015,349</u>	<u>1,016,217</u>	<u>1,030,366</u>	<u>957,175</u>	<u>1,167,734</u>	<u>533,182</u>	<u>591,377</u>	<u>627,574</u>
Contribution Deficiency (Excess)	<u>\$ 378,971</u>	<u>\$ 144,386</u>	<u>\$ 88,238</u>	<u>\$ 143,465</u>	<u>\$ (138,946)</u>	<u>\$ 39,362</u>	<u>\$ 27,404</u>	<u>\$ (14,768)</u>
Covered-employee payroll	\$ 2,803,459	\$ 2,714,464	\$ 2,593,112	\$ 2,562,972	\$ 2,287,069	\$ 2,215,079	\$ 2,199,135	\$ 2,057,677
Contributions as a percentage of covered-employee payroll	36.22%	37.44%	39.73%	37.35%	51.06%	24.07%	26.89%	30.50%

**Notes to Schedule**

The Actuarially Determined Contribution shown above for the current year is the Recommended Contribution from the May 1, 2020 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2020 tax levy. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay
Equivalent Single Amortization Period	100% Funded Over 20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation (CPI-U)	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases	3.50% - 11.74%
Expected Rate of Return on Investments	7.00%
Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
Retirement Rates	120% of L&A 2020 Illinois Police Retirement Rates Capped at age 62
Termination Rates	100% of L&A 2020 Illinois Police Termination Rates
Disability Rates	100% L&A 2020 Illinois Police Disability Rates

This is a 10-year schedule. Years will be added to this schedule in future fiscal years until 10 years will be presented.

Village of Richton Park, Illinois  
Schedule of Investment Returns  
Police Pension Fund  
Last Seven Fiscal Years

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money - weighted rate of return, net of investment expense	-3.64%	24.19%	3.74%	5.90%	5.90%	8.69%	-0.66%

This is a 10-year schedule. Years will be added to this schedule in future fiscal years until 10 years will be presented.

Village of Richton Park, Illinois  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Last Four Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability:				
Service Cost	\$ 66,349	\$ 82,270	\$ 62,572	\$ 58,630
Interest on the total pension liability	52,210	76,362	96,074	97,977
Difference between expected and actual experience	-	(904,179)	-	-
Assumption changes	(277,547)	168,715	424,008	43,144
Benefit payments and refunds	<u>(77,362)</u>	<u>(134,776)</u>	<u>(135,394)</u>	<u>(129,455)</u>
Net change in total OPEB liability	(236,350)	(711,608)	447,260	70,296
Total OPEB liability - beginning	<u>2,338,675</u>	<u>3,050,283</u>	<u>2,603,023</u>	<u>2,532,727</u>
Total OPEB liability - ending (a)	<u>\$ 2,102,325</u>	<u>\$ 2,338,675</u>	<u>\$ 3,050,283</u>	<u>\$ 2,603,023</u>
Covered payroll	\$ 6,750,441	\$ 6,553,826	\$ 4,766,865	\$ 4,628,024
Total OPEB liability as a percentage of covered payroll	31.14%	35.68%	63.99%	56.24%

**Notes to Schedule**

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

There is no actuarially determined contribution or employer contribution in relation to the actuarially determined contribution, as the Village does not have a trust that exists for funding OPEB liabilities.

Village of Richton Park, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended April 30, 2022

	Budget		Actual	(Over) Under Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 2,712,531	\$ 2,712,531	\$ 3,027,599	\$ (315,068)
Sales	1,925,000	1,925,000	2,384,090	(459,090)
Income	1,523,000	1,523,000	2,069,433	(546,433)
Other	805,200	805,200	790,245	14,955
Utilities	815,000	815,000	917,124	(102,124)
Licenses and permits	683,100	683,100	769,599	(86,499)
Fines and forfeitures	718,000	718,000	848,391	(130,391)
Charges for services	744,000	744,000	1,192,435	(448,435)
Grants	75,200	75,200	6,020	69,180
Interest	-	-	1,468	(1,468)
Miscellaneous	391,000	391,000	284,322	106,678
Total revenues	<u>10,392,031</u>	<u>10,392,031</u>	<u>12,290,726</u>	<u>(1,898,695)</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,476,159	2,465,931	1,947,290	518,641
Public safety	6,247,686	6,247,686	7,020,915	(773,229)
Public works	672,669	625,962	671,245	(45,283)
Economic development	3,437	11,477	-	11,477
Debt service:	-	-		
Principal	-	-	475,308	(475,308)
Interest and debt issuance costs	-	-	84,288	(84,288)
Capital outlay	-	-	58,404	(58,404)
Total expenditures	<u>9,399,951</u>	<u>9,351,056</u>	<u>10,257,450</u>	<u>(906,394)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	992,080	1,040,975	2,033,276	(992,301)
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease proceeds	-	-	82,996	(82,996)
Transfers out	(803,992)	(803,992)	(480,295)	(323,697)
Total other financing sources (uses)	<u>(803,992)</u>	<u>(803,992)</u>	<u>(397,299)</u>	<u>(406,693)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 188,088</u>	<u>\$ 236,983</u>	1,635,977	<u>\$ (1,398,994)</u>
<b>FUND BALANCE, Beginning of year</b>			<u>4,437,452</u>	
<b>FUND BALANCE, End of year</b>			<u>\$ 6,073,429</u>	

See Notes to Required Supplementary Information



Village of Richton Park, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Motor Fuel Tax Fund  
Year Ended April 30, 2022

	Budget		Actual	(Over) Under Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Other	\$ 615,000	\$ 516,000	\$ 562,663	\$ (46,663)
Grants	300,000	300,000	410,571	(110,571)
Interest	336	2,000	894	1,106
Total revenues	<u>915,336</u>	<u>818,000</u>	<u>974,128</u>	<u>(156,128)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>260,000</u>	<u>249,620</u>	<u>157,713</u>	<u>91,907</u>
Total expenditures	<u>260,000</u>	<u>249,620</u>	<u>157,713</u>	<u>91,907</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	655,336	568,380	816,415	(248,035)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(545,000)</u>	<u>(545,000)</u>	<u>(276,065)</u>	<u>268,935</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 110,336</u>	<u>\$ 23,380</u>	540,350	<u>\$ 516,970</u>
<b>FUND BALANCE, Beginning of year</b>			<u>1,136,659</u>	
<b>FUND BALANCE, End of year</b>			<u>\$ 1,677,009</u>	

See Notes to Required Supplementary Information

Village of Richton Park, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
TIF Lakewood Fund  
Year Ended April 30, 2022

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	Budget Original and Final	Actual	(Over) Under Budget
<b>REVENUES</b>			
Taxes:			
Property	\$ 2,700,000	\$ 2,339,351	\$ 360,649
<b>EXPENDITURES</b>			
Current:			
Economic development	2,705,152	2,376,816	328,336
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,152)</u>	(37,465)	<u>\$ 32,313</u>
<b>FUND BALANCE, Beginning of year</b>		<u>1,190,509</u>	
<b>FUND BALANCE, End of year</b>		<u>\$ 1,153,044</u>	

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See Notes to Required Supplementary Information

Village of Richton Park, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
TIF Sauk Trail/Governor's Highway Fund  
Year Ended April 30, 2022

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	Budget Original and Final	Actual	(Over) Under Budget
<b>REVENUES</b>			
Taxes:			
Property	\$ 150,000	\$ 211,130	\$ (61,130)
<b>EXPENDITURES</b>			
Current:			
Economic development	149,152	105,846	43,306
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 848</u>	105,284	<u>\$ (104,436)</u>
<b>FUND BALANCE (DEFICIT), Beginning of year</b>		<u>(760,999)</u>	
<b>FUND BALANCE (DEFICIT), End of year</b>		<u>\$ (655,715)</u>	

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See Notes to Required Supplementary Information

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended April 30, 2022

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**NOTE 1 – BASIS OF ACCOUNTING**

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

**NOTE 2 – EXCESS OF DISBURSEMENTS OVER APPROPRIATIONS**

For the fiscal year ended April 30, 2022, the General Fund had expenditures in excess of budget of \$906,394.

**NOTE 3 – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 CONTRIBUTION RATE FOR IMRF\***

**Valuation Date:**

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

**Methods and assumptions used to determine 2021 contribution rates:**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Taxing bodies (Regular, SLEP and ECO groups): 22 year closed period until remaining period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94 712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

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(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended April 30, 2022

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**NOTE 3 – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 CONTRIBUTION RATE FOR IMRF\*** (Continued)

Mortality

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

**Other Information:**

Notes: There were no benefit changes during the year.

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

**SUPPLEMENTARY INFORMATION**

Village of Richton Park, Illinois  
Combining Balance Sheet  
Nonmajor Governmental Funds  
April 30, 2022

	Special Revenue					
	Administrative Seizure Fund	Foreign Fire Insurance Fund	DUI Fines Returned Fund	American Rescue Plan Act	TIF Crossings Fund	TIF Governor's Highway Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 35,000	\$ 15,693	\$ 1,432	\$ 904,419	\$ 59,679	\$ -
Receivables	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	72,947
<b>Total assets</b>	<u>\$ 35,000</u>	<u>\$ 15,693</u>	<u>\$ 1,432</u>	<u>\$ 904,419</u>	<u>\$ 59,679</u>	<u>\$ 72,947</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Unearned grant revenue	-	-	-	904,419	-	-
Due to other funds	-	-	-	-	-	103,072
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>904,419</u>	<u>-</u>	<u>103,072</u>
Deferred inflows of resources:						
Unavailable property taxes	-	-	-	-	-	-
Unavailable grant	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit):						
Restricted:						
Economic development	-	-	-	-	59,679	-
Public safety	35,000	15,693	1,432	-	-	-
Unassigned (deficit)	-	-	-	-	-	(30,125)
<b>Total fund balances (deficits)</b>	<u>35,000</u>	<u>15,693</u>	<u>1,432</u>	<u>-</u>	<u>59,679</u>	<u>(30,125)</u>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<u>\$ 35,000</u>	<u>\$ 15,693</u>	<u>\$ 1,432</u>	<u>\$ 904,419</u>	<u>\$ 59,679</u>	<u>\$ 72,947</u>

(Continued)

Village of Richton Park, Illinois  
Combining Balance Sheet  
Nonmajor Governmental Funds  
April 30, 2022

	Special Revenue					Total Nonmajor Funds
	TIF Bohlman Fund	TIF Sauk West Fund	TIF Town Center Fund	Parks and Recreation Fund	Community Development Block Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 76,569	\$ 223,395	\$ 870,658	\$ 207,133	\$ -	\$ 2,393,978
Receivables						
Property taxes	-	-	-	82,421	-	82,421
Accounts	-	-	-	205	163,197	163,402
Due from other funds	-	-	192,593	3,658	-	269,198
Total assets	<u>\$ 76,569</u>	<u>\$ 223,395</u>	<u>\$ 1,063,251</u>	<u>\$ 293,417</u>	<u>\$ 163,197</u>	<u>\$ 2,908,999</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 3,691	\$ 7,945	\$ 15,607	\$ 28,141	\$ 55,384
Accrued payroll and related	-	-	-	4,000	-	4,000
Deposits	-	-	-	245	-	245
Unearned grant revenue	-	-	-	-	-	904,419
Due to other funds	-	208,374	-	326,413	23,651	661,510
Total liabilities	<u>-</u>	<u>212,065</u>	<u>7,945</u>	<u>346,265</u>	<u>51,792</u>	<u>1,625,558</u>
Deferred inflows of resources:						
Unavailable property taxes	-	-	-	81,100	-	81,100
Unavailable grant	-	-	-	-	163,197	163,197
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,100</u>	<u>163,197</u>	<u>244,297</u>
Fund balance (deficit):						
Restricted:						
Economic development	76,569	11,330	1,055,306	-	-	1,202,884
Public safety	-	-	-	-	-	52,125
Unassigned (deficit)	-	-	-	(133,948)	(51,792)	(215,865)
Total fund balances (deficits)	<u>76,569</u>	<u>11,330</u>	<u>1,055,306</u>	<u>(133,948)</u>	<u>(51,792)</u>	<u>1,039,144</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 76,569</u>	<u>\$ 223,395</u>	<u>\$ 1,063,251</u>	<u>\$ 293,417</u>	<u>\$ 163,197</u>	<u>\$ 2,908,999</u>



Village of Richton Park, Illinois  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Year Ended April 30, 2022

	Special Revenue					
	Administrative Seizure Fund	Foreign Fire Insurance Fund	DUI Fines Returned Fund	American Rescue Plan Act	TIF Crossings Fund	TIF Governor's Highway Fund
<b>REVENUES</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	17,937	-	-	-	-
Fines and forfeitures	19,000	-	520	-	-	-
Charges for services	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>19,000</u>	<u>17,937</u>	<u>520</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	7,419	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>7,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>19,000</u>	<u>10,518</u>	<u>520</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(74,900)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74,900)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	19,000	10,518	520	-	(74,900)	-
<b>FUND BALANCES (DEFICITS), Beginning of year</b>	<u>16,000</u>	<u>5,175</u>	<u>912</u>	<u>-</u>	<u>134,579</u>	<u>(30,125)</u>
<b>FUND BALANCES (DEFICITS), End of year</b>	<u>\$ 35,000</u>	<u>\$ 15,693</u>	<u>\$ 1,432</u>	<u>\$ -</u>	<u>\$ 59,679</u>	<u>\$ (30,125)</u>

(Continued)

Village of Richton Park, Illinois  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Year Ended April 30, 2022

	Special Revenue					Total Nonmajor Funds
	TIF Bohlman Fund	TIF Sauk West Fund	TIF Town Center Fund	Parks and Recreation Fund	Community Development Block Fund	
<b>REVENUES</b>						
Taxes:						
Property	\$ 149,624	\$ 231,479	\$ 1,016,098	\$ 56,254	\$ -	\$ 1,453,455
Other	-	-	-	-	-	17,937
Fines and forfeitures	-	-	-	-	-	19,520
Charges for services	-	-	-	71,458	-	71,458
Grants	-	-	25,909	-	646,714	672,623
Interest	-	95	-	-	-	95
Miscellaneous	-	-	43,117	100	-	43,217
Total revenues	<u>149,624</u>	<u>231,574</u>	<u>1,085,124</u>	<u>127,812</u>	<u>646,714</u>	<u>2,278,305</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	7,419
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	388,154	-	388,154
Economic development	-	33,325	203,676	-	3,349	240,350
Capital outlay	-	-	-	-	656,154	656,154
Total expenditures	<u>-</u>	<u>33,325</u>	<u>203,676</u>	<u>388,154</u>	<u>659,503</u>	<u>1,292,077</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>149,624</u>	<u>198,249</u>	<u>881,448</u>	<u>(260,342)</u>	<u>(12,789)</u>	<u>986,228</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	260,343	-	260,343
Transfers out	-	-	(39,243)	-	-	(114,143)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(39,243)</u>	<u>260,343</u>	<u>-</u>	<u>146,200</u>
<b>NET CHANGE IN FUND BALANCES</b>	149,624	198,249	842,205	1	(12,789)	1,132,428
<b>FUND BALANCES (DEFICITS), Beginning of year</b>	<u>(73,055)</u>	<u>(186,919)</u>	<u>213,101</u>	<u>(133,949)</u>	<u>(39,003)</u>	<u>(93,284)</u>
<b>FUND BALANCES (DEFICITS), End of year</b>	<u>\$ 76,569</u>	<u>\$ 11,330</u>	<u>\$ 1,055,306</u>	<u>\$ (133,948)</u>	<u>\$ (51,792)</u>	<u>\$ 1,039,144</u>

## **OTHER INFORMATION**

Village of Richton Park, Illinois  
Schedule of Legal Debt Margin  
Year Ended April 30, 2022

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Assessed valuation - 2021 tax year		<u>\$ 142,561,061</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 12,295,892
Debt:		
TIF Bonds	\$ 3,500,000	
Capital lease obligations	<u>659,344</u>	
Total Debt		<u>4,159,344</u>
Legal debt margin		<u>\$ 8,136,548</u>