

VILLAGE OF DOLTON, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2021

VILLAGE OF DOLTON, ILLINOIS

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FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

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INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

October 4, 2022

The Honorable Village Mayor
Members of the Board of Trustees
Village of Dolton, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dolton, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of the Police Pension Fund as of April 30, 2021, and the respective changes in financial position, for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit opinions.

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 generally accepted 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 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 generally accepted 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 budgetary comparison 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 of Dolton, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

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

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of business-type activities increased by \$1,577,865, or 216.6 percent and net position of the governmental activities increased by \$5,675,526, or 10.4 percent.
- During the year, government-wide revenues totaled \$37,340,868, while expenses totaled \$30,087,477, resulting in an increase to net position of \$7,253,391.
- The Village's net position totaled a deficit of \$46,760,282 on April 30, 2021, which includes a deficit of \$3,612,152 net investment in capital assets, \$8,812,175 subject to external restrictions, and a deficit of \$51,960,305 unrestricted net position.
- The General Fund reported an increase this year of \$3,555,369 before any other financing sources or uses, a \$2,401,243 increase from the prior year. Also, the General Fund had other financing sources (uses) of (\$1,637,042).

USING THIS ANNUAL REPORT

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

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, public property maintenance and economic development. The business-type activities of the Village include water, sewer, and recreation operations.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

The Village maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Motor Fuel Tax Fund, I-94 Sibley TIF, and Debt Service Fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds

The Village maintains three proprietary fund types: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water, sewer, and recreation center operations.

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and police and firefighters' employee pension obligations, retiree benefits plan and budgetary comparison schedules for the General Fund and major special revenue funds.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, liabilities/deferred inflows exceeded assets/deferred outflows by \$46,760,282.

| | Governmental Activities | | Net Position | | Totals | |
|-------------------------------------|----------------------------|--------------|-----------------------------|-----------|--------------|--------------|
| | | | Business-Type Activities | | | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current Assets | \$ 24,510,484 | 21,315,513 | 7,175,022 | 7,090,819 | 31,685,506 | 28,406,332 |
| Capital Assets | 3,330,346 | 3,674,534 | 1,542,261 | 1,635,381 | 4,872,607 | 5,309,915 |
| Other Assets | 2,719,530 | 2,647,522 | 2,841,307 | 634,455 | 5,560,837 | 3,281,977 |
| Total Assets | 30,560,360 | 27,637,569 | 11,558,590 | 9,360,655 | 42,118,950 | 36,998,224 |
| Deferred Outflows of Resources | 24,919,286 | 31,789,296 | 58,880 | 36,559 | 24,978,166 | 31,825,855 |
| Total Assets/ Deferred Outflows | 55,479,646 | 59,426,865 | 11,617,470 | 9,397,214 | 67,097,116 | 68,824,079 |
| Long-Term Debt | 64,464,917 | 83,946,794 | 6,630,607 | 7,335,793 | 71,095,524 | 91,282,587 |
| Other Liabilities | 7,834,678 | 8,446,338 | 1,194,682 | 1,062,489 | 9,029,360 | 9,508,827 |
| Total Liabilities | 72,299,595 | 92,393,132 | 7,825,289 | 8,398,282 | 80,124,884 | 100,791,414 |
| Deferred Inflows of Resources | 32,246,590 | 21,950,798 | 1,485,924 | 270,540 | 33,732,514 | 22,221,338 |
| Total Liabilities/ Deferred Inflows | 104,546,185 | 114,343,930 | 9,311,213 | 8,668,822 | 113,857,398 | 123,012,752 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | (5,130,003) | (5,638,730) | 1,517,851 | 1,605,532 | (3,612,152) | (4,033,198) |
| Restricted | 8,812,175 | 9,193,667 | — | — | 8,812,175 | 9,193,667 |
| Unrestricted (Deficit) | (52,748,711) | (58,472,002) | 788,406 | (877,140) | (51,960,305) | (59,349,142) |
| Total Net Position | (49,066,539) | (54,917,065) | 2,306,257 | 728,392 | (46,760,282) | (54,188,673) |

A portion of the Village's net position, a deficit \$3,612,152, reflects its investment in capital assets (for example, land, land improvements, buildings and improvements, equipment, furniture and equipment, vehicles, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$8,812,175, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$51,960,305), represents unrestricted net position.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

| | Change in Net Position | | | | | |
|--------------------------------------|------------------------|--------------|---------------|------------|--------------|--------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | Activities | Activities | Activities | 2021 | 2020 |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 6,527,269 | 6,370,734 | 5,654,665 | 5,999,538 | 12,181,934 | 12,370,272 |
| Operating Grants/Contributions | 1,633,770 | 903,619 | — | — | 1,633,770 | 903,619 |
| Capital Grants/Contributions | 914,429 | 303,526 | — | 2,100 | 914,429 | 305,626 |
| General Revenues | | | | | | |
| Property Taxes | 12,412,600 | 13,160,517 | — | — | 12,412,600 | 13,160,517 |
| Sales Taxes | 3,664,237 | 3,016,094 | — | — | 3,664,237 | 3,016,094 |
| Other Taxes | 2,558,669 | 2,225,721 | — | — | 2,558,669 | 2,225,721 |
| Income Taxes | 3,007,608 | 2,277,296 | — | — | 3,007,608 | 2,277,296 |
| Replacement Taxes | 324,392 | 254,016 | — | — | 324,392 | 254,016 |
| Cannabis Taxes | 24,656 | 3,789 | — | — | 24,656 | 3,789 |
| Interest | 8,136 | 58,086 | — | — | 8,136 | 58,086 |
| Miscellaneous | 610,437 | 677,341 | — | — | 610,437 | 677,341 |
| Total Revenues | 31,686,203 | 29,250,739 | 5,654,665 | 6,001,638 | 37,340,868 | 35,252,377 |
| Expenses | | | | | | |
| General Government | 7,061,621 | 6,503,880 | — | — | 7,061,621 | 6,503,880 |
| Public Safety | 11,723,251 | 15,608,895 | — | — | 11,723,251 | 15,608,895 |
| Public Works | 3,164,834 | 3,406,232 | — | — | 3,164,834 | 3,406,232 |
| Public Property Maintenance | 1,769,115 | 1,742,544 | — | — | 1,769,115 | 1,742,544 |
| Economic Development | 349,187 | 434,894 | — | — | 349,187 | 434,894 |
| Interest on Long-Term Debt | 966,164 | 1,504,331 | — | — | 966,164 | 1,504,331 |
| Water | — | — | 5,396,104 | 5,333,622 | 5,396,104 | 5,333,622 |
| Recreation Center | — | — | 198,377 | 413,328 | 198,377 | 413,328 |
| Sewer | — | — | (541,176) | 389,269 | (541,176) | 389,269 |
| Total Expenses | 25,034,172 | 29,200,776 | 5,053,305 | 6,136,219 | 30,087,477 | 35,336,995 |
| Change in Net Position | | | | | | |
| Before Transfers | 6,652,031 | 49,963 | 601,360 | (134,581) | 7,253,391 | (84,618) |
| Transfers | (976,505) | (1,775,862) | 976,505 | 1,775,862 | — | — |
| Change in Net Position | 5,675,526 | (1,725,899) | 1,577,865 | 1,641,281 | 7,253,391 | (84,618) |
| Net Position - Beginning as Restated | (54,742,065) | (53,191,166) | 728,392 | (912,889) | (54,013,673) | (54,104,055) |
| Net Position - Ending | (49,066,539) | (54,917,065) | 2,306,257 | 728,392 | (46,760,282) | (54,188,673) |

VILLAGE OF DOLTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the Village’s governmental activities increased by 10.4 percent (\$49,066,539 deficit in 2021 compared to \$54,742,065 restated deficit in 2020). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$52,748,711 at April 30, 2021. The largest portion of the unrestricted deficit net position relates to the Village’s police and fire pension and other post-employment benefits (OPEB) liability totaling \$46,552,944. The pension and OPEB liability decreased by \$15,902,527 from the prior year. The pension and OPEB liability had changes of assumption in the liability totaling over \$36.5 million between 2021 and 2020, which impacts the ending pension liability balance minus fiduciary assets.

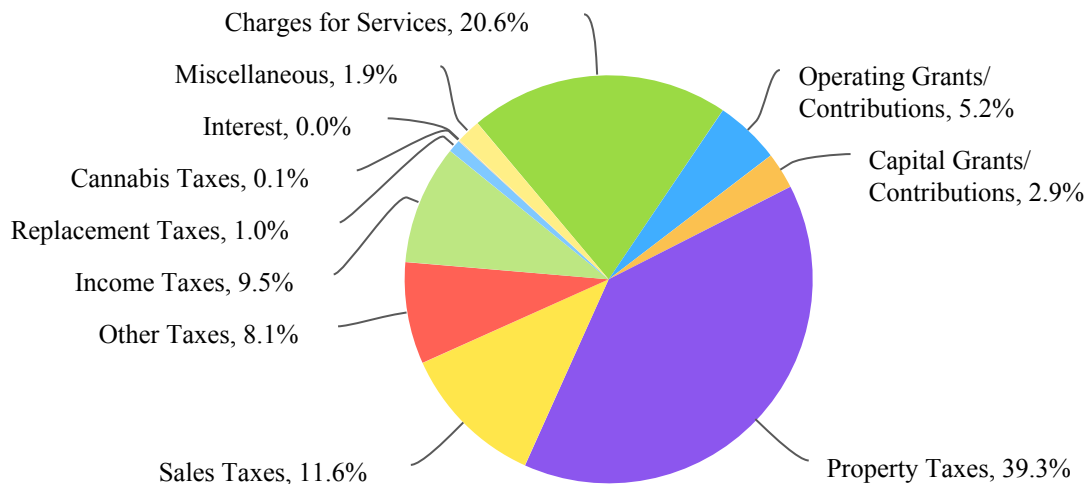
Net position of business-type activities increased by 216.6 percent (\$2,306,257 in 2021 compared to \$728,392 deficit in 2020). The large portion of the increase was due to the transfers from the General Fund into the Water Fund for real estate taxes received in the General Fund related to the City of Chicago. The other large increase was in Sewer Fund due to charges for operation exceeding the costs of maintaining the various sewer lines of the Village. The costs for maintaining the Sewer lines was negative due to the recognition of an IMRF pension asset for the Sewer Fund of \$2,153,433 with pension revenue of \$960,002 that will be reversed in FY22. The only reason the Sewer Fund recognized such a significant portion of the pension revenue compared to Water and Governmental activities was due to a year end accelerated payment that we don’t anticipate in FY22.

Governmental Activities

Revenues for governmental activities totaled \$31,686,203 while the cost of all governmental functions totaled \$25,034,172. This resulted in an increase of \$6,652,031 prior to transfers out of \$976,505.

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

Revenues by Source - Governmental Activities



VILLAGE OF DOLTON, ILLINOIS

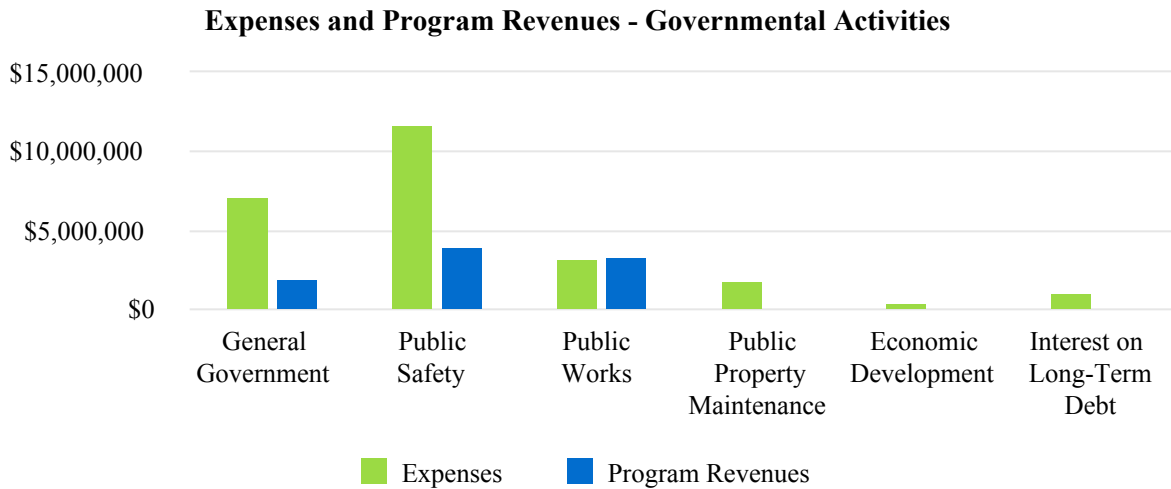
Management’s Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

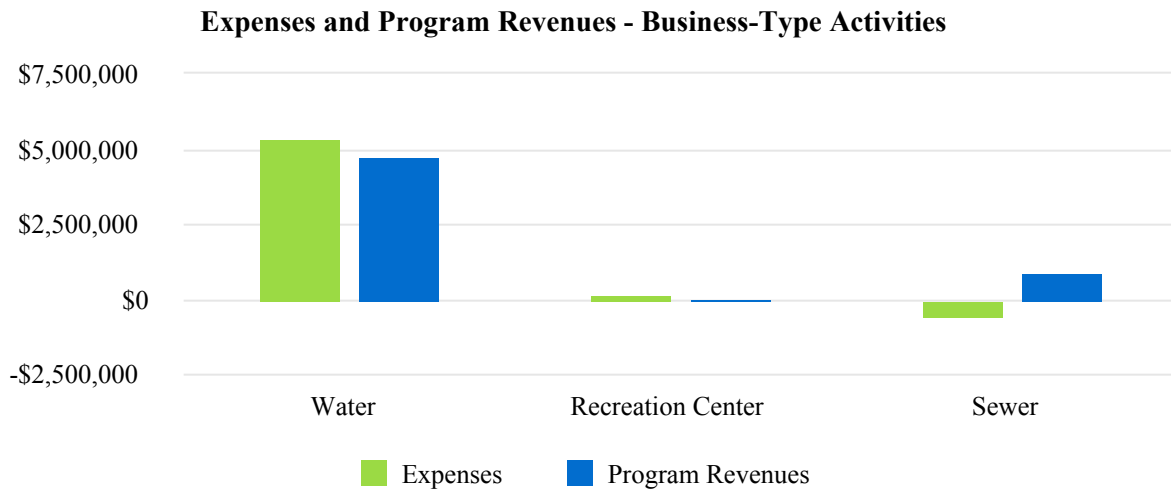
Governmental Activities - Continued

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



Business-Type activities

Business-Type activities reported total operating revenues of \$5,654,665 and \$976,505 of transfers from the General Fund while the cost of all business-type activities totaled \$5,053,305. This resulted in an increase of \$1,577,865.



The above graph compares program revenues to expenses for utility operations.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of \$12,864,962 for the current year. The prior year reported fund balance of \$9,218,732. This year's activity resulted in an increase of \$3,646,230, or 39.6 percent.

The General Fund is the chief operating fund of the equipment at April 30, 2021, The General Fund had an increase of \$1,918,327, which resulted in ending fund balance for the year of \$4,120,965. This was due in large part to an increase in revenues of \$833,237 or 3.5 percent. There was a \$101 thousand increase in fines and forfeitures due to greater collection on red light tickets due to the reopening of the courts with COVID restrictions removal. Licenses and permits revenue has increased by \$215 thousand due to inspections occurring due to removal of COVID restrictions. The largest increase of \$2.1 million from intergovernmental agreements related to revenues from Cook County-Cares Act monies of \$759 thousand, increased sales taxes of \$470 thousand, and greater allocated distributions from Illinois of income taxes of \$730 thousand. Property taxes revenue decreased by \$1.6 million because the County deferred the due date for property tax bills payment. Those payments will be reflected in FY22 revenues. Expenditures decreased by \$1,568,006 or 6.8 percent. \$1.1 million of the decrease was due to a reduction in Public Safety and Public Works salaries and benefits largely due to retirements of senior employees and replacement with lower paid employees.

The Motor Fuel Tax Fund ending fund balance of \$4,499,866 reported an increase from the prior year of \$941,344. This increase was due to Illinois created Rebuild Illinois infrastructure bond issuance in which the Village received \$763 thousand of additional motor fuel tax revenues.

The I-94 Sibley TIF ending fund balance of \$2,866,173 reported a decrease from the prior year of \$426. This minimal decrease was due to the cost of the annual reporting requirement.

The Debt Service Fund ending fund balance of \$1,468,989 reported an increase from the prior year of \$148,956. This increase was due to the forgiveness of \$553,704 in interfund borrowing to fund the December bond payment.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Proprietary Funds

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

The Village reports the Water Fund as a major proprietary fund and the Sewer Fund as a nonmajor proprietary fund. The Water and Sewer Funds account for all of the operations of the municipal water and sewer system. Water is purchased from the City of Chicago at a rate of \$4.07 per thousand gallons. Water is sold to residential customers at a rate of \$5.61 per thousand gallons for water and a rate of 20% of water consumption for sewer. Residential customers are also charged \$5 per month for maintenance of the sewer system. Water is sold to non-residential and industrial customers at a rate of \$7.64 per thousand gallons for water and a rate of 20% of gross water bill for sewer. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the funds at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. At year-end, the Water Fund reported a deficit net position of \$676,650 and the Sewer Fund reported net position of \$2,485,044, while the previous fiscal year reported a deficit of \$1,002,861 in the Water Fund and a surplus of \$1,039,959 in the Sewer Fund. Unrestricted net position for the Water Fund and Sewer Fund totaled (\$667,899) and \$2,485,044, respectively, at April 30, 2021.

The Recreation Center Fund is a major fund. The Recreation fund reports a decrease of \$193,431 in net position in the current fiscal year. This was primarily due to the closure of the facility at the onset of the COVID pandemic and the Village's decision to keep the building closed to minimize the losses incurred from operation of the facility. The Recreation Center Fund recognize a \$253 thousand reduction in expense due to the closure of the facility. The majority of the costs incurred by the Village are utilities and regular maintenance of the various pieces of equipment and building.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$24,969,692, compared to budgeted revenues of \$21,415,222. Property tax revenues was \$670,540 lower than budgeted as discussed earlier with the deferral of the due date payments of the 2nd installment of property taxes weren't received until fiscal year 22. Also, sales tax and fines and forfeiture revenues were \$1,120,537 and \$1,400,601, respectively higher than budgeted amount.

The General Fund actual expenditures for the year were \$833,737 lower than budgeted (\$21,414,323 actual compared to \$22,248,060 budgeted). Due to fiscal restraint, only one department exceeded budgeted amounts. Due to the recognition of \$305,426 owed to Ralph's Grocery for overpayment of Local Motor Fuel Tax the General Government was overbudget by \$265,035, see Note 4 for more details.

VILLAGE OF DOLTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village’s investment in capital assets for its governmental and business type activities as of April 30, 2021 was \$4,872,607, (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, equipment, and vehicles.

| | Capital Assets - Net of Depreciation | | | | | |
|----------------------------|--------------------------------------|-----------|---------------|-----------|-----------|-----------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 806,995 | 806,995 | — | — | 806,995 | 806,995 |
| Land Improvements | 794,433 | 840,763 | — | — | 794,433 | 840,763 |
| Buildings and Improvements | 354,548 | 306,737 | 1,434,040 | 1,512,617 | 1,788,588 | 1,819,354 |
| Equipment | 386,011 | 68,270 | 108,221 | 122,764 | 494,232 | 191,034 |
| Vehicles | 988,359 | 1,651,769 | — | — | 988,359 | 1,651,769 |
| Total | 3,330,346 | 3,674,534 | 1,542,261 | 1,635,381 | 4,872,607 | 5,309,915 |

This year’s major additions included:

| | |
|----------------------------|-----------------------|
| Buildings and Improvements | \$ 58,226 |
| Furniture and Equipment | <u>359,435</u> |
| | <u><u>417,661</u></u> |

The Building and Improvements additions consisted of \$58,226 for replacement of the Public Works salt building roof. The new equipment consisted of a mobile vehicle equipment of \$52,504 and \$306,931 for new upgrade Police radios that are partially funded by the Joint Emergency Telephone System Board.

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

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$17,407,724 as compared to \$20,973,671 the previous year, a decrease of 17.0 percent. In FY20, the 2004C and 2004D Series Bonds were redeemed, allowing for the payment of principal on the 2009A and 2009B series bonds without an increase in the bond and interest levy. The Village made principal payments on the 2009A and 2009B series of \$1,185,000 during the fiscal year. The Village entered into a lease with Motorola Solutions for \$150,000 for the acquisition of 50 radios for its officers and made payments on its other leases totaling \$165,666.

The following is a comparative statement of outstanding debt:

| | Long-Term Debt Outstanding | | | | | |
|--------------------------|----------------------------|------------|---------------|------------|------------|------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | Activities | Activities | Activities | Activities | Activities |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| General Obligation Bonds | \$ 16,635,000 | 20,220,000 | — | — | 16,635,000 | 20,220,000 |
| Capital Leases | 748,314 | 723,822 | 24,410 | 29,849 | 772,724 | 753,671 |
| Total | 17,383,314 | 20,943,822 | 24,410 | 29,849 | 17,407,724 | 20,973,671 |

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates for April 30, 2021 for Dolton, IL 17.00 percent, and the state and national unemployment rates were 6.7 and 6.0 percent, respectively. The large increase in the unemployment rate for Dolton, Illinois, and the nation as a whole was due to the onset of the COVID pandemic that started in March 2020. See note 4 of this report.

These indicators were considered when proposing the General Fund budget for 2022. The Village anticipates \$41,204 million in revenues, an increase of 11.20 percent from the final 2021 budget of \$37,053 million. With the increase of expected revenue, the Village has increased its appropriation by 11.47% to \$41,631 million from \$37,347 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Finance Director, Village of Dolton, 14122 Dr. Martin Luther King Jr. Drive, Dolton, IL 60419.

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

VILLAGE OF DOLTON, ILLINOIS

Statement of Net Position

April 30, 2021

See Following Page

VILLAGE OF DOLTON, ILLINOIS

Statement of Net Position

April 30, 2021

| | Governmental Activities | Business-Type Activities | Totals |
|--|----------------------------|-----------------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 12,326,417 | 3,076,366 | 15,402,783 |
| Receivables - Net | 11,238,521 | 4,173,882 | 15,412,403 |
| Due from Other Governments | 304,187 | — | 304,187 |
| Prepays/Inventories - Land Held for Resale | 511,966 | 54,167 | 566,133 |
| Internal Balances | 129,393 | (129,393) | — |
| Total Current Assets | <u>24,510,484</u> | <u>7,175,022</u> | <u>31,685,506</u> |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable | 806,995 | — | 806,995 |
| Depreciable | 13,873,333 | 5,711,892 | 19,585,225 |
| Accumulated Depreciation | (11,349,982) | (4,169,631) | (15,519,613) |
| Total Noncurrent Assets | <u>3,330,346</u> | <u>1,542,261</u> | <u>4,872,607</u> |
| Other Assets | | | |
| Net Pension Asset - IMRF | <u>2,719,530</u> | <u>2,841,307</u> | <u>5,560,837</u> |
| Total Assets | <u>30,560,360</u> | <u>11,558,590</u> | <u>42,118,950</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Items - IMRF | 13,519 | 14,123 | 27,642 |
| Deferred Items - RBP | 540,683 | 44,757 | 585,440 |
| Deferred Items - Police Pension | 16,054,594 | — | 16,054,594 |
| Deferred Items - Firefighters' Pension | 7,855,149 | — | 7,855,149 |
| Unamortized Loss on Refunding | 455,341 | — | 455,341 |
| Total Deferred Outflows of Resources | <u>24,919,286</u> | <u>58,880</u> | <u>24,978,166</u> |
| Total Assets and Deferred Outflows of Resources | <u>55,479,646</u> | <u>11,617,470</u> | <u>67,097,116</u> |

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

| | Governmental Activities | Business-Type Activities | Totals |
|---|----------------------------|-----------------------------|---------------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts and Retainage Payable | \$ 2,362,478 | 417,030 | 2,779,508 |
| Accrued Payroll and Related | 483,836 | 44,239 | 528,075 |
| Accrued Interest Payable | 707,828 | — | 707,828 |
| Deposits Payables | 152,622 | — | 152,622 |
| Current Portion of Long-Term Debt | 4,127,914 | 733,413 | 4,861,327 |
| Total Current Liabilities | <u>7,834,678</u> | <u>1,194,682</u> | <u>9,029,360</u> |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 1,386,667 | 17,130 | 1,403,797 |
| Net Pension Liability - Police Pension | 28,557,227 | — | 28,557,227 |
| Net Pension Liability - Firefighters' Pension | 16,084,969 | — | 16,084,969 |
| Total OPEB Liability - RBP | 1,910,748 | 158,169 | 2,068,917 |
| City of Chicago Payable | — | 6,436,609 | 6,436,609 |
| Claims Payable | 2,801,651 | — | 2,801,651 |
| General Obligation Bonds Payable - Net | 13,106,588 | — | 13,106,588 |
| Capital Leases Payable | 617,067 | 18,699 | 635,766 |
| Total Noncurrent Liabilities | <u>64,464,917</u> | <u>6,630,607</u> | <u>71,095,524</u> |
| Total Liabilities | <u>72,299,595</u> | <u>7,825,289</u> | <u>80,124,884</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Grants | 10,813 | — | 10,813 |
| Property Taxes | 8,635,773 | — | 8,635,773 |
| Deferred Items - IMRF | 1,422,238 | 1,485,924 | 2,908,162 |
| Deferred Items - Police Pension | 15,186,987 | — | 15,186,987 |
| Deferred Items - Firefighters' Pension | 6,990,779 | — | 6,990,779 |
| Total Deferred Inflows of Resources | <u>32,246,590</u> | <u>1,485,924</u> | <u>33,732,514</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>104,546,185</u> | <u>9,311,213</u> | <u>113,857,398</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | (5,130,003) | 1,517,851 | (3,612,152) |
| Restricted | | | |
| Grants and Forfeitures | 154,257 | — | 154,257 |
| Debt Service | 761,161 | — | 761,161 |
| Public Safety | 27,777 | — | 27,777 |
| Public Works | 4,499,866 | — | 4,499,866 |
| Economic Development | 3,369,114 | — | 3,369,114 |
| Unrestricted (Deficit) | <u>(52,748,711)</u> | <u>788,406</u> | <u>(51,960,305)</u> |
| Total Net Position | <u>(49,066,539)</u> | <u>2,306,257</u> | <u>(46,760,282)</u> |

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

VILLAGE OF DOLTON, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2021

| | Expenses | Program Revenues | | |
|--------------------------------|-------------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Governmental Activities | | | | |
| General Government | \$ 7,061,621 | 1,749,410 | — | 119,732 |
| Public Safety | 11,723,251 | 3,047,981 | 41,861 | 794,697 |
| Public Works | 3,164,834 | 1,729,878 | 1,591,909 | — |
| Public Property Maintenance | 1,769,115 | — | — | — |
| Economic Development | 349,187 | — | — | — |
| Interest on Long-Term Debt | 966,164 | — | — | — |
| Total Governmental Activities | <u>25,034,172</u> | <u>6,527,269</u> | <u>1,633,770</u> | <u>914,429</u> |
| Business-Type Activities | | | | |
| Water | 5,396,104 | 4,745,810 | — | — |
| Recreation Center | 198,377 | 4,946 | — | — |
| Sewer | (541,176) | 903,909 | — | — |
| Total Business-Type Activities | <u>5,053,305</u> | <u>5,654,665</u> | <u>—</u> | <u>—</u> |
| Total Primary Government | <u>30,087,477</u> | <u>12,181,934</u> | <u>1,633,770</u> | <u>914,429</u> |

General Revenues

Taxes

 Property Taxes

 Other Taxes

Intergovernmental - Unrestricted

 Sales Taxes

 Income Taxes

 Replacement Taxes

 Cannabis Tax

Interest Income

Miscellaneous

Transfers - Internal Balances

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

| Net (Expenses)/Revenues Primary Government | | |
|---|-----------------------------|--------------|
| Governmental Activities | Business-Type Activities | Totals |
| (5,192,479) | — | (5,192,479) |
| (7,838,712) | — | (7,838,712) |
| 156,953 | — | 156,953 |
| (1,769,115) | — | (1,769,115) |
| (349,187) | — | (349,187) |
| (966,164) | — | (966,164) |
| (15,958,704) | — | (15,958,704) |
| — | (650,294) | (650,294) |
| — | (193,431) | (193,431) |
| — | 1,445,085 | 1,445,085 |
| — | 601,360 | 601,360 |
| (15,958,704) | 601,360 | (15,357,344) |
| 12,412,600 | — | 12,412,600 |
| 2,558,669 | — | 2,558,669 |
| 3,664,237 | — | 3,664,237 |
| 3,007,608 | — | 3,007,608 |
| 324,392 | — | 324,392 |
| 24,656 | — | 24,656 |
| 8,136 | — | 8,136 |
| 610,437 | — | 610,437 |
| (976,505) | 976,505 | — |
| 21,634,230 | 976,505 | 22,610,735 |
| 5,675,526 | 1,577,865 | 7,253,391 |
| (54,742,065) | 728,392 | (54,013,673) |
| (49,066,539) | 2,306,257 | (46,760,282) |

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

VILLAGE OF DOLTON, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2021

| | <u>General</u> |
|--|------------------------------|
| ASSETS | |
| Cash and Investments | \$ 6,631,201 |
| Receivables - Net of Allowances | |
| Property Taxes | 5,351,983 |
| Other Taxes | 1,253,553 |
| Accounts | 1,272,922 |
| Due from Other Governments | 304,187 |
| Advances to Other Funds | 2,213,306 |
| Prepays | 261,193 |
| Land Held for Resale | 245,712 |
| Inventories | <u>5,061</u> |
| Total Assets | <u><u>17,539,118</u></u> |
| LIABILITIES | |
| Accounts Payable | 1,492,799 |
| Accrued Payroll | 483,836 |
| Deposits Payable | 81,225 |
| Advance from Other Funds | <u>5,997,497</u> |
| Total Liabilities | <u>8,055,357</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Grants | 10,813 |
| Property Taxes | <u>5,351,983</u> |
| Total Deferred Inflows of Resources | <u>5,362,796</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>13,418,153</u> |
| FUND BALANCES | |
| Nonspendable | 2,725,272 |
| Restricted | 344,397 |
| Unassigned | <u>1,051,296</u> |
| Total Fund Balances | <u>4,120,965</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>17,539,118</u></u> |

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

| Special Revenue | | | | |
|-----------------|-----------------|--------------|-----------|------------|
| Motor Fuel Tax | I-94 Sibley TIF | Debt Service | Nonmajor | Totals |
| 2,974,743 | 343,807 | 1,471,273 | 905,393 | 12,326,417 |
| — | — | 3,283,790 | — | 8,635,773 |
| 76,273 | — | — | — | 1,329,826 |
| — | — | — | — | 1,272,922 |
| — | — | — | — | 304,187 |
| 1,612,191 | 2,522,657 | — | 164,915 | 6,513,069 |
| — | — | — | — | 261,193 |
| — | — | — | — | 245,712 |
| — | — | — | — | 5,061 |
| 4,663,207 | 2,866,464 | 4,755,063 | 1,070,308 | 30,894,160 |
| 163,341 | 291 | 1 | 395,719 | 2,052,151 |
| — | — | — | — | 483,836 |
| — | — | — | 71,397 | 152,622 |
| — | — | 2,283 | 694,223 | 6,694,003 |
| 163,341 | 291 | 2,284 | 1,161,339 | 9,382,612 |
| — | — | — | — | 10,813 |
| — | — | 3,283,790 | — | 8,635,773 |
| — | — | 3,283,790 | — | 8,646,586 |
| 163,341 | 291 | 3,286,074 | 1,161,339 | 18,029,198 |
| — | — | — | — | 2,725,272 |
| 4,499,866 | 2,866,173 | 1,468,989 | 676,773 | 9,856,198 |
| — | — | — | (767,804) | 283,492 |
| 4,499,866 | 2,866,173 | 1,468,989 | (91,031) | 12,864,962 |
| 4,663,207 | 2,866,464 | 4,755,063 | 1,070,308 | 30,894,160 |

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

VILLAGE OF DOLTON, ILLINOIS

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

April 30, 2021

| | |
|--|----------------------------|
| Total Governmental Fund Balances | \$ 12,864,962 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds. | 3,330,346 |
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. | |
| Deferred Items - IMRF | (1,408,719) |
| Deferred Items - Police Pension | 867,607 |
| Deferred Items - Firefighters' Pension | 864,370 |
| Deferred Items - RBP | 540,683 |
| A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. | 2,719,530 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated Absences Payable | (1,733,334) |
| Net Pension Liability - Police Pension | (28,557,227) |
| Net Pension Liability - Firefighters' Pension | (16,084,969) |
| Total OPEB Liability - RBP | (1,910,748) |
| General Obligation Bonds Payable | (16,635,000) |
| Unamortized Bond Premium | (148,358) |
| Unamortized Bond Discount | 26,770 |
| Unamortized Loss on Refunding | 455,341 |
| Capital Leases Payable | (748,314) |
| Claims Payable | (2,801,651) |
| Accrued Interest Payable | (707,828) |
| Net Position of Governmental Activities | <u><u>(49,066,539)</u></u> |

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

VILLAGE OF DOLTON, ILLINOIS

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

See Following Page

VILLAGE OF DOLTON, ILLINOIS

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

| | <u>General</u> |
|--|-------------------------|
| Revenues | |
| Taxes | \$ 10,054,246 |
| Intergovernmental | 7,977,183 |
| Licenses and Permits | 1,746,899 |
| Charges for Services | 1,732,389 |
| Fines and Forfeitures | 3,046,601 |
| Interest | 3,760 |
| Miscellaneous | 408,614 |
| Total Revenues | <u>24,969,692</u> |
| Expenditures | |
| General Government | 6,509,115 |
| Public Safety | 11,070,911 |
| Public Works | 1,906,222 |
| Public Property Maintenance | 1,769,115 |
| Economic Development | — |
| Debt Service | |
| Principal Retirement | 125,508 |
| Interest and Fiscal Charges | 33,452 |
| Total Expenditures | <u>21,414,323</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>3,555,369</u> |
| Other Financing Sources (Uses) | |
| Debt Issuance | 150,000 |
| Transfers In | — |
| Transfers Out | (1,787,042) |
| | <u>(1,637,042)</u> |
| Net Change in Fund Balances | 1,918,327 |
| Fund Balances - Beginning as Restated | <u>2,202,638</u> |
| Fund Balances - Ending | <u><u>4,120,965</u></u> |

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

| Special Revenue | | | | |
|-----------------|-----------------|--------------|-----------|-------------|
| Motor Fuel Tax | I-94 Sibley TIF | Debt Service | Nonmajor | Totals |
| — | — | 4,073,550 | 843,473 | 14,971,269 |
| 1,591,909 | — | — | — | 9,569,092 |
| — | — | — | — | 1,746,899 |
| — | — | — | — | 1,732,389 |
| — | — | — | 1,380 | 3,047,981 |
| 4,190 | — | 186 | — | 8,136 |
| 89,934 | — | 109,389 | 2,500 | 610,437 |
| 1,686,033 | — | 4,183,125 | 847,353 | 31,686,203 |
| — | — | 25,000 | — | 6,534,115 |
| — | — | — | 117,396 | 11,188,307 |
| 744,689 | — | — | — | 2,650,911 |
| — | — | — | — | 1,769,115 |
| — | 426 | — | 348,761 | 349,187 |
| — | — | 3,585,000 | — | 3,710,508 |
| — | — | 977,873 | — | 1,011,325 |
| 744,689 | 426 | 4,587,873 | 466,157 | 27,213,468 |
| 941,344 | (426) | (404,748) | 381,196 | 4,472,735 |
| — | — | — | — | 150,000 |
| — | — | 553,704 | 256,833 | 810,537 |
| — | — | — | — | (1,787,042) |
| — | — | 553,704 | 256,833 | (826,505) |
| 941,344 | (426) | 148,956 | 638,029 | 3,646,230 |
| 3,558,522 | 2,866,599 | 1,320,033 | (729,060) | 9,218,732 |
| 4,499,866 | 2,866,173 | 1,468,989 | (91,031) | 12,864,962 |

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

VILLAGE OF DOLTON, ILLINOIS

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

| | |
|---|-------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 3,646,230 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | |
| Capital Outlays | 417,661 |
| Depreciation Expense | (761,849) |
| The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds. | |
| Change in Deferred Items - IMRF | (404,946) |
| Change in Deferred Items - Police Pension | (11,183,743) |
| Change in Deferred Items - Firefighters' Pension | (6,091,247) |
| Change in Deferred Items - RBP | 472,220 |
| An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds. | |
| Change in Net Pension Asset - IMRF | 72,008 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds. | |
| Change in Compensated Absences Payable | 27,944 |
| Change in Net Pension Liability - Police Pension | 11,085,143 |
| Change in Net Pension Liability - Firefighters' Pension | 5,390,394 |
| Change in Total OPEB Liability - RBP | (573,010) |
| Issuance of Debt | (150,000) |
| Retirement of Debt | 3,710,508 |
| Change in Unamortized Bond Premium | 26,571 |
| Change in Unamortized Bond Discount | (3,118) |
| Change in Unamortized Loss on Refunding | (81,553) |
| Change in Claims Payable | (26,948) |
| Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | |
| | <u>103,261</u> |
| Changes in Net Position of Governmental Activities | <u>5,675,526</u> |

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

VILLAGE OF DOLTON, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2021

See Following Page

VILLAGE OF DOLTON, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2021

| | Business-Type Activities - Enterprise Funds | | | Totals |
|--|---|----------------------|-------------------|-------------------|
| | Water | Recreation Center | Nonmajor Sewer | |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Investments | \$ 1,610,840 | 2,017 | 1,463,509 | 3,076,366 |
| Receivables - Net of Allowances | | | | |
| Customers | 3,641,349 | — | 532,533 | 4,173,882 |
| Advances to Other Funds | 1,387,407 | — | — | 1,387,407 |
| Prepays | 40,118 | — | 14,049 | 54,167 |
| Total Current Assets | <u>6,679,714</u> | <u>2,017</u> | <u>2,010,091</u> | <u>8,691,822</u> |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Depreciable | 1,776,161 | 3,935,731 | — | 5,711,892 |
| Accumulated Depreciation | (1,760,502) | (2,409,129) | — | (4,169,631) |
| Total Noncurrent Assets | <u>15,659</u> | <u>1,526,602</u> | <u>—</u> | <u>1,542,261</u> |
| Other Assets | | | | |
| Net Pension Asset - IMRF | 687,874 | — | 2,153,433 | 2,841,307 |
| Total Assets | <u>7,383,247</u> | <u>1,528,619</u> | <u>4,163,524</u> | <u>13,075,390</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Items - IMRF | 3,419 | — | 10,704 | 14,123 |
| Deferred Items - RBP | 33,340 | — | 11,417 | 44,757 |
| Total Deferred Outflows of Resources | <u>36,759</u> | <u>—</u> | <u>22,121</u> | <u>58,880</u> |
| Total Assets and Deferred Outflows of Resources | <u>7,420,006</u> | <u>1,528,619</u> | <u>4,185,645</u> | <u>13,134,270</u> |

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

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|------------------|------------------|-------------------|
| | Water | Recreation | Nonmajor | Totals |
| | | Center | Sewer | |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 381,007 | 11,789 | 24,234 | 417,030 |
| Accrued Payroll | 32,237 | 780 | 11,222 | 44,239 |
| Advances from Other Funds | — | 1,018,187 | 498,613 | 1,516,800 |
| Compensated Absences Payable | 4,282 | — | — | 4,282 |
| City of Chicago Payable | 723,420 | — | — | 723,420 |
| Capital Lease Payable | 5,711 | — | — | 5,711 |
| Total Current Liabilities | <u>1,146,657</u> | <u>1,030,756</u> | <u>534,069</u> | <u>2,711,482</u> |
| Noncurrent Liabilities | | | | |
| Compensated Absences Payable | 17,130 | — | — | 17,130 |
| Net OPEB Liability - RBP | 117,822 | — | 40,347 | 158,169 |
| City of Chicago Payable | 6,436,609 | — | — | 6,436,609 |
| Capital Lease Payable | 18,699 | — | — | 18,699 |
| Total Noncurrent Liabilities | <u>6,590,260</u> | <u>—</u> | <u>40,347</u> | <u>6,630,607</u> |
| Total Liabilities | <u>7,736,917</u> | <u>1,030,756</u> | <u>574,416</u> | <u>9,342,089</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Items - IMRF | 359,739 | — | 1,126,185 | 1,485,924 |
| Total Liabilities/Deferred Inflows of Resources | <u>8,096,656</u> | <u>1,030,756</u> | <u>1,700,601</u> | <u>10,828,013</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | (8,751) | 1,526,602 | — | 1,517,851 |
| Unrestricted (Deficit) | (667,899) | (1,028,739) | 2,485,044 | 788,406 |
| Total Net Position | <u>(676,650)</u> | <u>497,863</u> | <u>2,485,044</u> | <u>2,306,257</u> |

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

VILLAGE OF DOLTON, ILLINOIS

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

| | Business-Type Activities - Enterprise Funds | | | Totals |
|--------------------------------|---|-------------------|----------------|-----------|
| | Water | Recreation Center | Nonmajor Sewer | |
| Operating Revenues | | | | |
| Charges for Services | \$ 4,645,258 | 145 | 903,909 | 5,549,312 |
| Miscellaneous | 100,552 | 4,801 | — | 105,353 |
| Total Operating Revenues | 4,745,810 | 4,946 | 903,909 | 5,654,665 |
| Operating Expenses | | | | |
| Operations | 4,913,108 | 116,312 | (541,176) | 4,488,244 |
| Depreciation | 11,055 | 82,065 | — | 93,120 |
| Total Operating Expenses | 4,924,163 | 198,377 | (541,176) | 4,581,364 |
| Operating Income (Loss) | (178,353) | (193,431) | 1,445,085 | 1,073,301 |
| Nonoperating (Expenses) | | | | |
| Interest Expense | (471,941) | — | — | (471,941) |
| Income (Loss) Before Transfers | (650,294) | (193,431) | 1,445,085 | 601,360 |
| Transfers In | 976,505 | — | — | 976,505 |
| Change in Net Position | 326,211 | (193,431) | 1,445,085 | 1,577,865 |
| Net Position - Beginning | (1,002,861) | 691,294 | 1,039,959 | 728,392 |
| Net Position - Ending | (676,650) | 497,863 | 2,485,044 | 2,306,257 |

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

VILLAGE OF DOLTON, ILLINOIS

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

| | Business-Type Activities - Enterprise Funds | | | Totals |
|---|---|-------------------|----------------|-------------|
| | Water | Recreation Center | Nonmajor Sewer | |
| Cash Flows from Operating Activities | | | | |
| Receipts from Customers and Users | \$ 4,598,831 | 4,946 | 889,232 | 5,493,009 |
| Payments to Employees | (473,196) | (17,625) | (195,579) | (686,400) |
| Payments to Suppliers | (4,439,277) | (76,068) | (221,511) | (4,736,856) |
| | (313,642) | (88,747) | 472,142 | 69,753 |
| Cash Flows from Noncapital Financing Activities | | | | |
| Transfers In | 976,505 | — | — | 976,505 |
| Change in Interfund Activity | 742,268 | 88,623 | 170,408 | 1,001,299 |
| | 1,718,773 | 88,623 | 170,408 | 1,977,804 |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Interest Expense | (471,941) | — | — | (471,941) |
| Payment of Principal | (687,911) | — | — | (687,911) |
| | (1,159,852) | — | — | (1,159,852) |
| Net Change in Cash and Cash Equivalents | 245,279 | (124) | 642,550 | 887,705 |
| Cash and Cash Equivalents | | | | |
| Beginning | 1,365,561 | 2,141 | 820,959 | 2,188,661 |
| Ending | 1,610,840 | 2,017 | 1,463,509 | 3,076,366 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating Income (Loss) | (178,353) | (193,431) | 1,445,085 | 1,073,301 |
| Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Depreciation Expense | 11,055 | 82,065 | — | 93,120 |
| Other Income (Expense) | (34,049) | 21,513 | (971,327) | (983,863) |
| (Increase) Decrease in Current Assets | (173,159) | — | (24,638) | (197,797) |
| Increase (Decrease) in Current Liabilities | 60,864 | 1,106 | 23,022 | 84,992 |
| Net Cash Provided by Operating Activities | (313,642) | (88,747) | 472,142 | 69,753 |

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

VILLAGE OF DOLTON, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2021

| | <u>Pension Trust</u> |
|--------------------------------------|--------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 3,860,866 |
| Investments | |
| U.S. Treasury Securities | 4,024,053 |
| U.S. Agency Securities | 2,771,635 |
| Corporate Bonds | 3,788,890 |
| Municipal Bonds | 126,523 |
| Equity Mutual Funds | 33,740,819 |
| Annuities | 1,542,534 |
| Receivables - Net of Allowances | |
| Accrued Interest | 42,948 |
| Advances to Other Governments | 44,809 |
| Advances to Other Funds | 310,327 |
| Reserve Uncollectible - Interfund | (310,327) |
| Prepays | 7,419 |
| Total Assets | <u>49,950,496</u> |
| LIABILITIES | |
| Accounts Payable | <u>22,476</u> |
| NET POSITION | |
| Net Position Restricted for Pensions | <u><u>49,928,020</u></u> |

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

VILLAGE OF DOLTON, ILLINOIS

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

| | Pension Trust |
|--------------------------------------|--------------------------|
| Additions | |
| Contributions - Employer | \$ 2,113,212 |
| Contributions - Plan Members | 457,741 |
| Total Contributions | <u>2,570,953</u> |
| Investment Income | |
| Interest Earned | 676,566 |
| Net Change in Fair Value | 10,869,474 |
| | <u>11,546,040</u> |
| Less Investment Expenses | (93,448) |
| Net Investment Income | <u>11,452,592</u> |
| Total Additions | <u>14,023,545</u> |
| Deductions | |
| Administration | 156,928 |
| Benefits and Refunds | 3,861,336 |
| Total Deductions | <u>4,018,264</u> |
| Change in Fiduciary Net Position | 10,005,281 |
| Net Position Restricted for Pensions | |
| Beginning | <u>39,922,739</u> |
| Ending | <u><u>49,928,020</u></u> |

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Dolton, Illinois (Village), operates under a Board of Trustees - Executive form of government. Elected officials are the Mayor, Clerk, and six Trustees. The Board of Trustees is the Village's legislative body, enacting the laws and establishing the policies, which govern the main activities of the Village.

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

| | |
|---------------------|-------------------|
| Primary Government: | Village of Dolton |
|---------------------|-------------------|

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

Police Pension Employees Retirement System

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Firefighters' Pension Employees Retirement System

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

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, public works, public property maintenance, economic development, and general administrative services are classified as governmental activities. The Village's water services, recreation services, and sewer services are classified as business-type activities.

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

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

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

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

Fund Financial Statements

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

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

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

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds

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

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains eight special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The Village uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals. The I-94 Sibley Tax Increment Financing district is used to account for the property taxes of the district and the use of those funds.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one debt service fund. The Debt Service Fund, a major fund, is used to account for the principal and interest payments made on the general obligation bonds.

Proprietary Funds

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Fiduciary Funds

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the sale of meters needed by customers for service and the charge for connecting to the Village’s system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, non-capitalized capital expenditures, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Cash and Investments

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

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

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

Prepays/Inventories - Land Held for Resale

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Capital Assets - Continued

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

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

| | |
|----------------------------|---------------|
| Land Improvements | 10 - 30 Years |
| Buildings and Improvements | 30 - 40 Years |
| Furniture and Equipment | 5 - 15 Years |
| Vehicle | 5 - 15 Years |
| Infrastructure | 20 - 30 Years |

Interfund Receivables, Payables and Activity

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

Deferred Outflows/Inflows of Resources

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement pursuant to the Village’s personnel rules and union contracts.

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

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

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

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

- Prior to June 30, the Finance Manager 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 of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to July 31, the budget is legally enacted through passage of an appropriation ordinance.
- The Finance Manager 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. The budget was not amended this year.
- Formal budgetary integration is employed as a management control device during the year.
- Budgets for the General Fund, Special Revenue Funds, Debt Service Fund, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles.
- Appropriations lapse at the end of the fiscal year.
- 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.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

| Fund | Excess |
|-------------------|-----------|
| Recreation Center | \$ 23,512 |

DEFICIT FUND BALANCE/NET POSITION

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

| Fund | Deficit |
|---------------------|------------|
| Sibley TIF #2 | \$ 742,273 |
| TIF #4 300 W Sibley | 25,531 |
| Water | 676,650 |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type totaled \$10,397,685 and the bank balances totaled \$10,298,234. Additionally, the Village has \$5,005,098 invested in the Illinois Funds, which is measured at net asset value per share as determined by the Pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirement for ongoing operations and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools. The Village's investments in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, brokers, intermediaries and advisors with which the Village will do business, and diversifying the investment portfolio. At year-end, the Village's investments in the Illinois Funds is rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not address custodial credit risk for investments. The Village's investments in the Illinois Funds are not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$3,149,850 and the bank balances totaled \$3,149,850.

Investments. The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2021:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|--------------------------|--------------|----------------------------------|-----------|---------|--------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U.S. Treasury Securities | \$ 1,935,311 | — | 1,626,498 | 308,813 | — |
| U.S. Agency Securities | 2,552,847 | 1,453,141 | 1,076,628 | 12,561 | 10,517 |
| Corporate Bonds | 1,653,040 | — | 1,653,040 | — | — |
| Totals | 6,141,198 | 1,453,141 | 4,356,166 | 321,374 | 10,517 |

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

| Investments by Fair Value Level | Totals | Fair Value Measurements Using | | |
|--|--------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Debt Securities | | | | |
| U.S. Treasury Securities | \$ 1,935,311 | 1,935,311 | — | — |
| U.S. Agency Securities | 2,552,847 | — | 2,552,847 | — |
| Corporate Bonds | 1,653,040 | — | 1,653,040 | — |
| Equity Securities | | | | |
| Equity Mutual Funds | 25,759,971 | 25,759,971 | — | — |
| Total Investments Measured at Fair Value | 31,901,169 | 27,695,282 | 4,205,887 | — |

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Fund's investment policy prescribes to the "prudent person" rule which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the second objective of the attainment of market rates of return." The U.S. Agency Securities are rated AAA and the Corporate Bonds were all rated BBB or better by Standard & Poor's or were small issues that were unrated or underrated. The Fund has an unrated obligation with Federal Home Loan Mortgage Corporation Investment with a par value of \$266 and an interest rate of 7.00% that matures on February 1, 2032.

Custodial Credit Risk – Deposits. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions. At year-end, \$2,841,151 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance. The percentage of the \$2,841,151 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

Custodial Credit Risk – Investments. The Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral. Money market mutual funds and equity mutual funds are not subject custodial credit risk.

Concentration Risk. In accordance with Fund's investment policy, the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. In addition to the securities and fair values listed above, the Fund also has \$25,759,971 invested in equity mutual funds. At year-end, the Fund does not have any investments over 5 percent of net plan assets available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

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

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 32.00% | 0.50% - 3.20% |
| Domestic Equities | 56.50% | 3.60% - 4.50% |
| International Equities | 5.00% | 5.20% - 7.20% |
| Real Estate | 3.50% | 4.00% |
| Cash and Cash Equivalents | 3.00% | 0.00% |

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in November 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2021 are listed in the table above.

Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 33.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$711,016 and the bank balances totaled \$711,016.

Investments. At year-end, the Firefighters' Pension Fund has the following investments and maturities:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|--------------------------|------------------|----------------------------------|------------------|------------------|----------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U.S. Treasury Securities | \$ 2,088,742 | — | 1,243,002 | 845,740 | — |
| U.S. Agency Securities | 218,788 | 10,004 | 37,233 | 125,903 | 45,648 |
| Corporate Bonds | 2,135,850 | 75,847 | 1,188,221 | 742,293 | 129,489 |
| Municipal Bonds | 126,523 | — | 59,404 | 37,035 | 30,084 |
| Totals | 4,569,903 | 85,851 | 2,527,860 | 1,750,971 | 205,221 |

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

| Investments by Fair Value Level | Totals | Fair Value Measurements Using | | |
|---|-------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Debt Securities | | | | |
| U.S. Treasury Securities | \$ 2,088,742 | 2,088,742 | — | — |
| U.S. Agency Securities | 218,788 | — | 218,788 | — |
| Corporate Bonds | 2,135,850 | — | 2,135,850 | — |
| Municipal Bonds | 126,523 | — | 126,523 | — |
| Equity Securities | | | | |
| Equity Mutual Funds | 7,980,848 | 7,980,848 | — | — |
| Annuities | 1,542,534 | 1,542,534 | — | — |
| Total Investments Measured at Fair Value | 14,093,285 | 11,612,124 | 2,481,161 | — |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

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

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy prescribes to the "prudent person" rule which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the second objective of the attainment of market rates of return." The investments in the U.S. agency securities were not rated, the corporate bonds were rated BBB- to A by Standard and Poor's, and the municipal bonds were rated A+ to AA by Standard and Poor's.

Custodial Credit Risk. The Fund's investment policy does not require pledging of collateral for excess bank balances since flow-through FDIC insurance is available for the Fund's deposits with financial institutions. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral.

Concentration Risk. The Fund does not have a formal written policy with regards to concentration risk for investments. In addition to the securities and fair values listed above, the Fund also has \$7,980,848 invested in equity mutual funds, and \$1,542,534 invested in annuities. At year-end, the Fund has over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) invested in principal real estate investment in the amount of \$1,075,996.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Concentration of Credit Risk - Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 35.0% | 4.7% |
| Domestic Equities | 47.0% | 8.6% |
| International Equities | 8.0% | 8.5% |
| Real Estate | 10.0% | 5.8% |
| Cash and Cash Equivalents | 0.0% | 0.0% |

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

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

Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.84%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-------------------------|-------------------------|-----------------|-------------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 806,995 | — | — | 806,995 |
| Depreciable Capital Assets | | | | |
| Land Improvements | 1,351,990 | — | — | 1,351,990 |
| Buildings and Improvements | 2,346,424 | 58,226 | — | 2,404,650 |
| Furniture and Equipment | 3,792,265 | 359,435 | — | 4,151,700 |
| Vehicles | 5,964,993 | — | — | 5,964,993 |
| | <u>13,455,672</u> | <u>417,661</u> | <u>—</u> | <u>13,873,333</u> |
| Less Accumulated Depreciation | | | | |
| Land Improvements | 511,227 | 46,330 | — | 557,557 |
| Buildings and Improvements | 2,039,687 | 10,415 | — | 2,050,102 |
| Furniture and Equipment | 3,723,995 | 41,694 | — | 3,765,689 |
| Vehicles | 4,313,224 | 663,410 | — | 4,976,634 |
| | <u>10,588,133</u> | <u>761,849</u> | <u>—</u> | <u>11,349,982</u> |
| Total Net Depreciable Capital Assets | <u>2,867,539</u> | <u>(344,188)</u> | <u>—</u> | <u>2,523,351</u> |
| Total Net Capital Assets | <u><u>3,674,534</u></u> | <u><u>(344,188)</u></u> | <u><u>—</u></u> | <u><u>3,330,346</u></u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|--------------------|-----------------------|
| General Government | \$ 94,774 |
| Public Safety | 94,926 |
| Public Works | <u>572,149</u> |
| | <u><u>761,849</u></u> |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|-----------------|-----------|--------------------|
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | \$ 3,535,990 | — | — | 3,535,990 |
| Furniture and Equipment | 484,171 | — | — | 484,171 |
| Infrastructure | 1,691,731 | — | — | 1,691,731 |
| | <u>5,711,892</u> | <u>—</u> | <u>—</u> | <u>5,711,892</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 2,023,373 | 78,577 | — | 2,101,950 |
| Furniture and Equipment | 361,407 | 14,543 | — | 375,950 |
| Infrastructure | 1,691,731 | — | — | 1,691,731 |
| | <u>4,076,511</u> | <u>93,120</u> | <u>—</u> | <u>4,169,631</u> |
| Total Net Depreciable Capital Assets | <u>1,635,381</u> | <u>(93,120)</u> | <u>—</u> | <u>1,542,261</u> |
| Total Net Capital Assets | <u>1,635,381</u> | <u>(93,120)</u> | <u>—</u> | <u>1,542,261</u> |

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

| | |
|-------------------|---------------|
| Water | \$ 11,055 |
| Recreation Center | <u>82,065</u> |
| | <u>93,120</u> |

PROPERTY TAXES

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND ADVANCES

Interfund advances as of the date of this report are as follows:

| Advances From | Advances To | Amount |
|-----------------------|-----------------------|------------------|
| General | Nonmajor Governmental | \$ 694,223 |
| General | Debt Service | 2,283 |
| General | Recreation Center | 1,018,187 |
| General | Sewer | 498,613 |
| Motor Fuel Tax | General | 1,612,191 |
| I-94 Sibley TIF | General | 2,522,657 |
| Nonmajor Governmental | General | 164,915 |
| Water | General | 1,387,407 |
| Police Pension | General | 310,327 |
| | | <u>8,210,803</u> |

Interfund advances from the General Fund to the Nonmajor Governmental Funds and the Debt Service Fund represent payments of tax increment financing districts, state forfeiture and debt service funds made by the General Fund on behalf of those funds. Interfund advances from Nonmajor Governmental Funds to the General Fund represents amounts borrowed in prior years that the General Fund is working to repay. The amounts owed between the Recreation Center and the Sewer Fund to the General Fund represent expenses paid by the General Fund that the Recreation Center and Sewer Fund have not repaid. The amounts owed to the Water Fund from the General Fund represent amounts borrowed from the Water Fund to fund general operations that the General Fund is working to repay. The amounts owed to the I-94 Sibley TIF and Motor Fuel Tax Fund relate to amounts borrowed by the General Fund in which it is working to create a plan on repaying the amounts owed.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

| Transfer In | Transfer Out | Amount |
|-----------------------|--------------|------------------|
| Debt Service | General | \$ 553,704 |
| Nonmajor Governmental | General | 256,833 |
| Water | General | 976,505 |
| | | <u>1,787,042</u> |

The transfer between between the Debt Service Fund and General Fund was due to real estate taxes received in the Debt Service Fund wasn't sufficient to cover the annual obligation. The transfer from the General Fund was to ensure the annual obligation was paid. In FY21, the Village elected to create separate special revenues funds for the Federal Forfeiture, State Forfeiture, and Foreign Fire. The Village created these as separate special revenue funds because the expenditures are funded through specific revenues that fund these operations are not directly linked to general operations of the Village. The transfer between the General Fund and Water Fund were for real estate taxes received by the General Fund for payment of the City of Chicago agreement.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

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

| Issuance | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-----------------------|-----------|------------------|--------------------|
| \$11,535,000 General Obligation Bonds of 2009A - Due in annual installments of \$500,000 to \$1,000,000 plus interest at 2.50% to 4.50% through December 1, 2026. | \$ 6,965,000 | — | 965,000 | 6,000,000 |
| \$5,455,000 General Obligation Build America Direct Payment Bonds of 2009B - Due in annual installments of \$220,000 to \$880,000 plus interest at 6.10% through December 1, 2029. | 5,455,000 | — | 220,000 | 5,235,000 |
| \$12,655,000 Taxable General Obligation Bonds of 2009C - Due in annual installments of \$500,000 to \$1,000,000 plus interest at 2.61% to 5.77% through December 1, 2024. | 5,000,000 | — | 1,000,000 | 4,000,000 |
| \$1,400,000 General Obligation Bonds of 2019 - Due in one installment of \$1,400,000 plus interest at 3.00% through December 1, 2020. | 1,400,000 | — | 1,400,000 | — |
| \$1,400,000 General Obligation Bonds of 2020 - Due in one installment of \$1,400,000 plus interest at 2.00% through December 1, 2021. | 1,400,000 | — | — | 1,400,000 |
| | <u>20,220,000</u> | <u>—</u> | <u>3,585,000</u> | <u>16,635,000</u> |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Deferred Charge on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2021 was \$81,553 which is reported in the governmental activities. The balance of the deferred charge on refunding at April 30, 2021 was \$455,341 which is reported as a deferred outflow on the Statement of Net Position.

Capital Leases

The Village has entered into four lease agreements as lessee for financing the acquisition of a combination of thirteen Fiat's and Durango's, fire truck, radios, and a street sweeper. Capital assets of \$1,321,484 have been added to governmental activities vehicles and equipment and \$29,849 have been added to business-type activities as a result of these capital leases. These lease agreements qualify as a capital leases for accounting purposes and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The capital leases has been recorded as a governmental activity liability.

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

| Fiscal Year | Lease Payments | | | | | Business-Type Activities Fiat and Durango |
|-------------------|-------------------------|--------------------|---------------------|----------|----------|--|
| | Governmental Activities | | | | | |
| | Street Sweeper | 2018 Fire Truck | Fiat and Durango | Motorola | Total | |
| 2022 | \$ 39,934 | 49,718 | 69,290 | 32,496 | 191,438 | 6,746 |
| 2023 | 39,934 | 49,718 | 69,308 | 32,495 | 191,455 | 6,751 |
| 2024 | 39,934 | 49,718 | 69,308 | 32,495 | 191,455 | 6,776 |
| 2025 | — | 49,719 | 69,328 | 32,495 | 151,542 | 6,784 |
| 2026 | — | 49,718 | — | 32,496 | 82,214 | — |
| 2027 | — | 31,243 | — | — | 31,243 | — |
| | 119,802 | 279,834 | 277,234 | 162,477 | 839,347 | 27,057 |
| Interest Portion | (9,589) | (39,453) | (29,514) | (12,477) | (91,033) | (2,647) |
| Principal Balance | 110,213 | 240,381 | 247,720 | 150,000 | 748,314 | 24,410 |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

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

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|---------------------------------|--------------------|------------------|-------------------|-------------------|-----------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 1,761,278 | 27,944 | 55,888 | 1,733,334 | 346,667 |
| Net Pension Liabilities | | | | | |
| Police Pension | 39,642,370 | — | 11,085,143 | 28,557,227 | — |
| Firefighters' Pension | 21,475,363 | — | 5,390,394 | 16,084,969 | — |
| Total OPEB Liability - RBP | 1,337,738 | 573,010 | — | 1,910,748 | — |
| General Obligation Bonds | 20,220,000 | — | 3,585,000 | 16,635,000 | 3,650,000 |
| Unamortized Bond Premium | 174,929 | — | 26,571 | 148,358 | — |
| Unamortized Bond Discount | (29,888) | — | (3,118) | (26,770) | — |
| Capital Leases Payable | 723,822 | 150,000 | 125,508 | 748,314 | 131,247 |
| Claims Payable | 2,774,703 | 479,457 | 452,509 | 2,801,651 | — |
| | <u>88,080,315</u> | <u>1,230,411</u> | <u>20,717,895</u> | <u>68,592,831</u> | <u>4,127,914</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | 28,889 | 7,477 | 14,954 | 21,412 | 4,282 |
| Total OPEB Liability - RBP | 128,243 | 29,926 | — | 158,169 | — |
| City of Chicago Payable | 7,842,501 | — | 682,472 | 7,160,029 | 723,420 |
| Capital Leases Payable | 29,849 | — | 5,439 | 24,410 | 5,711 |
| | <u>8,029,482</u> | <u>37,403</u> | <u>702,865</u> | <u>7,364,020</u> | <u>733,413</u> |

For the governmental activities, payments on the compensated absences, the net pension liabilities, and the total OPEB liability are made by the General Fund. The General Fund makes payments on the capital leases and claims payable. Payments on general obligation bonds are being liquidated by the Debt Service Fund.

Additionally, for business-type activities, the compensated absences and the total OPEB liability are being liquidated by the Water Fund, the Recreation Fund, and the Sewer Fund. The Water Fund makes payments on the City of Chicago payable and capital lease payable.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

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

| Fiscal Year | Governmental Activities | |
|----------------|-------------------------|------------------|
| | General | |
| | Obligation Bonds | |
| | Principal | Interest |
| 2022 | \$ 3,650,000 | 843,135 |
| 2023 | 2,275,000 | 699,685 |
| 2024 | 2,300,000 | 582,710 |
| 2025 | 2,325,000 | 461,710 |
| 2026 | 1,755,000 | 339,185 |
| 2027 | 1,785,000 | 248,130 |
| 2028 | 815,000 | 155,245 |
| 2029 | 850,000 | 105,530 |
| 2030 | 880,000 | 53,680 |
| Totals | <u>16,635,000</u> | <u>3,489,010</u> |

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

OTHER COMMITMENTS

City of Chicago Agreement

In November 2014, an agreement was reached between the Village and the City of Chicago for balances owed by the Village for past water purchases. The Village defaulted on this agreement, and the City of Chicago filed a lawsuit against the Village which would require the Village to pay on all outstanding balances and penalties due. In November 2018, the Court ruled in favor of the City of Chicago in the amount of \$9,086,343, which represents past due amounts of \$7,230,505 of principal and \$1,855,838 of penalties with 6% interest accruing per 735 ILCS 5/2-1303. As of April 30, 2021, the outstanding balance of \$7,160,029 is recorded as a liability in the Water Fund.

Economic Incentive Agreement

Under an Economic Initiative Agreement entered into in March of 2009, the Village agreed to share with Ralph's Grocery a portion of sales tax generated by the project, limited to a period of twenty years. The revenue sharing is determined as follows: 70% for years 1 through 5 of the agreement, 50% for years 6 through 10, and 33% for years 11 through 20. Through the fiscal year ended April 30, 2021, the Village has incurred \$993,853 to be paid to Ralph's Grocery. As of April 30, 2021, the Village has made payments of \$912,656, including \$46,547 of current year expenditures recorded in the General Fund. As of April 30, 2021, the amount outstanding from the Village to Ralph's Grocery is \$46,547.

Redevelopment Agreement

Under a Redevelopment Agreement entered into December 2001, the Village agreed to reimburse eligible costs associated with a development located at Woodlawn and Sibley Blvd. In addition, the Village agreed to provide incentive payments to the developer in the amount of \$350,000 per year, limited to a period of twenty years. Through the fiscal year ended April 30, 2021, the Village has incurred total expenditures of \$7,000,000. As of April 30, 2021, the Village has made payments of \$6,650,000, including \$350,000 of current year expenditures recorded in the Sibley TIF #2 Fund. The outstanding balance has been recorded as a liability in the Sibley TIF #2 Fund. As of April 30, 2021, the amount outstanding from the Village to the developer is \$233,333.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

Minimum Fund Balance Policy. The Village's policy manual states that the General Fund should represent no less than three months and no more than six months of operating expenditures. Balances above the maximum are transferred to other funds or to capital projects at the Board's discretion.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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

| | General | Special Revenue | | | Nonmajor | Totals |
|----------------------------|------------------|----------------------|--------------------|------------------|------------------|-------------------|
| | | Motor Fuel Tax | I-94 Sibley TIF | Debt Service | | |
| Fund Balances | | | | | | |
| Nonspendable | | | | | | |
| Advances | \$ 2,213,306 | — | — | — | — | 2,213,306 |
| Prepays | 261,193 | — | — | — | — | 261,193 |
| Land Held for Resale | 245,712 | — | — | — | — | 245,712 |
| Inventories | 5,061 | — | — | — | — | 5,061 |
| | <u>2,725,272</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>2,725,272</u> |
| Restricted | | | | | | |
| Narcint | 8,202 | — | — | — | — | 8,202 |
| State Forfeited | — | — | — | — | 119,977 | 119,977 |
| Federal Forfeiture | — | — | — | — | 26,078 | 26,078 |
| Foreign Fire Insurance | — | — | — | — | 27,777 | 27,777 |
| Unspent Bond Proceeds | 336,195 | — | — | — | — | 336,195 |
| Public Works | — | 4,499,866 | — | — | — | 4,499,866 |
| Debt Service | — | — | — | 1,468,989 | — | 1,468,989 |
| Economic Development | — | — | 2,866,173 | — | 502,941 | 3,369,114 |
| | <u>344,397</u> | <u>4,499,866</u> | <u>2,866,173</u> | <u>1,468,989</u> | <u>676,773</u> | <u>9,856,198</u> |
| Unassigned | <u>1,051,296</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>(767,804)</u> | <u>283,492</u> |
| Total Fund Balances | <u>4,120,965</u> | <u>4,499,866</u> | <u>2,866,173</u> | <u>1,468,989</u> | <u>(91,031)</u> | <u>12,864,962</u> |

NET POSITION/FUND BALANCE RESTATEMENTS

Beginning net position/fund balance was restated to correct an error in recognition of payables. The following is a summary of the net position/fund balance as originally reported and as restated:

| Net Position/Fund Balance | As Reported | As Restated | Increase |
|---------------------------|-----------------|--------------|----------|
| Governmental Activities | \$ (54,917,065) | (54,742,065) | 175,000 |
| Sibley TIF #2 | (1,417,014) | (1,242,014) | 175,000 |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

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

| | |
|--|---------------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 3,330,346 |
| Plus: Unspent Bond Proceeds | 336,195 |
| Less Capital Related Debt: | |
| General Obligation Bonds - Net | (8,048,230) |
| Capital Leases Payable | <u>(748,314)</u> |
| Net Investment in Capital Assets | <u><u>(5,130,003)</u></u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 1,542,261 |
| Less Capital Related Debt: | |
| Capital Leases Payable | <u>(24,410)</u> |
| Net Investment in Capital Assets | <u><u>1,517,851</u></u> |

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village has purchased private insurance for medical, dental, and other employee benefits. The Village is self-insured for the first \$250,000 of workers' compensation benefits and has purchased specific excess coverage for the next \$1,100,000. The Village is also self-insured for the first \$50,000 per occurrence for liability coverage. In addition, the Village maintains an aggregate excess policy for combined workers' compensation and liability claims in excess of \$1,100,000. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village's self-insurance activities are reported in the governmental activities.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an number of claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and number of payouts, and other economic and social factors.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Changes in the balances of claims liabilities are as follows:

| | Workers' | | |
|---------------------------------|--------------|-----------|-----------|
| | Compensation | Liability | Totals |
| Claims Payable - April 30, 2019 | \$ 2,443,906 | 239,429 | 2,683,335 |
| Incurred Claims | 170,073 | 378,971 | 549,044 |
| Claims Paid | (79,885) | (377,791) | (457,676) |
| Claims Payable - April 30, 2020 | 2,534,094 | 240,609 | 2,774,703 |
| Incurred Claims | 24 | 479,433 | 479,457 |
| Claims Paid | (3,101) | (449,408) | (452,509) |
| Claims Payable - April 30, 2021 | 2,531,017 | 270,634 | 2,801,651 |

JOINTLY GOVERNED ORGANIZATION

Effective January 1, 2018, the Village established a Joint Emergency Telephone Systems Board "JETS" with the Village of Burnham. The System's Board consists of seven members, of which three members are representatives from the Village. The System's Board is responsible for maintaining the Fund including receiving monies from surcharge fees and approving all disbursements from the Fund. The System's Board is responsible for coordinating the operating and maintenance of the System.

CONTINGENT LIABILITIES

Litigation

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

Grants

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

Financial Impact due to COVID-19

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

TIF Expiration

The I-94 Sibley TIF expired on December 31, 2016. As of the opinion date, the Village has not formally closed the TIF with the State and the County. Among the requirements to close a TIF is to pay to the County any surplus TIF incremental tax revenues at the expiration of the TIF. The Village is in the process of reviewing whether any TIF-eligible projects will occur with the remaining fund balance. At this time, the Village is unable to estimate the amount, if any, that will be required to be repaid to the County.

Overpayment of Local Motor Fuel Tax

It was determined in February 2017 that Ralph's Grocery had overpaid the Village for their share of Local Motor Fuel taxes. The Village is in the process of coming to an agreement on what is to be paid back to Ralph's Grocery. As of the fiscal year ended April 30, 2021 the amount due is \$305,426.

Community Development

The Village participates in various community development projects and secures funding from the United States Department of Housing and Urban Development (HUD). The primary objective the Cook County Development Block Grant Program (CDBG) is to develop suitable urban communities by providing affordable housing with a comfortable living environment and by expanding economic opportunities principally for persons with low to moderate income levels. Housing activities will conserve and expand the urban county's housing availability and will provide equal access to housing for all persons. The stimulation of private investment and job creation will preserve economic development and address public health and safety for the overall quality of life in the community.

Loans to Other Governments

In 2007, the Village extended a non-interest bearing loan, in the amount of \$300,000 to the Dolton Park District for purpose of working capital. The loan is to be repaid when it is financially feasible for the Park District. As of April 30, 2021, the total amount outstanding is \$300,000. The activity of the loan is reported in the Village's General Fund.

Union Contracts

The Village of Dolton's Police and Fire Union Agreements and Police Lieutenant and Sergeant Contracts expired on April 30, 2020. The Village has come to an agreement with the Police Union and are in negotiations for Fire Union and Police Lieutenant and Sergeant Contracts. The estimated retro pay is to be paid through fiscal year 2023 for a total of \$534,069.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

DEFERRED COMPENSATION PLAN

The Village provides a 457 deferred compensation plan to its employees, administered by the United States Conference of Mayors (USCM) contracted with Nationwide Retirement Solutions, Inc. (formerly PEBSCO). The intent of the plan is to assist employees in establishing an increased measure of financial security by providing additional retirement income through the deferral of before-tax dollars and the reduction of current income tax liability. The plan is offered to all full-time employees and is non-participatory by the Village.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is also a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the Village at 14122 Chicago Road, Dolton, Illinois 60419. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount recognized for the pension plans is:

| | Pension (Revenue)/ Expense | Net Pension (Asset)/ Liability | Deferred Outflows | Deferred Inflows |
|-----------------------|----------------------------------|---|----------------------|---------------------|
| IMRF | \$ (585,008) | (5,560,837) | 27,642 | 2,908,162 |
| Police Pension | 1,433,655 | 28,557,227 | 16,054,594 | 15,186,987 |
| Firefighters' Pension | 1,479,010 | 16,084,969 | 7,855,149 | 6,990,779 |
| | <u>2,327,657</u> | <u>39,081,359</u> | <u>23,937,385</u> | <u>25,085,928</u> |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

| | |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits | 99 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 49 |
| Active Plan Members | <u>53</u> |
| Total | <u><u>201</u></u> |

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2021, the Village's contribution was 2.25% of covered payroll.

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

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 28.00% | -0.85% |
| Domestic Equities | 37.00% | 2.85% |
| International Equities | 18.00% | 3.85% |
| Real Estate | 9.00% | 4.05% |
| Blended | 7.00% | 0.70% - 4.80% |
| Cash and Cash Equivalents | 1.00% | -1.45% |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate

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

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) to changes in the discount rate. The table below presents the net pension (asset) of the Village calculated using the discount rate as well as what the Village's net pension (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---------------------|------------------------|-------------------------------------|------------------------|
| Net Pension (Asset) | \$ (3,479,761) | (5,560,837) | (7,259,276) |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension (Asset)

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension (Asset) (A) - (B) |
|---|--------------------------------------|---------------------------------------|-------------------------------------|
| Balances at December 31, 2019 | \$ 20,848,984 | 24,130,961 | (3,281,977) |
| Changes for the Year: | | | |
| Service Cost | 272,235 | — | 272,235 |
| Interest on the Total Pension Liability | 1,468,387 | — | 1,468,387 |
| Changes of Benefit Terms | — | — | — |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (578,561) | — | (578,561) |
| Changes of Assumptions | (157,969) | — | (157,969) |
| Contributions - Employer | — | 48,141 | (48,141) |
| Contributions - Employees | — | 122,392 | (122,392) |
| Net Investment Income | — | 3,650,582 | (3,650,582) |
| Benefit Payments, Including Refunds of Employee Contributions | (1,462,988) | (1,462,988) | — |
| Other (Net Transfer) | — | (538,163) | 538,163 |
| Net Changes | (458,896) | 1,819,964 | (2,278,860) |
| Balances at December 31, 2020 | 20,390,088 | 25,950,925 | (5,560,837) |

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

For the year ended April 30, 2021, the Village recognized pension revenue of \$585,008. At April 30, 2021, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|-------------|
| Difference Between Expected and Actual Experience | \$ — | (379,859) | (379,859) |
| Change in Assumptions | — | (101,233) | (101,233) |
| Net Difference Between Projected and Actual | | | |
| Earnings on Pension Plan Investments | — | (2,427,070) | (2,427,070) |
| Total Pension Expense to be | | | |
| Recognized in Future Periods | — | (2,908,162) | (2,908,162) |
| Pension Contributions Made Subsequent | | | |
| to the Measurement Date | 27,642 | — | 27,642 |
| Total Deferred Amounts Related to IMRF | 27,642 | (2,908,162) | (2,880,520) |

\$27,642 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Fiscal Year | Net Deferred (Inflows) of Resources |
|----------------|---|
| 2022 | \$ (1,076,539) |
| 2023 | (482,681) |
| 2024 | (955,451) |
| 2025 | (393,491) |
| 2026 | — |
| Thereafter | — |
| Total | (2,908,162) |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension Plan

Plan Descriptions

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

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

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 43 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 10 |
| Active Plan Members | <u>42</u> |
| Total | <u><u>95</u></u> |

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2021, the Village's contribution was 46.81% of covered payroll.

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Actuarial Assumptions

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

| | |
|----------------------------|------------------|
| Actuarial Cost Method | Entry-Age Normal |
| Asset Valuation Method | Market Value |
| Actuarial Assumptions | |
| Interest Rate | 7.00% |
| Salary Increases | 4.00% to 10.38% |
| Cost of Living Adjustments | 3.50% |
| Inflation | 2.25% |

Mortality rates were based PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate.

Discount Rate

A Single Discount Rate of 4.74% was used to measure the total pension liability and 4.09% was used in the prior valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 2.27%, and the resulting single discount rate is 4.74%.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (3.74%) | Current Discount Rate (4.74%) | 1% Increase (5.74%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 38,607,561 | 28,557,227 | 20,483,503 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2020 | \$ 67,123,618 | 27,481,248 | 39,642,370 |
| Changes for the Year: | | | |
| Service Cost | 1,735,667 | — | 1,735,667 |
| Interest on the Total Pension Liability | 2,727,884 | — | 2,727,884 |
| Changes of Benefit Terms | — | — | — |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 752,134 | — | 752,134 |
| Changes of Assumptions | (6,272,529) | — | (6,272,529) |
| Contributions - Employer | — | 1,335,055 | (1,335,055) |
| Contributions - Employees | — | 319,960 | (319,960) |
| Net Investment Income | — | 8,488,293 | (8,488,293) |
| Benefit Payments, Including Refunds of Employee Contributions | (2,440,082) | (2,440,082) | — |
| Other (Net Transfer) | — | (115,009) | 115,009 |
| Net Changes | (3,496,926) | 7,588,217 | (11,085,143) |
| Balances at April 30, 2021 | 63,626,692 | 35,069,465 | 28,557,227 |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

For the year ended April 30, 2021, the Village recognized pension expense of \$1,433,655. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|----------------|
| Difference Between Expected and Actual Experience | \$ 1,614,329 | (889,331) | 724,998 |
| Change in Assumptions | 14,440,265 | (9,941,422) | 4,498,843 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | — | (4,356,234) | (4,356,234) |
| Total Deferred Amounts Related to Police Pension | <u>16,054,594</u> | <u>(15,186,987)</u> | <u>867,607</u> |

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

| Fiscal Year | Net Deferred Outflows/ (Inflows) of Resources |
|----------------|--|
| 2022 | \$ (845,849) |
| 2023 | (454,317) |
| 2024 | 1,967,620 |
| 2025 | 200,153 |
| 2026 | — |
| Thereafter | — |
| Total | <u>867,607</u> |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

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

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

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 20 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 3 |
| Active Plan Members | <u>20</u> |
| Total | <u><u>43</u></u> |

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2021, the Village's contribution was 45.81% of covered payroll.

Concentrations. At year-end, the Fund has over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) invested in principal insurance annuities in the amount of \$1,075,996.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Actuarial Assumptions

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

| | |
|----------------------------|-------------------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.00% |
| Salary Increases | Graded by Years of Service |
| Cost of Living Adjustments | 2.25% |
| Inflation | 2.25% |

Mortality rates were based PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate.

Discount Rate

A Single Discount Rate of 5.11% was used to measure the total pension liability and 4.49% was used in the prior valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 2.12%, and the resulting single discount rate is 5.11%.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (4.11%) | Current Discount Rate (5.11%) | 1% Increase (6.11%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 21,003,547 | 16,084,969 | 12,140,639 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2020 | \$ 33,916,854 | 12,441,491 | 21,475,363 |
| Changes for the Year: | | | |
| Service Cost | 866,106 | — | 866,106 |
| Interest on the Total Pension Liability | 1,488,302 | — | 1,488,302 |
| Changes of Benefit Terms | — | — | — |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (673,972) | — | (673,972) |
| Changes of Assumptions | (3,232,512) | — | (3,232,512) |
| Contributions - Employer | — | 778,157 | (778,157) |
| Contributions - Employees | — | 137,781 | (137,781) |
| Net Investment Income | — | 2,964,299 | (2,964,299) |
| Benefit Payments, Including Refunds of Employee Contributions | (1,421,253) | (1,421,253) | — |
| Other (Net Transfer) | — | (41,919) | 41,919 |
| Net Changes | (2,973,329) | 2,417,065 | (5,390,394) |
| Balances at April 30, 2021 | 30,943,525 | 14,858,556 | 16,084,969 |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

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

For the year ended April 30, 2021, the Village recognized pension expense of \$1,479,010. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|----------------|
| Difference Between Expected and Actual Experience | \$ 1,519,567 | (588,606) | 930,961 |
| Change in Assumptions | 6,335,582 | (5,209,023) | 1,126,559 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | — | (1,193,150) | (1,193,150) |
| Total Deferred Amounts Related to Firefighters' Pension | <u>7,855,149</u> | <u>(6,990,779)</u> | <u>864,370</u> |

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

| Fiscal Year | Net Deferred Outflows/ (Inflows) of Resources |
|----------------|--|
| 2022 | \$ 89,579 |
| 2023 | 109,055 |
| 2024 | 48,618 |
| 2025 | (313,362) |
| 2026 | 461,314 |
| Thereafter | <u>469,166</u> |
| Total | <u>864,370</u> |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

Benefits Provided. RBP provides dental, vision and life insurance coverage to eligible retirees. Retiree-paid premiums for these insurances are assumed to cover the entire cost of the respective benefits. Retiree dental, vision and life coverages are not taken into consideration in this valuation of benefits.

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

| | |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits | 15 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | — |
| Active Plan Members | <u>109</u> |
| Total | <u><u>124</u></u> |

Total OPEB Liability

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

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

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

| | |
|--|--|
| Inflation | 2.50% |
| Salary Increases | Varies by Service |
| Discount Rate | 1.83% |
| Healthcare Cost Trend Rates | Initial rate of 7.50% in fiscal year 2021, grading down to the ultimate trend rate of 4.00% in fiscal year 2075. |
| Retirees' Share of Benefit-Related Costs | 100% of projected health insurance premiums for retirees |

The discount rate was based upon the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Mortality rates for Village employees were based on the Pub-2010 amount weighted, below-median income, general employee, male and female tables, with future mortality improvements projected generationally with Scale MP-2020. Police and Fire employees were based on the PubS-2010 employee mortality projected five years past the valuation date using Scale MP-2021.

Change in the Total OPEB Liability

| | Total OPEB Liability |
|---|----------------------------|
| Balances at April 30, 2020 | <u>\$ 1,465,981</u> |
| Changes for the Year: | |
| Service Cost | 65,201 |
| Interest on the Total OPEB Liability | 42,363 |
| Changes of Benefit Terms | — |
| Difference Between Expected and Actual Experience | 299,693 |
| Changes of Assumptions or Other Inputs | 285,821 |
| Benefit Payments | <u>(90,142)</u> |
| Net Changes | <u>602,936</u> |
| Balances at April 30, 2021 | <u><u>2,068,917</u></u> |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

The discount rate used to measure the total pension liability was 1.83%, while the prior valuation used 2.85%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

| | 1% Decrease (0.83%) | Current Discount Rate (1.83%) | 1% Increase (2.83%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 2,282,689 | 2,068,917 | 1,879,999 |

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

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

| | 1% Decrease (Varies) | Healthcare Cost Trend Rates (Varies) | 1% Increase (Varies) |
|----------------------|-------------------------|---|-------------------------|
| Total OPEB Liability | \$ 1,857,301 | 2,068,917 | 2,313,502 |

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

For the year ended April 30, 2021, the Village recognized OPEB expense of \$182,664. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|----------------|
| Difference Between Expected and Actual Experience | \$ 266,394 | — | 266,394 |
| Change in Assumptions | 319,046 | — | 319,046 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | — | — | — |
| Total Deferred Amounts Related to OPEB | <u>585,440</u> | <u>—</u> | <u>585,440</u> |

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

| Fiscal Year | Net Deferred Outflows of Resources |
|----------------|--|
| 2022 | \$ 75,100 |
| 2023 | 75,100 |
| 2024 | 75,100 |
| 2025 | 75,100 |
| 2026 | 75,100 |
| Thereafter | <u>209,940</u> |
| Total | <u>585,440</u> |

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$3,041,220 to be received in two installments. On August 30, 2021 the Village received their first installment of 1,520,610.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

- Budgetary Comparison Schedule
 - General Fund
 - Motor Fuel Tax - Special Revenue Fund
 - I-94 Sibley TIF - Special Revenue Fund

Notes to the Required Supplementary Information

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

VILLAGE OF DOLTON, ILLINOIS

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

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2016 | \$ 141,746 | \$ 141,950 | \$ 204 | \$ 2,362,425 | 6.01% |
| 2017 | 179,936 | 244,112 | 64,176 | 2,860,670 | 8.53% |
| 2018 | 125,551 | 125,551 | — | 2,761,650 | 4.55% |
| 2019 | 62,048 | 62,048 | — | 2,661,841 | 2.33% |
| 2020 | 34,117 | 34,117 | — | 2,904,837 | 1.17% |
| 2021 | 38,224 | 57,649 | 19,425 | 2,560,233 | 2.25% |

Notes to the Required Supplementary Information:

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

Note:

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

VILLAGE OF DOLTON, ILLINOIS

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

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2015 | \$ 1,113,611 | \$ 716,574 | \$ (397,037) | \$ 2,939,400 | 24.38% |
| 2016 | 1,236,858 | 787,728 | (449,130) | 3,221,094 | 24.46% |
| 2017 | 1,200,342 | 762,459 | (437,883) | 3,405,262 | 22.39% |
| 2018 | 1,414,979 | 721,564 | (693,415) | 3,159,810 | 22.84% |
| 2019 | 1,532,868 | 981,174 | (551,694) | 3,103,824 | 31.61% |
| 2020 | 1,622,439 | 1,661,312 | 38,873 | 3,212,458 | 51.71% |
| 2021 | 1,334,189 | 1,335,055 | 866 | 2,852,261 | 46.81% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 19 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 2.50% |
| Salary Increases | 5.00% - 10.63% |
| Investment Rate of Return | 7.00% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | Mortality rates are based on RP-2014 Adjusted for Plan Status, Collar, and Illinois Pension Data, as Appropriate. |

Note:

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

VILLAGE OF DOLTON, ILLINOIS

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

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2015 | \$ 679,271 | \$ 455,180 | \$ (224,091) | \$ 1,391,319 | 32.72% |
| 2016 | 603,043 | 499,389 | (103,654) | 1,667,358 | 29.95% |
| 2017 | 645,365 | 485,543 | (159,822) | 1,653,009 | 29.37% |
| 2018 | 806,828 | 456,912 | (349,916) | 1,710,864 | 26.71% |
| 2019 | 855,659 | 714,777 | (140,882) | 1,743,646 | 40.99% |
| 2020 | 934,386 | 919,394 | (14,992) | 1,804,674 | 50.95% |
| 2021 | 1,050,730 | 778,157 | (272,573) | 1,698,695 | 45.81% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 19 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 3.00% |
| Salary Increases | 4.75% - 19.79% |
| Investment Rate of Return | 7.00% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate. |

Note:

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

VILLAGE OF DOLTON, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension (Asset)
April 30, 2021**

| | <u>12/31/15</u> |
|---|--------------------------------|
| Total Pension Liability | |
| Service Cost | \$ 217,866 |
| Interest | 1,468,511 |
| Changes in Benefit Terms | — |
| Differences Between Expected and Actual Experience | 70,698 |
| Change of Assumptions | — |
| Benefit Payments, Including Refunds of Member Contributions | <u>(1,322,421)</u> |
| Net Change in Total Pension Liability | 434,654 |
| Total Pension Liability - Beginning | <u>20,132,424</u> |
| Total Pension Liability - Ending | <u><u>20,567,078</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 141,950 |
| Contributions - Members | 107,417 |
| Net Investment Income | 106,340 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(1,322,421)</u> |
| Other (Net Transfer) | 272,643 |
| Net Change in Plan Fiduciary Net Position | <u>(694,071)</u> |
| Plan Net Position - Beginning | <u>21,804,621</u> |
| Plan Net Position - Ending | <u><u>21,110,550</u></u> |
| Employer's Net Pension (Asset) | <u><u>\$ (543,472)</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 102.64% |
| Covered Payroll | \$ 2,362,425 |
| Employer's Net Pension (Asset) as a Percentage of Covered Payroll | (23.00%) |

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

| 12/31/16 | 12/31/17 | 12/31/18 | 12/31/19 | 12/31/20 |
|-------------|-------------|-------------|-------------|-------------|
| 291,620 | 312,308 | 250,150 | 257,832 | 272,235 |
| 1,497,434 | 1,498,458 | 1,466,994 | 1,454,307 | 1,468,387 |
| — | — | — | — | — |
| (330,146) | (110,959) | (231,840) | (36,010) | (578,561) |
| — | (655,580) | 492,117 | — | (157,969) |
| (1,494,194) | (1,417,020) | (1,448,303) | (1,515,262) | (1,462,988) |
| (35,286) | (372,793) | 529,118 | 160,867 | (458,896) |
| 20,567,078 | 20,531,792 | 20,158,999 | 20,688,117 | 20,848,984 |
| 20,531,792 | 20,158,999 | 20,688,117 | 20,848,984 | 20,390,088 |
| 244,112 | 152,588 | 86,375 | 23,070 | 48,141 |
| 129,850 | 138,809 | 127,836 | 121,954 | 122,392 |
| 1,416,783 | 4,211,306 | (1,639,113) | 4,301,598 | 3,650,582 |
| (1,494,194) | (1,417,020) | (1,448,303) | (1,515,262) | (1,462,988) |
| 719,146 | (1,185,693) | 170,389 | (123,820) | (538,163) |
| 1,015,697 | 1,899,990 | (2,702,816) | 2,807,540 | 1,819,964 |
| 21,110,550 | 22,126,247 | 24,026,237 | 21,323,421 | 24,130,961 |
| 22,126,247 | 24,026,237 | 21,323,421 | 24,130,961 | 25,950,925 |
| (1,594,455) | (3,867,238) | (635,304) | (3,281,977) | (5,560,837) |
| 107.77% | 119.18% | 103.07% | 115.74% | 127.27% |
| 2,860,670 | 2,922,475 | 2,742,081 | 2,708,539 | 2,719,818 |
| (55.74%) | (132.33%) | (23.17%) | (121.17%) | (204.46%) |

VILLAGE OF DOLTON, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2021

| | <u>4/30/15</u> |
|---|----------------------|
| Total Pension Liability | |
| Service Cost | \$ 1,301,043 |
| Interest | 2,212,327 |
| Changes in Benefit Terms | — |
| Differences Between Expected and Actual Experience | — |
| Change of Assumptions | — |
| Benefit Payments, Including Refunds of Member Contributions | (1,786,828) |
| Net Change in Total Pension Liability | 1,726,542 |
| Total Pension Liability - Beginning | 46,135,266 |
| Total Pension Liability - Ending | <u>47,861,808</u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 716,574 |
| Contributions - Members | 329,382 |
| Net Investment Income | 1,662,239 |
| Benefit Payments, Including Refunds of Member Contributions | (1,786,828) |
| Administrative Expenses | (70,626) |
| Net Change in Plan Fiduciary Net Position | 850,741 |
| Plan Net Position - Beginning | 24,782,844 |
| Plan Net Position - Ending | <u>25,633,585</u> |
| Employer's Net Pension Liability | <u>\$ 22,228,223</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 53.56% |
| Covered Payroll | \$ 2,939,400 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 756.22% |

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

| 4/30/16 | 4/30/17 | 4/30/18 | 4/30/19 | 4/30/20 | 4/30/21 |
|-------------|-------------|-------------|--------------|-------------|-------------|
| 1,238,399 | 1,332,573 | 1,406,131 | 1,331,537 | 839,822 | 1,735,667 |
| 2,513,788 | 2,707,162 | 2,697,387 | 2,833,063 | 2,930,240 | 2,727,884 |
| — | — | — | — | 222,981 | — |
| (831,040) | (247,761) | 213,124 | (2,041,387) | 1,465,901 | 752,134 |
| 965,468 | (1,938,831) | 2,575,606 | (11,538,125) | 20,991,065 | (6,272,529) |
| (1,750,240) | (1,910,799) | (2,149,638) | (2,220,702) | (2,373,914) | (2,440,082) |
| 2,136,375 | (57,656) | 4,742,610 | (11,635,614) | 24,076,095 | (3,496,926) |
| 47,861,808 | 49,998,183 | 49,940,527 | 54,683,137 | 43,047,523 | 67,123,618 |
| 49,998,183 | 49,940,527 | 54,683,137 | 43,047,523 | 67,123,618 | 63,626,692 |
| 787,728 | 762,459 | 721,564 | 981,174 | 1,661,312 | 1,335,055 |
| 325,100 | 325,913 | 309,041 | 307,589 | 316,825 | 319,960 |
| (457,288) | 2,200,659 | 2,129,149 | 2,242,216 | 10,137 | 8,488,293 |
| (1,750,240) | (1,910,799) | (2,149,638) | (2,220,702) | (2,373,914) | (2,440,082) |
| (83,581) | (70,723) | (67,687) | (81,234) | (67,397) | (115,009) |
| (1,178,281) | 1,307,509 | 942,429 | 1,229,043 | (453,037) | 7,588,217 |
| 25,633,585 | 24,455,304 | 25,762,813 | 26,705,242 | 27,934,285 | 27,481,248 |
| 24,455,304 | 25,762,813 | 26,705,242 | 27,934,285 | 27,481,248 | 35,069,465 |
| 25,542,879 | 24,177,714 | 27,977,895 | 15,113,238 | 39,642,370 | 28,557,227 |
| 48.91% | 51.59% | 48.84% | 64.89% | 40.94% | 55.12% |
| 3,221,094 | 3,405,262 | 3,159,810 | 3,103,824 | 3,212,458 | 2,852,261 |
| 792.99% | 710.01% | 885.43% | 486.92% | 1234.02% | 1001.21% |

VILLAGE OF DOLTON, ILLINOIS

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

| | <u>4/30/15</u> |
|---|--------------------------------|
| Total Pension Liability | |
| Service Cost | \$ 566,874 |
| Interest | 1,167,617 |
| Changes in Benefit Terms | — |
| Differences Between Expected and Actual Experience | — |
| Change of Assumptions | — |
| Benefit Payments, Including Refunds of Member Contributions | (846,907) |
| Net Change in Total Pension Liability | 887,584 |
| Total Pension Liability - Beginning | <u>20,554,789</u> |
| Total Pension Liability - Ending | <u><u>21,442,373</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 455,180 |
| Contributions - Members | 126,553 |
| Net Investment Income | 486,676 |
| Benefit Payments, Including Refunds of Member Contributions | (846,907) |
| Administrative Expenses | (24,167) |
| Net Change in Plan Fiduciary Net Position | 197,335 |
| Plan Net Position - Beginning | <u>11,987,452</u> |
| Plan Net Position - Ending | <u><u>12,184,787</u></u> |
| Employer's Net Pension Liability | <u><u>\$ 9,257,586</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 56.83% |
| Covered Payroll | \$ 1,391,319 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 665.38% |

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

| 4/30/16 | 4/30/17 | 4/30/18 | 4/30/19 | 4/30/20 | 4/30/21 |
|------------|-------------|-------------|-------------|-------------|-------------|
| 702,731 | 646,616 | 683,732 | 611,964 | 567,144 | 866,106 |
| 1,136,396 | 1,400,881 | 1,392,754 | 1,420,450 | 1,514,792 | 1,488,302 |
| — | — | — | — | 178,829 | — |
| 368,615 | 219,638 | (2,783) | 1,032,350 | 918,419 | (673,972) |
| 2,157,958 | (1,311,622) | 1,405,032 | (3,149,186) | 6,259,075 | (3,232,512) |
| (873,808) | (1,057,328) | (1,136,853) | (1,243,188) | (1,368,127) | (1,421,253) |
| 3,491,892 | (101,815) | 2,341,882 | (1,327,610) | 8,070,132 | (2,973,329) |
| 21,442,373 | 24,934,265 | 24,832,450 | 27,174,332 | 25,846,722 | 33,916,854 |
| 24,934,265 | 24,832,450 | 27,174,332 | 25,846,722 | 33,916,854 | 30,943,525 |
| 499,389 | 485,543 | 456,912 | 714,777 | 919,394 | 778,157 |
| 151,144 | 198,450 | 151,907 | 152,361 | 199,903 | 137,781 |
| (368,320) | 882,593 | 921,160 | 553,339 | 208,236 | 2,964,299 |
| (873,808) | (1,057,328) | (1,136,853) | (1,243,188) | (1,368,127) | (1,421,253) |
| (21,884) | (32,596) | (31,424) | (37,639) | (67,237) | (41,919) |
| (613,479) | 476,662 | 361,702 | 139,650 | (107,831) | 2,417,065 |
| 12,184,787 | 11,571,308 | 12,047,970 | 12,409,672 | 12,549,322 | 12,441,491 |
| 11,571,308 | 12,047,970 | 12,409,672 | 12,549,322 | 12,441,491 | 14,858,556 |
| 13,362,957 | 12,784,480 | 14,764,660 | 13,297,400 | 21,475,363 | 16,084,969 |
| 46.41% | 48.52% | 45.67% | 48.55% | 36.68% | 48.02% |
| 1,667,358 | 1,653,009 | 1,710,864 | 1,743,646 | 1,804,674 | 1,698,695 |
| 801.44% | 773.41% | 862.99% | 762.62% | 1189.99% | 946.90% |

VILLAGE OF DOLTON, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

April 30, 2021

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 2015 | 6.87% |
| 2016 | (1.82%) |
| 2017 | 9.26% |
| 2018 | 8.89% |
| 2019 | 8.56% |
| 2020 | 0.52% |
| 2021 | 33.85% |

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

VILLAGE OF DOLTON, ILLINOIS

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

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 2015 | 4.40% |
| 2016 | (3.13%) |
| 2017 | 7.83% |
| 2018 | 7.77% |
| 2019 | 4.60% |
| 2020 | 1.90% |
| 2021 | 24.84% |

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

VILLAGE OF DOLTON, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2021

| | 4/30/19 | 4/30/20 | 4/30/21 |
|--|--------------|-----------|-----------|
| Total OPEB Liability | | | |
| Service Cost | \$ 51,950 | 58,459 | 65,201 |
| Interest | 50,612 | 45,586 | 42,363 |
| Changes in Benefit Terms | — | — | — |
| Differences Between Expected and Actual Experience | — | — | 299,693 |
| Change of Assumptions or Other Inputs | 47,851 | 42,535 | 285,821 |
| Benefit Payments | (78,003) | (83,853) | (90,142) |
| Net Change in Total OPEB Liability | 72,410 | 62,727 | 602,936 |
| Total OPEB Liability - Beginning | 1,330,844 | 1,403,254 | 1,465,981 |
| Total OPEB Liability - Ending | 1,403,254 | 1,465,981 | 2,068,917 |
| Covered-Employee Payroll | \$ 7,585,149 | 7,974,267 | 8,141,423 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 18.50% | 18.38% | 25.41% |

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

VILLAGE OF DOLTON, ILLINOIS

General Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--|-------------------|-------------------|-------------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | \$ 10,629,332 | 10,629,332 | 10,054,246 |
| Intergovernmental | 5,597,700 | 5,597,700 | 7,977,183 |
| Licenses and Permits | 1,240,690 | 1,240,690 | 1,746,899 |
| Charges for Services | 1,800,500 | 1,800,500 | 1,732,389 |
| Fines and Forfeitures | 1,646,000 | 1,646,000 | 3,046,601 |
| Interest | 10,000 | 10,000 | 3,760 |
| Miscellaneous | 491,000 | 491,000 | 408,614 |
| Total Revenues | <u>21,415,222</u> | <u>21,415,222</u> | <u>24,969,692</u> |
| Expenditures | | | |
| General Government | 6,234,080 | 6,234,080 | 6,509,115 |
| Public Safety | 11,664,450 | 11,664,450 | 11,070,911 |
| Public Works | 2,243,350 | 2,243,350 | 1,906,222 |
| Public Property Maintenance | 1,946,180 | 1,946,180 | 1,769,115 |
| Debt Service | | | |
| Principal Retirement | 125,508 | 125,508 | 125,508 |
| Interest and Fiscal Charges | 34,492 | 34,492 | 33,452 |
| Total Expenditures | <u>22,248,060</u> | <u>22,248,060</u> | <u>21,414,323</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(832,838)</u> | <u>(832,838)</u> | <u>3,555,369</u> |
| Other Financing Sources (Uses) | | | |
| Debt Issuance | 1,500,000 | 1,500,000 | 150,000 |
| Disposal of Capital Assets | 400,000 | 400,000 | — |
| Transfers In | 490,000 | 490,000 | — |
| Transfers Out | (1,026,000) | (1,026,000) | (1,787,042) |
| | <u>1,364,000</u> | <u>1,364,000</u> | <u>(1,637,042)</u> |
| Net Change In Fund Balance | <u>531,162</u> | <u>531,162</u> | 1,918,327 |
| Fund Balance - Beginning | | | <u>2,202,638</u> |
| Fund Balance - Ending | | | <u><u>4,120,965</u></u> |

VILLAGE OF DOLTON, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|-----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Motor Fuel Tax Allotment | \$ 700,000 | 700,000 | 828,972 |
| Rebuild Allotment | — | — | 762,937 |
| Interest | 15,000 | 15,000 | 4,190 |
| Miscellaneous | — | — | 89,934 |
| Total Revenues | <u>715,000</u> | <u>715,000</u> | <u>1,686,033</u> |
| Expenditures | | | |
| Public Works | | | |
| Maintenance | 728,980 | 728,980 | 744,689 |
| Debt Service | | | |
| Principal Retirement | 80,000 | 80,000 | — |
| Total Expenditures | <u>808,980</u> | <u>808,980</u> | <u>744,689</u> |
| Net Change in Fund Balance | <u>(93,980)</u> | <u>(93,980)</u> | 941,344 |
| Fund Balance - Beginning | | | <u>3,558,522</u> |
| Fund Balance - Ending | | | <u>4,499,866</u> |

VILLAGE OF DOLTON, ILLINOIS

I-94 Sibley TIF - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ — | — | — |
| Expenditures | | | |
| Economic Development | | | |
| Professional Services | 1,000 | 1,000 | 426 |
| Net Change in Fund Balance | <u>(1,000)</u> | <u>(1,000)</u> | (426) |
| Fund Balance - Beginning | | | <u>2,866,599</u> |
| Fund Balance - Ending | | | <u>2,866,173</u> |

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The Village uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals.

I-94 Sibley TIF Fund

The I-94 Sibley TIF Fund is used to account for the incremental property taxes of the I-94 Sibley Tax Incremental Financing District and the use of those funds.

Sibley TIF #2 Fund

The Sibley TIF #2 Fund is used to account for the incremental property taxes of the Sibley Tax Incremental Financing District #2 and the use of those funds.

TIF #3 Indulux Fund

The TIF #3 Indulux Fund is used to account for the incremental property taxes of the Tax Incremental Financing District #3 Indulux and the use of those funds.

TIF #4 300 W Sibley

The TIF #4 300 W Sibley Fund is used to account for the incremental property taxes of the 300 W Sibley Tax Incremental Financing District #4 and the use of those funds.

Federal Forfeiture

The Federal Forfeiture Fund is used to account for revenues and expenditures of funds received under federal drug forfeiture laws.

INDIVIDUAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS - Continued

State Forfeiture

The State Forfeiture Fund is used to account for revenues and expenditures of funds received under state drug forfeiture laws.

Foreign Fire Tax

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

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

ENTERPRISE FUNDS

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

Water Fund

The Water Fund is used to account for the provisions of the water 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.

Recreation Center Fund

The Recreation Center Fund is used to account for the provisions of the Melanie Fitness Center. 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.

Sewer Fund

The Sewer Fund is used to account for the operating activities of the Village's sewerage utilities services on a user-charge basis to the Village residents.

INDIVIDUAL FUND DESCRIPTIONS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|-------------------------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| Taxes | | | |
| Property Taxes | \$ 8,199,132 | 8,199,132 | 7,528,592 |
| Transfer Tax | 266,000 | 266,000 | 297,887 |
| Utility Tax | 1,871,000 | 1,871,000 | 1,834,657 |
| Hotel Tax | 7,200 | 7,200 | 7,500 |
| Other Taxes | 286,000 | 286,000 | 385,610 |
| | <u>10,629,332</u> | <u>10,629,332</u> | <u>10,054,246</u> |
| Intergovernmental | | | |
| Sales Tax | 2,543,700 | 2,543,700 | 3,664,237 |
| State Sales Tax | 2,154,000 | 2,154,000 | 3,007,608 |
| Replacement Tax | 201,000 | 201,000 | 324,392 |
| Local Motor Fuel Tax | 39,000 | 39,000 | 30,752 |
| 911 Service Charge | 10,000 | 10,000 | 11,109 |
| Grants | 645,000 | 645,000 | 914,429 |
| Cannabis Tax | 5,000 | 5,000 | 24,656 |
| | <u>5,597,700</u> | <u>5,597,700</u> | <u>7,977,183</u> |
| Licenses and Permits | | | |
| Vehicle Licenses | 294,000 | 294,000 | 322,113 |
| Other License and Contractors | 487,690 | 487,690 | 519,853 |
| Other Permits | 459,000 | 459,000 | 904,933 |
| | <u>1,240,690</u> | <u>1,240,690</u> | <u>1,746,899</u> |
| Charges for Services | | | |
| Fees and Service Charges | 55,000 | 55,000 | 2,511 |
| Refuse Collection Fees | 1,745,500 | 1,745,500 | 1,729,878 |
| | <u>1,800,500</u> | <u>1,800,500</u> | <u>1,732,389</u> |
| Fines and Forfeitures | | | |
| | <u>1,646,000</u> | <u>1,646,000</u> | <u>3,046,601</u> |

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|----------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| Interest | \$ 10,000 | 10,000 | 3,760 |
| Miscellaneous | | | |
| Rental Income | 40,000 | 40,000 | 35,955 |
| Reimbursements | 364,000 | 364,000 | 194,999 |
| Other | 87,000 | 87,000 | 177,660 |
| | <u>491,000</u> | <u>491,000</u> | <u>408,614</u> |
| Total Revenues | <u>21,415,222</u> | <u>21,415,222</u> | <u>24,969,692</u> |

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|-------------------------------|------------------|------------------|-------------------|
| | Original | Final | |
| General Government | | | |
| General | | | |
| Salaries | \$ 452,680 | 452,680 | 416,108 |
| Benefits | 1,796,500 | 1,796,500 | 1,604,510 |
| Printing and Publishing | 12,000 | 12,000 | 2,041 |
| Office Supplies | 10,000 | 10,000 | 4,055 |
| Maintenance Supplies | 500 | 500 | 549 |
| Postage and Shipping | 8,000 | 8,000 | 19,541 |
| Insurance | 1,100,000 | 1,100,000 | 1,013,710 |
| Repairs and Maintenance | 41,000 | 41,000 | 4,233 |
| Utilities | 35,000 | 35,000 | 15,536 |
| Telephones | 180,000 | 180,000 | 332,804 |
| Training, Travel and Meetings | 1,000 | 1,000 | — |
| Membership Dues | 15,000 | 15,000 | 30,651 |
| Special Event Activities | 20,000 | 20,000 | 450 |
| Auditing | 50,000 | 50,000 | 43,500 |
| Legal Services | 400,000 | 400,000 | 261,782 |
| Settlements | 5,000 | 5,000 | 20,135 |
| Red Light | 200,000 | 200,000 | 691,312 |
| Contractual Services | 998,000 | 998,000 | 941,290 |
| Professional Services | 50,000 | 50,000 | 99,017 |
| Miscellaneous | 457,500 | 457,500 | 714,969 |
| | <u>5,832,180</u> | <u>5,832,180</u> | <u>6,216,193</u> |
| Media Center | | | |
| Salaries | 10,000 | 10,000 | 12,536 |
| Benefits | 1,000 | 1,000 | 966 |
| Professional Services | 30,000 | 30,000 | 21,613 |
| Office Supplies | 1,000 | 1,000 | 1,021 |
| Equipment | — | — | 907 |
| Miscellaneous | 2,500 | 2,500 | 1,701 |
| | <u>44,500</u> | <u>44,500</u> | <u>38,744</u> |

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--------------------------------|------------------|------------------|-------------------|
| | Original | Final | |
| General Government - Continued | | | |
| Village Clerk and Commission | | | |
| Salaries | \$ 3,000 | 3,000 | 1,500 |
| Professional Services | 10,900 | 10,900 | — |
| Office Supplies | — | — | 98 |
| | <u>13,900</u> | <u>13,900</u> | <u>1,598</u> |
| Finance | | | |
| Salaries | 50,000 | 50,000 | — |
| Benefits | 40,000 | 40,000 | — |
| Contractual Services | 250,000 | 250,000 | 252,188 |
| Training, Travel and Meetings | 2,500 | 2,500 | — |
| Membership Dues | 500 | 500 | — |
| Operating Supplies | 500 | 500 | 88 |
| Miscellaneous | — | — | 304 |
| | <u>343,500</u> | <u>343,500</u> | <u>252,580</u> |
| Total General Government | <u>6,234,080</u> | <u>6,234,080</u> | <u>6,509,115</u> |
| Public Safety | | | |
| Police Department | | | |
| Salaries | 4,818,000 | 4,818,000 | 4,479,184 |
| Benefits | 859,000 | 859,000 | 825,210 |
| Pension | 1,459,200 | 1,459,200 | 1,335,055 |
| Office Supplies | 10,000 | 10,000 | 6,842 |
| Operating Supplies | 104,000 | 104,000 | 90,989 |
| Repairs and Maintenance | 99,500 | 99,500 | 78,215 |
| Telephones | 15,000 | 15,000 | 32,735 |
| Training, Travel and Meetings | 2,500 | 2,500 | 18,549 |
| Membership Dues | 4,500 | 4,500 | 1,415 |
| Uniform Allowance | 40,000 | 40,000 | 36,076 |
| Forfeiture Purchases | — | — | 3,555 |
| Equipment | — | — | 309,685 |
| Contractual Services | 63,000 | 63,000 | 51,563 |
| Professional Services | 40,000 | 40,000 | 70,410 |
| Miscellaneous | 70,000 | 70,000 | 71,964 |
| | <u>7,584,700</u> | <u>7,584,700</u> | <u>7,411,447</u> |

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|-------------------------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| Public Safety - Continued | | | |
| Fire Department | | | |
| Salaries | \$ 2,271,000 | 2,271,000 | 2,229,064 |
| Benefits | 420,000 | 420,000 | 449,436 |
| Pension | 852,720 | 852,720 | 778,157 |
| Office Supplies | 4,500 | 4,500 | 469 |
| Operating Supplies | 74,000 | 74,000 | 48,982 |
| Tools and Supplies | 2,000 | 2,000 | 9,535 |
| Repairs and Maintenance | 65,000 | 65,000 | 53,209 |
| Telephones | 5,000 | 5,000 | 1,825 |
| Radio/Dispatch | — | — | 4,866 |
| Training, Travel and Meetings | 20,750 | 20,750 | 4,575 |
| Utilities | 10,000 | 10,000 | 17,125 |
| Membership Dues | 6,180 | 6,180 | 8,761 |
| Uniform Allowance | 20,000 | 20,000 | 10,371 |
| Contractual Services | 10,100 | 10,100 | 23,319 |
| Miscellaneous | 318,500 | 318,500 | 19,770 |
| | <u>4,079,750</u> | <u>4,079,750</u> | <u>3,659,464</u> |
| Total Public Safety | <u>11,664,450</u> | <u>11,664,450</u> | <u>11,070,911</u> |
| Public Works | | | |
| Street Division | | | |
| Salaries | 680,000 | 680,000 | 617,269 |
| Benefits | 217,000 | 217,000 | 218,500 |
| Maintenance Supplies | 80,500 | 80,500 | 23,715 |
| Office Supplies | 3,000 | 3,000 | 2,917 |
| Janitorial Supplies | 1,200 | 1,200 | — |
| Repairs and Maintenance | 307,000 | 307,000 | 323,126 |
| Tree Maintenance | 100,000 | 100,000 | 43,520 |
| Membership Dues | 500 | 500 | — |
| Training, Travel and Meetings | 2,500 | 2,500 | 79 |
| Utilities | 15,000 | 15,000 | 17,187 |
| Uniform Allowance | 40,000 | 40,000 | 12,350 |
| Rented Equipment | 6,000 | 6,000 | 4,211 |
| Professional Services | 32,000 | 32,000 | 32,946 |
| Contractual Services | — | — | 3,575 |
| Equipment | — | — | 620 |
| Vehicles | 100,000 | 100,000 | — |
| Miscellaneous | 10,000 | 10,000 | 10,159 |
| | <u>1,594,700</u> | <u>1,594,700</u> | <u>1,310,174</u> |

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|-----------------------------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| Public Works - Continued | | | |
| Housing | | | |
| Salaries | \$ 320,000 | 320,000 | 358,151 |
| Benefits | 127,500 | 127,500 | 70,168 |
| Printing and Publishing | 1,050 | 1,050 | 339 |
| Maintenance Supplies | 26,000 | 26,000 | 17,930 |
| Operating Supplies | — | — | 45 |
| Office Supplies | 4,500 | 4,500 | 3,477 |
| Postage and Shipping | 10,000 | 10,000 | 2,742 |
| Training, Travel and Meetings | 1,000 | 1,000 | — |
| Membership Dues | 5,000 | 5,000 | — |
| Contractual Services | 139,100 | 139,100 | 139,293 |
| Equipment | 1,000 | 1,000 | — |
| Miscellaneous | 13,500 | 13,500 | 3,903 |
| | <u>648,650</u> | <u>648,650</u> | <u>596,048</u> |
| Total Public Works | <u>2,243,350</u> | <u>2,243,350</u> | <u>1,906,222</u> |
| Public Property Maintenance | | | |
| Property Preservation Engineer | | | |
| Salaries | 74,000 | 74,000 | 74,815 |
| Benefits | 15,000 | 15,000 | 13,682 |
| | <u>89,000</u> | <u>89,000</u> | <u>88,497</u> |
| Property Acquisition Department | | | |
| Contractual Services | <u>100,000</u> | <u>100,000</u> | <u>—</u> |
| Sanitation | | | |
| Contractual Services | <u>1,757,180</u> | <u>1,757,180</u> | <u>1,680,618</u> |
| Total Public Property Maintenance | <u>1,946,180</u> | <u>1,946,180</u> | <u>1,769,115</u> |
| Debt Service | | | |
| Principal Retirement | 125,508 | 125,508 | 125,508 |
| Interest and Fiscal Charges | 34,492 | 34,492 | 33,452 |
| | <u>160,000</u> | <u>160,000</u> | <u>158,960</u> |
| Total Expenditures | <u>22,248,060</u> | <u>22,248,060</u> | <u>21,414,323</u> |

VILLAGE OF DOLTON, ILLINOIS

Debt Service Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|------------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 4,016,673 | 4,016,673 | 4,073,550 |
| Interest | 15,768 | 15,768 | 186 |
| Miscellaneous | 110,000 | 110,000 | 109,389 |
| Total Revenues | <u>4,142,441</u> | <u>4,142,441</u> | <u>4,183,125</u> |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | 40,000 | 40,000 | 25,000 |
| Debt Service | | | |
| Principal Retirement | 3,585,000 | 3,585,000 | 3,585,000 |
| Interest and Fiscal Agent Fees | 993,855 | 993,855 | 977,873 |
| Total Expenditures | <u>4,618,855</u> | <u>4,618,855</u> | <u>4,587,873</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (476,414) | (476,414) | (404,748) |
| Other Financing Sources | | | |
| Transfers In | — | — | 553,704 |
| Net Change in Fund Balance | <u>(476,414)</u> | <u>(476,414)</u> | 148,956 |
| Fund Balance - Beginning | | | <u>1,320,033</u> |
| Fund Balance - Ending | | | <u>1,468,989</u> |

VILLAGE OF DOLTON, ILLINOIS

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

| | Sibley TIF #2 | TIF #3 Indulux |
|-------------------------------------|------------------|-------------------|
| ASSETS | | |
| Cash and Investments | \$ 280,393 | 338,317 |
| Advances to Other Funds | — | 164,915 |
| | | <hr/> |
| Total Assets | 280,393 | 503,232 |
| | | <hr/> <hr/> |
| LIABILITIES | | |
| Accounts Payable | 350,291 | 291 |
| Deposits Payable | — | — |
| Advance from Other Funds | 672,375 | — |
| Total Liabilities | 1,022,666 | 291 |
| | | <hr/> |
| FUND BALANCES | | |
| Restricted | — | 502,941 |
| Unassigned | (742,273) | — |
| Total Fund Balances | (742,273) | 502,941 |
| | | <hr/> |
| Total Liabilities and Fund Balances | 280,393 | 503,232 |
| | | <hr/> <hr/> |

| TIF #4 | Federal | State | Foreign | Totals |
|----------|------------|------------|---------|-----------|
| 300 W | Forfeiture | Forfeiture | Fire | |
| Sibley | | | Tax | |
| — | 26,078 | 232,828 | 27,777 | 905,393 |
| — | — | — | — | 164,915 |
| — | 26,078 | 232,828 | 27,777 | 1,070,308 |
| 7,125 | — | 38,012 | — | 395,719 |
| — | — | 71,397 | — | 71,397 |
| 18,406 | — | 3,442 | — | 694,223 |
| 25,531 | — | 112,851 | — | 1,161,339 |
| — | 26,078 | 119,977 | 27,777 | 676,773 |
| (25,531) | — | — | — | (767,804) |
| (25,531) | 26,078 | 119,977 | 27,777 | (91,031) |
| — | 26,078 | 232,828 | 27,777 | 1,070,308 |

VILLAGE OF DOLTON, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2021

| | Sibley TIF #2 | TIF #3 Indulux |
|--|--------------------|-------------------|
| Revenues | | |
| Taxes | | |
| Property Taxes | \$ 733,500 | 76,958 |
| Foreign Fire Insurance | — | — |
| Fines and Forfeitures | — | — |
| Miscellaneous | — | — |
| Total Revenues | <u>733,500</u> | <u>76,958</u> |
| Expenditures | | |
| Public Safety | — | — |
| Economic Development | 233,759 | 86,971 |
| Total Expenditures | <u>233,759</u> | <u>86,971</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 499,741 | (10,013) |
| Other Financing Sources | | |
| Transfers In | — | — |
| Net Change in Fund Balance | 499,741 | (10,013) |
| Fund Balance - Beginning as Restated | <u>(1,242,014)</u> | <u>512,954</u> |
| Fund Balance - Ending | <u>(742,273)</u> | <u>502,941</u> |

| TIF #4 | Federal | State | Foreign | Totals |
|----------|------------|------------|---------|-----------|
| 300 W | Forfeiture | Forfeiture | Fire | |
| Sibley | | | Tax | |
| — | — | — | — | 810,458 |
| — | — | — | 33,015 | 33,015 |
| — | — | 1,380 | — | 1,380 |
| 2,500 | — | — | — | 2,500 |
| 2,500 | — | 1,380 | 33,015 | 847,353 |
| — | 53 | 93,959 | 23,384 | 117,396 |
| 28,031 | — | — | — | 348,761 |
| 28,031 | 53 | 93,959 | 23,384 | 466,157 |
| (25,531) | (53) | (92,579) | 9,631 | 381,196 |
| — | 26,131 | 212,556 | 18,146 | 256,833 |
| (25,531) | 26,078 | 119,977 | 27,777 | 638,029 |
| — | — | — | — | (729,060) |
| (25,531) | 26,078 | 119,977 | 27,777 | (91,031) |

VILLAGE OF DOLTON, ILLINOIS

Sibley TIF #2 - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--------------------------------------|------------------|----------------|--------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 505,080 | 505,080 | 733,500 |
| Expenditures | | | |
| Economic Development | | | |
| Professional Services | 351,000 | 351,000 | 233,759 |
| Net Change in Fund Balance | <u>154,080</u> | <u>154,080</u> | 499,741 |
| Fund Balance - Beginning as Restated | | | <u>(1,242,014)</u> |
| Fund Balance - Ending | | | <u>(742,273)</u> |

VILLAGE OF DOLTON, ILLINOIS

TIF #3 Indulux - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|-----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 36,635 | 36,635 | 76,958 |
| Expenditures | | | |
| Economic Development | | | |
| Professional Services | 88,000 | 88,000 | 86,971 |
| Net Change in Fund Balance | <u>(51,365)</u> | <u>(51,365)</u> | (10,013) |
| Fund Balance - Beginning | | | <u>512,954</u> |
| Fund Balance - Ending | | | <u>502,941</u> |

VILLAGE OF DOLTON, ILLINOIS

TIF #4 300 W Sibley - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|------------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Miscellaneous | \$ — | — | 2,500 |
| Expenditures | | | |
| Economic Development | | | |
| Professional Services | 300,000 | 300,000 | 28,031 |
| Net Change in Fund Balance | <u>(300,000)</u> | <u>(300,000)</u> | (25,531) |
| Fund Balance - Beginning | | | <u>—</u> |
| Fund Balance - Ending | | | <u>(25,531)</u> |

VILLAGE OF DOLTON, ILLINOIS

Federal Forfeiture - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|-----------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Fines and Forfeitures | \$ 200,000 | 200,000 | — |
| Expenditures | | | |
| Public Safety | | | |
| Repairs and Maintenance | 110,000 | 110,000 | — |
| Training, Travel and Meetings | 15,000 | 15,000 | — |
| Contractual Services | 230,000 | 230,000 | 53 |
| Informant/Line Up | 10,000 | 10,000 | — |
| Equipment | 60,000 | 60,000 | — |
| Vehicles | 60,000 | 60,000 | — |
| Miscellaneous | 15,000 | 15,000 | — |
| Total Expenditures | 500,000 | 500,000 | 53 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (300,000) | (300,000) | (53) |
| Other Financing Sources | | | |
| Transfers In | — | — | 26,131 |
| Net Change in Fund Balance | (300,000) | (300,000) | 26,078 |
| Fund Balance - Beginning | | | — |
| Fund Balance - Ending | | | 26,078 |

VILLAGE OF DOLTON, ILLINOIS

State Forfeiture - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|-----------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Fines and Forfeitures | \$ 150,000 | 150,000 | 1,380 |
| Expenditures | | | |
| Public Safety | | | |
| Repairs and Maintenance | 55,000 | 55,000 | 900 |
| Training, Travel and Meetings | 7,500 | 7,500 | — |
| Contractual Services | 165,000 | 165,000 | 40,555 |
| Informant/Line Up | 5,000 | 5,000 | — |
| Equipment | 30,000 | 30,000 | 52,504 |
| Vehicles | 30,000 | 30,000 | — |
| Miscellaneous | 7,500 | 7,500 | — |
| Total Expenditures | 300,000 | 300,000 | 93,959 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (150,000) | (150,000) | (92,579) |
| Other Financing Sources | | | |
| Transfers In | — | — | 212,556 |
| Net Change in Fund Balance | (150,000) | (150,000) | 119,977 |
| Fund Balance - Beginning | | | — |
| Fund Balance - Ending | | | 119,977 |

VILLAGE OF DOLTON, ILLINOIS

Foreign Fire Tax - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|---------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Foreign Fire Insurance | \$ 36,000 | 36,000 | 33,015 |
| Expenditures | | | |
| Public Safety | | | |
| Maintenance Supplies | — | — | 8,517 |
| Operating Supplies | 1,500 | 1,500 | 1,243 |
| Repairs and Maintenance | 31,500 | 31,500 | 11,130 |
| Utilities | 1,000 | 1,000 | 1,754 |
| Miscellaneous | 3,000 | 3,000 | 740 |
| Total Expenditures | 37,000 | 37,000 | 23,384 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,000) | (1,000) | 9,631 |
| Other Financing Sources | | | |
| Transfers In | — | — | 18,146 |
| Net Change in Fund Balance | (1,000) | (1,000) | 27,777 |
| Fund Balance - Beginning | | | — |
| Fund Balance - Ending | | | 27,777 |

VILLAGE OF DOLTON, ILLINOIS

Water - Enterprise Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|----------------------------------|--------------------|--------------------|--------------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | \$ 5,280,000 | 5,280,000 | 4,645,258 |
| Miscellaneous | 131,310 | 131,310 | 100,552 |
| Total Operating Revenues | <u>5,411,310</u> | <u>5,411,310</u> | <u>4,745,810</u> |
| Operating Expenses | | | |
| Administration | | | |
| Salaries and Benefits | 860,000 | 860,000 | 584,240 |
| Contractual Services | 346,500 | 346,500 | 394,770 |
| Supplies | 151,500 | 151,500 | 186,536 |
| Commodities and Merchandise | 3,814,090 | 3,814,090 | 3,492,101 |
| Occupancy and Maintenance | 64,500 | 64,500 | 166,340 |
| Postage | 15,000 | 15,000 | 5,248 |
| Utilities | 36,400 | 36,400 | 45,970 |
| Miscellaneous | 25,000 | 25,000 | 37,903 |
| Depreciation | — | — | 11,055 |
| Total Operating Expenses | <u>5,312,990</u> | <u>5,312,990</u> | <u>4,924,163</u> |
| Operating Income (Loss) | <u>98,320</u> | <u>98,320</u> | <u>(178,353)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Grants | 5,000 | 5,000 | — |
| Interest Expense | (1,168,023) | (1,168,023) | (471,941) |
| | <u>(1,163,023)</u> | <u>(1,163,023)</u> | <u>(471,941)</u> |
| (Loss) before Transfers | (1,064,703) | (1,064,703) | (650,294) |
| Transfers In | <u>1,026,000</u> | <u>1,026,000</u> | <u>976,505</u> |
| Change in Net Position | <u>(38,703)</u> | <u>(38,703)</u> | 326,211 |
| Net Position - Beginning | | | <u>(1,002,861)</u> |
| Net Position - Ending | | | <u>(676,650)</u> |

VILLAGE OF DOLTON, ILLINOIS

Recreation Center - Enterprise Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--------------------------|------------------|-----------------|-----------------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | \$ 25,000 | 25,000 | 145 |
| Miscellaneous | 10,000 | 10,000 | 4,801 |
| Total Operating Revenues | <u>35,000</u> | <u>35,000</u> | <u>4,946</u> |
| Operating Expenses | | | |
| Operations | | | |
| Salaries and Benefits | 32,550 | 32,550 | 37,362 |
| Contractual Services | 53,250 | 53,250 | 78,075 |
| Supplies | 3,000 | 3,000 | 371 |
| Equipment | 1,500 | 1,500 | — |
| Miscellaneous | 2,500 | 2,500 | 504 |
| Depreciation | — | — | 82,065 |
| Total Operating Expenses | <u>92,800</u> | <u>92,800</u> | <u>198,377</u> |
| Operating (Loss) | (57,800) | (57,800) | (193,431) |
| Nonoperating Revenues | | | |
| Grants | <u>5,000</u> | <u>5,000</u> | <u>—</u> |
| Change in Net Position | <u>(52,800)</u> | <u>(52,800)</u> | (193,431) |
| Net Position - Beginning | | | <u>691,294</u> |
| Net Position - Ending | | | <u><u>497,863</u></u> |

VILLAGE OF DOLTON, ILLINOIS

Sewer - Enterprise Fund

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

For the Fiscal Year Ended April 30, 2021

| | Budgeted Amounts | | Actual Amounts |
|--------------------------|------------------|---------|-------------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | \$ 964,250 | 964,250 | 903,909 |
| Operating Expenses | | | |
| Operations | | | |
| Salaries and Benefits | 299,000 | 299,000 | 258,309 |
| Change in IMRF and OPEB | — | — | (960,002) |
| Contractual Services | 155,300 | 155,300 | 152,579 |
| Supplies | 10,000 | 10,000 | 7,938 |
| Vehicles | 30,000 | 30,000 | — |
| Total Operating Expenses | 494,300 | 494,300 | (541,176) |
| Operating Income | 469,950 | 469,950 | 1,445,085 |
| Nonoperating Revenues | | | |
| Grants | 15,000 | 15,000 | — |
| Change in Net Position | 484,950 | 484,950 | 1,445,085 |
| Net Position - Beginning | | | 1,039,959 |
| Net Position - Ending | | | 2,485,044 |

VILLAGE OF DOLTON, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

April 30, 2021

| | Police Pension | Firefighters' Pension | Totals |
|--------------------------------------|-------------------|--------------------------|------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 3,149,850 | 711,016 | 3,860,866 |
| Investments | | | |
| U.S. Treasury Securities | 1,935,311 | 2,088,742 | 4,024,053 |
| U.S. Agency Securities | 2,552,847 | 218,788 | 2,771,635 |
| Corporate Bonds | 1,653,040 | 2,135,850 | 3,788,890 |
| Municipal Bonds | — | 126,523 | 126,523 |
| Equity Mutual Funds | 25,759,971 | 7,980,848 | 33,740,819 |
| Annuities | — | 1,542,534 | 1,542,534 |
| Receivables - Net of Allowances | | | |
| Accrued Interest | 20,702 | 22,246 | 42,948 |
| Advances to Other Governments | — | 44,809 | 44,809 |
| Advances to Other Funds | 310,327 | — | 310,327 |
| Reserve Uncollectible - Interfund | (310,327) | — | (310,327) |
| Prepays | 6,889 | 530 | 7,419 |
| Total Assets | 35,078,610 | 14,871,886 | 49,950,496 |
| LIABILITIES | | | |
| Accounts Payable | 9,146 | 13,330 | 22,476 |
| NET POSITION | | | |
| Net Position Restricted for Pensions | 35,069,464 | 14,858,556 | 49,928,020 |

VILLAGE OF DOLTON, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended April 30, 2021

| | Police Pension | Firefighters' Pension | Totals |
|---|-------------------|--------------------------|-------------------|
| Additions | | | |
| Contributions - Employer | \$ 1,335,055 | 778,157 | 2,113,212 |
| Contributions - Plan Members | 319,960 | 137,781 | 457,741 |
| Total Contributions | <u>1,655,015</u> | <u>915,938</u> | <u>2,570,953</u> |
| Investment Income | | | |
| Interest Earned | 465,893 | 210,673 | 676,566 |
| Net Change in Fair Value | 8,067,266 | 2,802,208 | 10,869,474 |
| | <u>8,533,159</u> | <u>3,012,881</u> | <u>11,546,040</u> |
| Less Investment Expenses | (44,867) | (48,581) | (93,448) |
| Net Investment Income | <u>8,488,292</u> | <u>2,964,300</u> | <u>11,452,592</u> |
| Total Additions | <u>10,143,307</u> | <u>3,880,238</u> | <u>14,023,545</u> |
| Deductions | | | |
| Administration | 115,009 | 41,919 | 156,928 |
| Benefits and Refunds | 2,440,082 | 1,421,254 | 3,861,336 |
| Total Deductions | <u>2,555,091</u> | <u>1,463,173</u> | <u>4,018,264</u> |
| Change in Fiduciary Net Position | 7,588,216 | 2,417,065 | 10,005,281 |
| Net Position Restricted for Pensions | | | |
| Beginning | <u>27,481,248</u> | <u>12,441,491</u> | <u>39,922,739</u> |
| Ending | <u>35,069,464</u> | <u>14,858,556</u> | <u>49,928,020</u> |

VILLAGE OF DOLTON, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2021**

| CSFA # | Program Name | State | Federal | Other | Totals |
|-------------|--|----------------|----------------|-------------------|-------------------|
| 494-00-1488 | Motor Fuel Tax Program | \$ 744,689 | — | — | 744,689 |
| 546-00-2094 | Edward Byrne Memorial Justice Assistance Grant Program (JAG) | — | 9,965 | — | 9,965 |
| | Other Grant Programs and Activities | — | 919,620 | 148,254 | 1,067,874 |
| | All Other Costs Not Allocated | — | — | 28,264,949 | 28,264,949 |
| | Totals | <u>744,689</u> | <u>929,585</u> | <u>28,413,203</u> | <u>30,087,477</u> |

SUPPLEMENTAL SCHEDULES

VILLAGE OF DOLTON, ILLINOIS

Schedule of Insurance in Force

April 30, 2021

| Insured | Coverage | Limits | Expiration Date of Coverage |
|---------------------------------|-----------------------|-------------|-----------------------------------|
| Illinois County Risk Management | Workers' Compensation | \$3,000,000 | 12/31/2021 |

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2009A
April 30, 2021**

| | |
|-------------------------|-----------------------------|
| Date of Issue | September 30, 2009 |
| Date of Maturity | December 1, 2026 |
| Authorized Issue | \$11,535,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 2.50% - 4.50% |
| Interest Dates | December 1 |
| Principal Maturity Date | December 1, 2029 |
| Payable At | Amalgamated Bank of Chicago |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|------------------|----------------|------------------|
| 2022 | \$ 1,000,000 | 265,000 | 1,265,000 |
| 2023 | 1,000,000 | 222,500 | 1,222,500 |
| 2024 | 1,000,000 | 180,000 | 1,180,000 |
| 2025 | 1,000,000 | 135,000 | 1,135,000 |
| 2026 | 1,000,000 | 90,000 | 1,090,000 |
| 2027 | 1,000,000 | 45,000 | 1,045,000 |
| | <u>6,000,000</u> | <u>937,500</u> | <u>6,937,500</u> |

VILLAGE OF DOLTON, ILLINOIS

Long-Term Debt Requirements

General Obligation Build America Direct Payment Bonds of 2009B

April 30, 2021

| | |
|-------------------------|-----------------------------|
| Date of Issue | September 30, 2009 |
| Date of Maturity | December 1, 2029 |
| Authorized Issue | \$5,455,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 6.10% |
| Interest Dates | December 1 |
| Principal Maturity Date | December 1, 2029 |
| Payable At | Amalgamated Bank of Chicago |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|------------------|------------------|------------------|
| 2022 | \$ 250,000 | 319,335 | 569,335 |
| 2023 | 275,000 | 304,085 | 579,085 |
| 2024 | 300,000 | 287,310 | 587,310 |
| 2025 | 325,000 | 269,010 | 594,010 |
| 2026 | 755,000 | 249,185 | 1,004,185 |
| 2027 | 785,000 | 203,130 | 988,130 |
| 2028 | 815,000 | 155,245 | 970,245 |
| 2029 | 850,000 | 105,530 | 955,530 |
| 2030 | 880,000 | 53,680 | 933,680 |
| | <u>5,235,000</u> | <u>1,946,510</u> | <u>7,181,510</u> |

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
Taxable General Obligation Bonds of 2009C
April 30, 2021**

| | |
|-------------------------|-----------------------------|
| Date of Issue | September 30, 2009 |
| Date of Maturity | December 1, 2024 |
| Authorized Issue | \$12,665,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 2.61% - 5.77% |
| Interest Dates | December 1 |
| Principal Maturity Date | December 1, 2024 |
| Payable At | Amalgamated Bank of Chicago |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|------------------|----------------|------------------|
| 2022 | \$ 1,000,000 | 230,800 | 1,230,800 |
| 2023 | 1,000,000 | 173,100 | 1,173,100 |
| 2024 | 1,000,000 | 115,400 | 1,115,400 |
| 2025 | 1,000,000 | 57,700 | 1,057,700 |
| | <u>4,000,000</u> | <u>577,000</u> | <u>4,577,000</u> |

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2020
April 30, 2021**

| | |
|-------------------------|-----------------------------|
| Date of Issue | April 1, 2020 |
| Date of Maturity | December 1, 2021 |
| Authorized Issue | \$1,400,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 2.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1, 2021 |
| Payable At | Amalgamated Bank of Chicago |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|---------------------|----------|------------------|
| 2022 | <u>\$ 1,400,000</u> | 28,000 | <u>1,428,000</u> |