

**CITY OF WOODSTOCK, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2021

Prepared by the Finance Department

Paul Christensen  
Assistant City Manager/Finance Director

William J. Straczek  
Senior Staff Accountant

Ruth Ann Lieb  
Accountant

Paola Ramirez  
Billing Coordinator

Michelle Mallon Jenkins  
Receptionist

Allison Steiger  
Accountant

**CITY OF WOODSTOCK, ILLINOIS**  
**TABLE OF CONTENTS**

---

|   | <u>Page(s)</u> |
|---|----------------|
| <b>INTRODUCTORY SECTION</b>   |                |
| Principal Officials .....   | I              |
| Organizational Chart .....  | II             |
| Certificate of Achievement for Excellence in Financial Reporting .....  | III            |
| Letter of Transmittal .....   | IV-IX          |
| <b>FINANCIAL SECTION</b>  |                |
| INDEPENDENT AUDITOR'S REPORT .....  | 1-3            |
| <b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>  |                |
| Management's Discussion and Analysis.....   | MD&A 1-14      |
| <b>Basic Financial Statements</b>   |                |
| <b>Government-Wide Financial Statements</b>   |                |
| Statement of Net Position .....   | 4-5            |
| Statement of Activities .....   | 6-7            |
| <b>Fund Financial Statements</b>  |                |
| <b>Governmental Funds</b>   |                |
| Balance Sheet .....   | 8-9            |
| Reconciliation of Fund Balances of Governmental Funds to<br>the Governmental Activities in the Statement of Net Position.....   | 10             |
| Statement of Revenues, Expenditures and Changes in Fund Balances.....   | 11             |
| Reconciliation of the Governmental Funds Statement of Revenues,<br>Expenditures and Changes in Fund Balances to the Governmental<br>Activities in the Statement of Activities ..... | 12             |

**CITY OF WOODSTOCK, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

Page(s)

**FINANCIAL SECTION (Continued)**

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)**

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

|  |       |
|--|-------|
| Statement of Net Position.....   | 13-14 |
| Statement of Revenues, Expenses and Changes in Fund Net Position ..... | 15    |
| Statement of Cash Flows.....   | 16-17 |

Fiduciary Funds

|  |    |
|--|----|
| Statement of Fiduciary Net Position .....            | 18 |
| Statement of Changes in Fiduciary Net Position ..... | 19 |

|                                     |       |
|-------------------------------------|-------|
| Notes to Financial Statements ..... | 20-76 |
|-------------------------------------|-------|

Required Supplementary Information

|   |       |
|---|-------|
| Schedule of Revenues, Expenditures and<br>Changes in Fund Balance - Budget and Actual | 77    |
| General Fund.....   | 78-79 |
| Police Protection Fund .....  |       |
| Schedule of Employer Contributions  | 80    |
| Illinois Municipal Retirement Fund.....   | 81    |
| Sheriff's Law Enforcement Personnel .....   | 82    |
| Police Pension Fund .....   |       |
| Schedule of Changes in the Employer's Net Pension Liability<br>and Related Ratios     | 83-84 |
| Illinois Municipal Retirement Fund.....   | 85-86 |
| Sheriff's Law Enforcement Personnel .....   | 87-88 |
| Police Pension Fund .....   |       |
| Schedule of Changes in the Employer's Total OPEB Liability<br>and Related Ratios      | 89    |
| Other Postemployment Benefit Plan .....   |       |
| Schedule of Investment Returns  | 90    |
| Police Pension Fund .....   | 91    |
| Notes to Required Supplementary Information.....                                      |       |

**CITY OF WOODSTOCK, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

|   |       |
|---|-------|
| General Fund  | 92    |
| Schedule of Revenues - Budget and Actual .....  | 93    |
| Schedule of Expenditures - Budget and Actual .....  | 94    |
| Schedule of Transfers - Budget and Actual .....   |       |
| Capital Improvements Fund   |       |
| Schedule of Revenues, Expenditures and Changes in<br>Fund Balance - Budget and Actual ..... | 95-96 |

**NONMAJOR GOVERNMENTAL FUNDS**

|   |         |
|---|---------|
| Combining Balance Sheet .....   | 97-99   |
| Combining Statement of Revenues, Expenditures<br>and Changes in Fund Balances .....   | 100-102 |
| Schedule of Revenues, Expenditures and Changes in<br>Fund Balance - Budget and Actual |         |
| Municipal Audit Fund .....  | 103     |
| Aquatic Center Fund .....   | 104     |
| Public Parks Fund .....   | 105     |
| Performing Arts Fund .....  | 106-107 |
| Illinois Municipal Retirement Fund .....  | 108     |
| Social Security Fund .....  | 109     |
| Motor Fuel Tax Fund .....   | 110     |
| Park Development Fund .....   | 111     |
| Administrative Adjudication Fund .....  | 112     |
| Wireless Alarm Fund .....   | 113     |
| Northern Illinois Special Recreation Fund .....                                       | 114     |
| Liability Insurance Fund .....  | 115     |
| Paratransit Fund .....  | 116     |
| Recreation Center Fund .....  | 118     |
| Environmental Management Fund .....   | 118     |
| Hotel/Motel Tax Fund .....  | 119     |
| Revolving Loan Fund .....   | 120     |
| Debt Service Fund .....   | 121     |
| Downtown TIF 1 Fund .....   | 122     |
| Downtown and Route 47 TIF 2 Fund .....  | 123     |

**CITY OF WOODSTOCK, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

Page(s)

**FINANCIAL SECTION (Continued)**

COMBINING AND INDIVIDUAL FUND FINANCIAL  
 STATEMENTS AND SCHEDULES (Continued)

DISCRETELY PRESENTED COMPONENT UNIT

|   |     |
|---|-----|
| Statement of Net Position and Balance Sheet .....   | 124 |
| Statement of Activities and Statement of Revenues, Expenditures<br>and Changes in Fund Balances ..... | 125 |
| INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE.....  | 126 |

**STATISTICAL SECTION**

|   |         |
|---|---------|
| Financial Trends  | 127-128 |
| Net Position by Component .....                           | 129-132 |
| Change in Net Position .....                              | 133-134 |
| Fund Balances of Governmental Funds .....                 | 135-136 |
| Changes in Fund Balances of Governmental Funds .....      |         |
| Revenue Capacity  |         |
| Assessed Value and Actual Value of Taxable of Property    | 137     |
| Last Ten Levy Years.....                                  |         |
| Property Tax Rates - Direct and Overlapping Governments   | 138     |
| Last Ten Levy Years.....                                  |         |
| Principal Property Taxpayers                              | 139     |
| Current Year and Ten Years Ago.....                       |         |
| Property Tax Levies and Collections                       | 140     |
| Last Ten Levy Years.....                                  |         |
| Debt Capacity   |         |
| Ratios of Outstanding Debt by Type                        | 141     |
| Last Ten Fiscal Years .....                               |         |
| Ratios of General Bonded Debt Outstanding                 | 142     |
| Last Ten Fiscal Years .....                               | 143     |
| Direct and Overlapping Governmental Activities Debt ..... |         |
| Pledged-Revenue Coverage                                  | 144     |
| Last Ten Fiscal Years .....                               |         |
| Demographic and Economic Information                      |         |
| Demographic and Economic Information                      | 145     |
| Current Year and Ten Years Ago.....                       |         |
| Principal Employers                                       | 146     |
| Current Year and Ten Years Ago.....                       |         |

**CITY OF WOODSTOCK, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**STATISTICAL SECTION (Continued)**

|                                |     |
|--------------------------------|-----|
| Operating Information          |     |
| Full-Time Equivalent Employees | 147 |
| Last Ten Fiscal Years .....    |     |
| Operating Indicators           | 148 |
| Last Ten Fiscal Years .....    |     |
| Capital Asset Statistics       | 149 |
| Last Ten Fiscal Years .....    |     |

## **INTRODUCTORY SECTION**

**CITY OF WOODSTOCK, ILLINOIS**

**PRINCIPAL OFFICIALS**

April 30, 2021

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**LEGISLATIVE**

Dr. Brian Sager, Mayor

Darrin Flynn, Council Member

Lisa Lohmeyer, Council Member

Wendy Piersall, Council Member

Michael Turner, Council Member

Gordon Tebo, Council Member

Cindy Smiley, City Clerk

**PRIMARY ADMINISTRATIVE OFFICIALS**

Roscoe C. Stelford III, City Manager

**DEPARTMENT DIRECTORS**

Paul N. Christensen, Assistant  
City Manager/Finance Director

Nick Weber, Library Director

Deborah Schober, Human Resources Director

Daniel Campbell, Opera House Director

Christina Betz, Public Works Director

John Lieb, Chief of Police

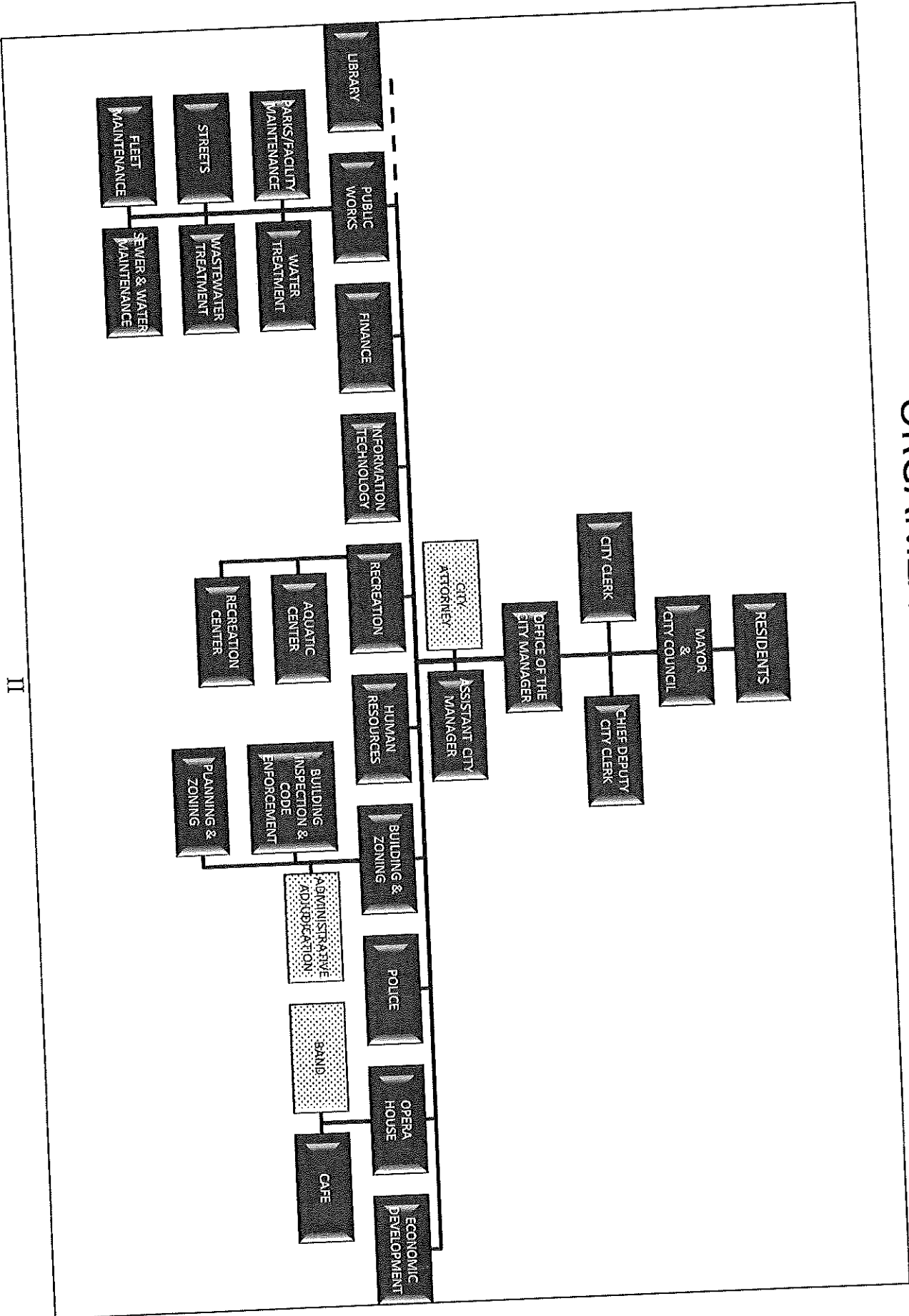
Garrett Anderson, Economic Development  
Director

Dave Zinnen, Recreation Director

Joe Napolitano, Building and Zoning Director

Dan McElmeel, IT Director

# CITY OF WOODSTOCK ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

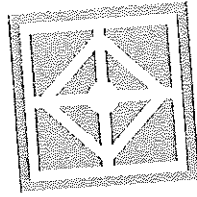
**City of Woodstock  
Illinois**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

April 30, 2020

*Christopher P. Morill*

Executive Director/CEO



## City of Woodstock

### Department of Finance

Phone (815) 338-4300 • Fax (815) 334-2267  
pchristensen@woodstockil.gov  
www.woodstockil.gov

121 W. Calhoun Street  
Woodstock, Illinois 60098

Paul N. Christensen  
Assistant City Manager/  
Finance Director

October 29, 2021

The Honorable Mayor,  
Members of the City Council, and  
the Citizens of the City of Woodstock

The Comprehensive Annual Financial Report (AFR) of the City of Woodstock for the fiscal year ended April 30, 2021 is hereby submitted. State law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year. Responsibility for both the accuracy of the data and the completeness and fairness of the presentations, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City of Woodstock. The City is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein. The data presented in this report is believed to be accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the City of Woodstock's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Honorable Mayor, City Council Members  
and Citizens of Woodstock  
October 29, 2021  
Page V

The report includes all funds of the City. The City provides a full range of municipal services to its residents. Operating under its authority are the following departments:

- General Government
- Building and Zoning
- Economic Development
- Finance
- Human Resources
- Information Technology
- Police
- Public Works
  - Administration
  - Fleet Maintenance
  - Paratransit
  - Parks
  - Sewage Treatment
  - Sewer & Water Maintenance
  - Streets
  - Water Treatment
- Recreation and Municipal Swimming Pool
- Woodstock Opera House

In addition to general City activities, the Police Pension Employees Retirement System is blended with the City's funds and the Woodstock Public Library is reported as a discretely presented component unit in the CAFR using the criteria established by Government Accounting Standards Board Statement No. 14, "*The Financial Reporting Entity*," as amended by Governmental Accounting Standards Board Statements No. 39 and 61.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements, in the form of Management's Discussion and Analysis (MD&A). This letter is designed to complement the MD&A and should be read in concert. The City's MD&A immediately follows the Independent Auditor's Report.

## **HISTORY & LOCATION**

Our community was first established in 1844 and originally was called Centerville. In 1845, Centerville was renamed Woodstock. The City of Woodstock was incorporated in 1852 as a municipality. Through the years, Woodstock has been honored to be named as an "All America City" in 1964 and became a "Certified City" in 1987. The City received recognition from the National Trust for Historic Preservation as one of twelve "Distinctive Destinations" for 2007, joining other award-winning members, including Providence, RI, New Orleans, LA, and Charlottesville, VA.

Honorable Mayor, City Council Members  
and Citizens of Woodstock  
October 29, 2021  
Page VI

The City is located approximately 50 miles northwest of Chicago. Neighboring communities include Bull Valley, Crystal Lake, Harvard, Hebron, Huntley and McHenry. The City, which serves as the County Seat of McHenry County, has a population of 25,630 as of the 2020 census and covers approximately 12 square miles. The City of Woodstock operates under the Council/Manager form of government that combines the political leadership of an elected mayor and six (6) City Council members with the managerial experience of an appointed City Manager. The City became automatically a Home Rule Community on September 9, 2016 as a result of special census which certified the City's population as being over 25,000.

The City is located on Illinois Route 47 providing connection to Interstate 90 and access to downtown Chicago and surrounding suburban business districts. Domestic and international air services are provided by Chicago-O'Hare International Airport (within 40 miles) and Chicago Midway Airport (50 miles). Galt Airport (within 5 miles) provides general aviation to the area. The City is on the Chicago rail commuter line, with daily routes to metropolitan Chicago provided by Metra's Northwest Line. Union Pacific Railroad also provides rail service to the City.

Situated at the center of Woodstock's downtown is the historic Woodstock Square. The brick-paved streets within the Square provide access to many specialty shops and restaurants. The City's historic downtown square was named in 2007 as one of the American Institute of Architects "150 Great Places in Illinois." In addition, the Woodstock Square is listed on the National Registry of Historic Places. The City's Opera House is also located in the Square providing a unique cultural experience to those living in Woodstock and members of the surrounding communities. The Opera House was constructed in 1890 and entertains more than 160,000 visitors annually pre-COVID-19. During the summer months, free band concerts occur weekly in the park located in the center of the Square. The Woodstock Square continues to preserve our heritage and history for this distinctive community.

### **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from in the context of the specific environment within which the City of Woodstock operates.

The City's finances performed well in FY20/21 despite COVID-19. The City's non-home rule sales tax (1% of sales) was just above budget and exceed \$5.0 million. Home Rule sales tax also exceeded budget at \$2.8 million. Use tax, which is received from the State of Illinois and allocated on a per capita basis, was also up and exceeded budget amounts at \$1.1 million. This is a direct result of the Wayfair vs. South Dakota supreme court case that mandated that large out of state retailers must collect sales tax. Income tax, which also allocated on a per capita basis by the State of Illinois, was also up and above budget at \$2.9 million.

Building permit revenue was 33.5% above budget driven by both renovations and new construction. This higher than anticipated new construction caused all impact fee revenue to be above budget.

The City currently has two Tax Increment Financing Districts (TIF) within City limits. The first TIF District incorporates the central business district, including the historical Square that was established in the early 1840's. This TIF District was established to make improvements to this important vital aspect of the City of Woodstock. Projects have included work to the brick paved streets, new sidewalks, improved lighting, and major renovations to the old McHenry County courthouse. The TIF generated in FYE2021 \$598,400 of incremental property taxes.

In January of 2019, a second TIF District was established, the Downtown & Route 47 TIF. This TIF removed some parts of the first TIF District, which had land removed from it, and then added additional land from the downtown area east to Route 47 and then South to Route 14. The goal of this TIF is to promote residential, commercial and industrial development in and around the TIF District through developer incentives and public improvements. The City received \$245,200 of incremental property taxes in FYE 2021.

### **CASH MANAGEMENT**

The City invests cash reserves in a number of different areas. Cash that will be needed in the near term is either invested in the Illinois Metropolitan Investment Fund (IMET) or Home State Bank money market account. Cash that is for future use beyond a year is invested in CD's at numerous banking institutions throughout the nation. All City investments are insured or collateralized. This insurance or collateralization can come from either the FDIC, which insures deposits at each banking institution up to \$250,000, or pledged US negotiable obligations that are held at a third party bank in the City's name.

The Police Pension Fund investments are the responsibility of the Police Pension Board. The Board makes use of several investment advisors. The Police Pension follows an adopted investment policy that allows them to invest in the equity market relying on diversification to enhance investment earnings.

### **RISK MANAGEMENT**

The City of Woodstock participates in the McHenry County Municipal Risk Management Association (McMRMA). This organization, which is comprised of seven (7) units of local government within McHenry County, provides property and workers compensation coverage to all member governments. The pooling of self-insurance by local communities within the County has proven to be a viable method to stabilize insurance premium costs (which in the past years have fluctuated greatly) and to implement on-going risk control techniques. A City staff member serves as Treasurer for this organization.

Employee health insurance is also partially self-insured. The City does purchase reinsurance to protect against major claims on a specific basis.

### **INDEPENDENT AUDIT**

Illinois State Statutes require an annual audit be performed by independent certified public accountants. The accounting firm of Sikich LLP was selected by the City Council for the fiscal year 2020/2021 audit. The auditor's report on the basic financial statements and combining and individual fund statements

and schedules is included in the financial section of this report. The City's auditors, Sikich LLP, have expressed an unmodified audit opinion on the City's financial statements indicating that the financial presentations included within this report materially comply with Generally Accepted Accounting Principles.

## **AWARDS**

The City of Woodstock has received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for the fiscal year ended April 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (AFR), whose contents conform to program standards. Such AFRs must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this report continues to conform to the Certificate of Achievement program requirements.

The City received the Popular Annual Financial Reporting Award Program award from GFOA for the fiscal year ended April 30, 2020. This award is given to recognize a governmental agency that has produced an annual financial report specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

Lastly, the City also received the Distinguished Budget Presentation Award from GFOA for its FY21/22 budget. This is the 21<sup>st</sup> consultative year the City has received this distinction. This award is given to local governments that prepare budget documents that are of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.

As a result of winning these three awards, GFOA has awarded the City its Triple Crown award for the fiscal year ended April 30, 2020. In 2019, there were less than 300 government agencies across the United States that received this award.

## **ACKNOWLEDGMENTS**

The preparation of the comprehensive annual financial report on a timely basis was made possible by the staff of the Finance Department. I express my sincere appreciation to Ruth Ann Lieb, Paola Ramirez, William Straczek, Michelle Mallon Jenkins, and Allison Steiger for their dedication and hard work which makes the preparation of this report possible. I would also like to express gratitude to Roscoe Stelford, City Manager, for his guidance. I also thank all the Department Heads who through their leadership allow the City to accomplish as much as it does.

Honorable Mayor, City Council Members  
and Citizens of Woodstock  
October 29, 2021  
Page IX

In closing, without the leadership and on-going support of Mayor Brian Sager and the City Council, preparation of this report would not have been possible.

Respectfully submitted,



Paul N. Christensen, CPA, CPFO  
Assistant City Manager/Finance Director

**FINANCIAL SECTION**



1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

SIKICH.COM

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor  
and City Council  
City of Woodstock, Illinois

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Woodstock Public Library, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
October 18, 2021

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

**CITY OF WOODSTOCK, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**April 30, 2021**

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As the management of the City of Woodstock (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which may be found on pages IV through IX of this report.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT**

In the past, the primary focus of local government financial statements has been summarized fund type information on a current financial resources basis. This report continues to comply with the existing standards and presents two kinds of statements, each with a different snapshot of the City's finances. The focus of the financial statements is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

**Government-Wide Financial Statements**

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

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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 the 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., earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of the City 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 City include general government, public safety, highways and streets, culture and recreation, economic development and interest. The business-type activities of the City are limited to the water and sewer system.

## CITY OF WOODSTOCK, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The government-wide financial statements include not only the City itself (known as the primary government), but also the Woodstock Public Library (the "Library"). The City is financially accountable for the Library, but the Library has a separate governing board. Because the Library is a discretely presented component unit, its financial information is reported separately from the financial information of the City.

The government-wide financial statements can be found on pages 4 through 7 of this report.

### **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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 this comparison between governmental funds and governmental activities.

The City maintains 24 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, Police Protection Fund and Capital Improvements Fund, all of which are considered to be "major" funds. Data from the other 21 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. In particular, unrestricted fund balance serves as a useful measure of the City's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2021, the governmental funds reported total combined ending fund balances of \$16,975,448, an increase of \$3,910,073 from the total beginning governmental fund balances of \$13,065,375. Of the total ending fund balances, \$76,279 is nonspendable in form, \$6,110,423 is restricted for various purposes, \$547,233 is committed, 4,436,565 is assigned and the remaining \$5,804,948 is unassigned.

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The City adopts an annual budget for all governmental and business-type funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with the annual budget.

The basic governmental fund financial statements can be found on **pages 8 through 12** of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City reports one enterprise fund to account for its water and sewer system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the costs of health insurance. Because the City's costs for these items relate primarily to governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on **pages 13 through 17** of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of 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 City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains a Police Pension fiduciary fund to account for Police Officer's pension benefits.

The basic fiduciary fund financial statements can be found on **pages 18 through 19** of this report.

**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.

The notes to the financial statements can be found on **pages 20 through 76** of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide benefits to its employees.

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Required supplementary information can be found on pages 77 through 91 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 92 through 125 of this report.

**GOVERNMENT-WIDE STATEMENTS**

**Net Position**

The following table reflects the condensed Statement of Net Position.

**Table 1  
Statement of Net Position  
As of April 30, 2021  
(in millions)**

|                           | <i>Governmental<br/>Activities</i> |                | <i>Business-Type<br/>Activities</i> |                | <i>Total<br/>Primary<br/>Government</i> |                |
|---------------------------|------------------------------------|----------------|-------------------------------------|----------------|---|----------------|
|                           | <i>2021</i>                        | <i>2020</i>    | <i>2021</i>                         | <i>2020</i>    | <i>2021</i>                             | <i>2020</i>    |
| Current and Other Assets  | \$ 28.6                            | \$ 23.9        | \$ 9.8                              | \$ 9.1         | \$ 38.4                                 | \$ 33.0        |
| Capital Assets            | 70.8                               | 72.4           | 28.5                                | 28.9           | 99.3                                    | 101.3          |
| <b>Total Assets</b>       | <b>99.4</b>                        | <b>96.3</b>    | <b>38.3</b>                         | <b>38.0</b>    | <b>137.7</b>                            | <b>134.3</b>   |
| <b>Deferred Outflows</b>  | <b>2.3</b>                         | <b>4.3</b>     | <b>0.8</b>                          | <b>0.8</b>     | <b>3.1</b>                              | <b>5.1</b>     |
| Long-Term Liabilities     | 27.3                               | 26.5           | 3.0                                 | 4.0            | 30.3                                    | 30.5           |
| Other Liabilities         | 2.4                                | 1.6            | 0.3                                 | 0.2            | 2.7                                     | 1.8            |
| <b>Total Liabilities</b>  | <b>29.7</b>                        | <b>28.1</b>    | <b>3.3</b>                          | <b>4.2</b>     | <b>33.0</b>                             | <b>32.3</b>    |
| <b>Deferred Inflows</b>   | <b>17.9</b>                        | <b>13.5</b>    | <b>0.7</b>                          | <b>0.4</b>     | <b>18.6</b>                             | <b>13.9</b>    |
| Net Position:             |                                    |                |                                     |                |   |                |
| Net Investment in         |                                    |                |                                     |                |   |                |
| Capital Assets            | 66.6                               | 68.0           | 26.6                                | 26.6           | 93.2                                    | 94.6           |
| Restricted                | 6.1                                | 5.0            | 6.0                                 | 5.9            | 12.1                                    | 10.9           |
| Unrestricted              | (18.6)                             | (14.0)         | 2.5                                 | 1.7            | (16.1)                                  | (12.3)         |
| <b>Total Net Position</b> | <b>\$ 54.1</b>                     | <b>\$ 59.0</b> | <b>\$ 35.1</b>                      | <b>\$ 34.2</b> | <b>\$ 89.2</b>                          | <b>\$ 93.2</b> |

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The City's combined net position decreased from \$93.2 to \$89.2 million during 2021. Of this amount \$4.9 is caused by Governmental Activities. This decrease can be attributed to a number of areas. First, the City issued \$10 million in bonds to repave 22 miles of roads. Since this was the repaving of the roads and not a complete rebuild, the City's capitalization policy is to not capitalize these improvements. These amounts were partially offset by an increase in Current and other Assets of \$4.7 million as the City's cash amounts increased by \$3.8 million.

Deferred inflows of resources increased significantly from \$13.5 to \$17.9 million and Deferred outflows of resources decreased from \$4.3 to \$2.3 million, due mainly to changes in total pension fund liabilities which are deferred and recognized as inflows and outflows over either the remaining services lives of employees (for differences between expected and actual experience and changes in assumptions) or five years (for the net difference between projected and actual earnings on pension plan investments).

Business-type activities saw an increase of \$0.9 million in Total Net Position again primary as a result of lower pension obligations as described above.

For more detailed information, see the Statement of Net Position on **pages 4 and 5**.

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

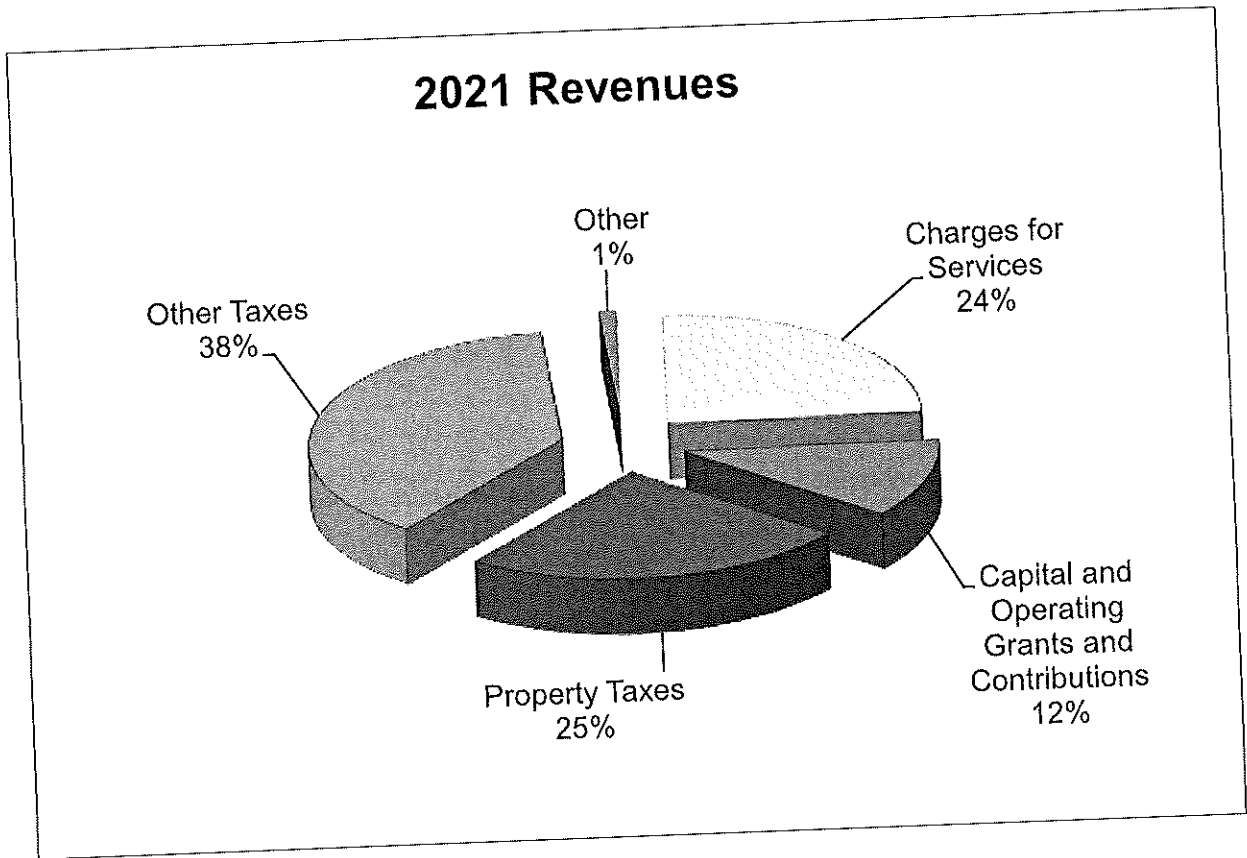
**Activities**

The table presented on the following page summarizes the revenue and expenses of the City's activities.

**Table 2  
Changes in Net Position  
For the Fiscal Year Ended April 30, 2021  
(in thousands)**

|                                | <i>Governmental<br/>Activities</i> |                    | <i>Business-Type<br/>Activities</i> |                     | <i>Total<br/>Primary<br/>Government</i> |                     |
|--------------------------------|------------------------------------|--------------------|-------------------------------------|---------------------|---|---------------------|
|                                | <i>2021</i>                        | <i>2020</i>        | <i>2021</i>                         | <i>2020</i>         | <i>2021</i>                             | <i>2020</i>         |
| <b>REVENUES</b>                |                                    |                    |                                     |                     |   |                     |
| Program Revenues:              |                                    |                    |                                     |                     |   |                     |
| Charges for Services           | \$ 2,688.4                         | \$ 3,608.0         | \$ 5,836.9                          | \$ 5,355.8          | \$ 8,525.3                              | \$ 8,963.8          |
| Operating Grants               | 2,625.7                            | 1,012.5            | 302.2                               | 259.2               | 2,927.9                                 | 1,271.7             |
| Capital Grants                 | 1,144.4                            | 129.7              | 3.1                                 | -                   | 1,147.5                                 | 129.7               |
| General Revenues:              |                                    |                    |                                     |                     |   |                     |
| Property Taxes                 | 8,531.5                            | 8,364.7            | -                                   | -                   | 8,531.5                                 | 8,364.7             |
| Other Taxes                    | 13,273.8                           | 11,658.5           | -                                   | -                   | 13,273.8                                | 11,658.5            |
| Other                          | 315.4                              | (1,072.1)          | 70.8                                | (2,579.9)           | 386.2                                   | (3,652.0)           |
| <b>Total Revenues</b>          | <b>28,579.2</b>                    | <b>23,701.3</b>    | <b>6,213.0</b>                      | <b>3,035.1</b>      | <b>34,792.2</b>                         | <b>26,736.4</b>     |
| <b>EXPENSES</b>                |                                    |                    |                                     |                     |   |                     |
| General Government             | 6,771.4                            | 5,637.9            | -                                   | -                   | 6,771.4                                 | 5,637.9             |
| Public Safety                  | 6,525.5                            | 8,377.3            | -                                   | -                   | 6,525.5                                 | 8,377.3             |
| Highways and Streets           | 14,656.0                           | 4,573.3            | -                                   | -                   | 14,656.0                                | 4,573.3             |
| Culture and Recreation         | 4,642.3                            | 4,889.0            | -                                   | -                   | 4,642.3                                 | 4,889.0             |
| Economic Development           | 782.6                              | 857.0              | -                                   | -                   | 782.6                                   | 857.0               |
| Water and Sewer                | -                                  | -                  | 4,858.5                             | 4,760.8             | 4,858.5                                 | 4,760.8             |
| Interest on Long-Term Debt     | 541.5                              | 166.5              | -                                   | -                   | 541.5                                   | 166.5               |
| <b>Total Expenses</b>          | <b>33,919.3</b>                    | <b>24,501.0</b>    | <b>4,858.5</b>                      | <b>4,760.8</b>      | <b>38,777.8</b>                         | <b>29,261.8</b>     |
| <b>Excess Before Transfers</b> | <b>(5,340.1)</b>                   | <b>(799.7)</b>     | <b>1,354.5</b>                      | <b>(1,725.7)</b>    | <b>(3,985.6)</b>                        | <b>(2,525.4)</b>    |
| Transfers In (Out)             | 493.7                              | 467.1              | (493.7)                             | (467.1)             | -                                       | -                   |
| <b>Change in Net Position</b>  | <b>\$ (4,846.4)</b>                | <b>\$ (332.6)</b>  | <b>\$ 860.8</b>                     | <b>\$ (2,192.8)</b> | <b>\$ (3,985.0)</b>                     | <b>\$ (2,525.4)</b> |
| <b>Net Position, May 1</b>     | <b>\$ 58,962.1</b>                 | <b>\$ 59,294.7</b> | <b>\$ 34,225.1</b>                  | <b>\$ 36,417.9</b>  | <b>\$ 93,187.2</b>                      | <b>\$ 95,712.6</b>  |
| <b>Net Position, April 30</b>  | <b>\$ 54,115.7</b>                 | <b>\$ 58,962.1</b> | <b>\$ 35,085.9</b>                  | <b>\$ 34,225.1</b>  | <b>\$ 89,202.2</b>                      | <b>\$ 93,187.2</b>  |

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**



For the fiscal year ended April 30, 2021, revenues totaled \$34.8 million. The City continues to benefit from a highly diversified revenue base. Since 2017, property tax no longer accounts for the City's largest single source after the City reduced property taxes by 10%. For 2021, property taxes amounted to \$8.5 million in collections, which is up from the prior year as a result of new construction along with an increase in property value realized within the City's TIF Districts. Property taxes are used to support governmental activities and include the City's contribution to the Police Pension Fund.

The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, income taxes and motor fuel taxes. The City receives a portion of the sales tax generated within in the City's corporate limits, which is collected by the State of Illinois. The rate on general merchandise within the City is 8.0% with 2.0% of the tax being remitted to the City of Woodstock. 1% of the City's amount is the City's Home Rule Sales tax instituted on January 1, 2018 and is used exclusively for the 10% property tax relief given in 2017 and infrastructure.

In 2021, State-shared sales tax revenues (excluding the new Home Rule portion) were \$5.1 million, which was \$540,000 more than the amount received in 2020 or a 10.7% increase. In addition, the City's Home Rule sales tax is up 8.7% or \$230,000 from the prior fiscal year, which results in a total collection of \$2.9 million.

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

This increase is the result of the efforts of the Economic Development Department to improve the business climate in the City of Woodstock along with the shift related to internet sales. As a result of a ruling by the U.S. Supreme Court in 2018 in the case of *South Dakota vs Wayfair*, the Court ruled that large out of state retailers must collect and remit sales tax. In 2020, this sales tax was allocated by the State of Illinois to the City as Use Tax, which is allocated on a per capita basis. Starting in 2021, this tax is now given to the community to where the purchase is shipped. In addition, these purchases are now subject to the City's Home Rule sales tax.

Income taxes are also shared by the State, but on a per-capita basis. Between 2020 and 2021, the City's income tax revenues increased by \$0.16 million or 5.8%, reporting \$2.9 million. This increase was a result of higher income tax revenue received by the State of Illinois.

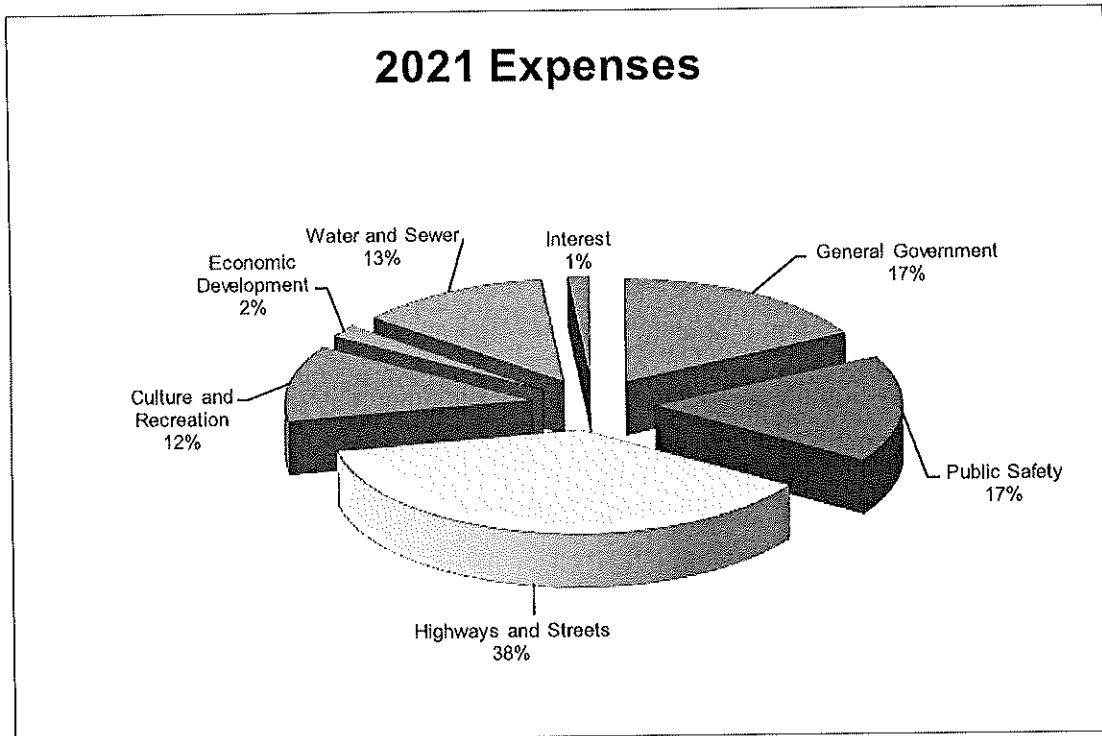
The negative revenue reflected in the Other category for 2020 is the result of a loss on the disposal of Capital Assets which totaled \$4.9 million. This is primarily the result of expensing assets that were previously capitalized that now do not meet the new dollar thresholds of the City's new capital improvement policy.

The City received numerous grants during FY 2021. The largest of this was CURES money in the amount of \$1.053 million that was used to pay for police salaries which were responding to the Covid-19 pandemic. In addition, the City received \$300,000 from the Illinois Department of Commerce and Economic Opportunity (DCEO) which along with an additional \$200,000 added from the City of Woodstock was granted out to Woodstock Restaurants to help offset losses caused by the Covid-19.

The major revenue component of the "charges for services" classification is fees from the City's water and sewer utility. During 2021, the City realized a 9% increase in revenue than from the prior fiscal year. Part of this increase can be attributed to a 5% rate increase instituted on May 1, 2020 and the other half is a result of the City selling more water likely as a result of more residents working from home as a result of the Pandemic.

The City also continues its multi-year meter change out program which is expected to measure the amount of water being used by customers more accurately since older meters tend to not register all the water being used.

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**



Woodstock’s expenses amounted to a total of \$38.8 million in FY2021, which was a significant increase of \$9.5 million compared with the prior fiscal year. A large part of this increase is a result of a major multi-year repaving program in which 10.5 million was spent in 2021. Since the repaving that was done was grind and reservice only, City polices are to expense these expenditures instead of capitalizing them. In the next phase of resurfacing scheduled for 2023 when the City will be rebuilding bases, the City will capitalize those expenses. Off setting road expenditures were decreases in expenditures instituted by City Administration as a result of the COVID-19 pandemic.

The General Government expenses include the costs of the City’s administrative departments (e.g., City Manager’s Office, Finance, Human Resources, and Public Works Administration), as well as Building and Zoning and Fleet Maintenance functions ended the year at \$6.7 million. This is a increase from the prior year by \$1.13 million. This increase is a direct result of the grant money given out to area restaurants that was described above.

Public Safety expenses, which represent the operations of the Police Department, accounted for \$6.5 million in expenses. This figure is down from last year in the amount of \$1.13 million from the prior year. This was caused by a decrease in expenses related to police pension funding as a result of higher than anticipated investment returns and a change to the mortality table.

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Culture and Recreation expenses, which include costs for the City's Recreation Department, Parks Department, Aquatic Center, NISRA, Opera House, Stage Left Café and the Community Recreation Center, ended the year at \$4.6 million, which is down \$0.3 million from last year. This is a direct result of the Opera House and Recreation Center being closed for part of the year. Offsetting this decrease is additional money spent on capital improvements, particularly park road repaving.

Highway and Street's expenses, which include the City's Streets Department and Motor Fuel Tax Fund and the repaving of City Streets, ended FY2021 at \$14.6 million at year end, which is an increase of \$10.1 million and is a direct result of the City enhanced paving program.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

At April 30, 2020, the governmental funds had a combined fund balance of \$17.0 million. This is an increase of \$3.9 million from the prior year amount. Large increases in revenues, particularly sales tax, accompanied by decreases in expenditures instituted as a result of COVID-19 by City Administration attributed a large part to this increase. Summarized results for the General Fund are provided below:

**Table 3  
General Fund Budgetary Highlights  
For the Fiscal Year Ended April 30, 2021  
(in millions)**

|   | <i>Original<br/>Budget</i> | <i>Amended<br/>Budget</i> | <i>Actual</i>   |
|---|----------------------------|---------------------------|-----------------|
| <b>REVENUES AND TRANSFERS</b>           |                            |                           |                 |
| Taxes                                   | \$ 6.518                   | \$ 6.518                  | \$ 7.007        |
| Intergovernmental                       | 3.763                      | 3.763                     | 4.444           |
| Licenses & Permits                      | 0.247                      | 0.247                     | 0.222           |
| Charges for Services                    | 0.658                      | 0.658                     | 0.450           |
| Investment Income                       | 0.114                      | 0.114                     | (0.005)         |
| Miscellaneous                           | 0.336                      | 0.336                     | 0.455           |
| Transfer In                             | 0.576                      | 0.576                     | 0.512           |
| <b>Total Revenues and Transfers</b>     | <b>12,212</b>              | <b>12,212</b>             | <b>13,085</b>   |
| <b>EXPENDITURES AND TRANSFERS</b>       |                            |                           |                 |
| Expenditures                            | 7.384                      | 7.884                     | 7.468           |
| Transfers Out                           | 4.826                      | 7.033                     | 5.595           |
| <b>Total Expenditures and Transfers</b> | <b>12,210</b>              | <b>14,917</b>             | <b>13,063</b>   |
| <b>Change in Fund Balance</b>           | <b>\$ 0,002</b>            | <b>\$ (2,705)</b>         | <b>\$ 0,022</b> |

In FY21/22, the City's General Fund revenues exceeded the budget by \$0.873 million. This was a result of both sales tax and income tax, which make up a large portion of the General Fund's revenue, coming in above budget.

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Licenses and permits fees were below budget a result of the COVID-19 virus. As a result, the City instituted a number of programs to help businesses throughout the City that were being impacted. Once such program was the reduction in the liquor licenses fee to a very nominal amount.

Expenditures without transfers ended the year below the original budget amount in the General Fund. Again, this was a result of the COVID-19 virus. When the virus effected the City in March 2020, the City reviewed all expenses and attempted to reduce as many as possible to offset the expected revenue loss that was expected to occur in future months, which did not ultimately occur.

The City passed one budget amendment for the fiscal year 2021. Contained within the budget amendments, was a provision to increase the transfer from the General Fund to the IMRF, Social Security, Recreation Center, Aquatic, and General Corporate-CIP Funds. All of these transfers were imitated to move General Fund surplus generated during 2021 to other funds. All of these deficits within these funds and to build up fund balance to help them through forecasted deficits as a result of COVID-19.

**Capital Assets**

The following schedule reflects the City's capital asset balances as of April 30, 2020.

**Table 4  
Capital Assets  
As of April 30, 2021  
(in millions)**

|                            | <i>Governmental<br/>Activities</i> |                | <i>Business-Type<br/>Activities</i> |                | <i>Total</i>   |                 |
|----------------------------|------------------------------------|----------------|-------------------------------------|----------------|----------------|-----------------|
|                            | <i>2021</i>                        | <i>2020</i>    | <i>2021</i>                         | <i>2020</i>    | <i>2021</i>    | <i>2020</i>     |
| Land and Land Improvements | \$ 44.6                            | \$ 44.6        | \$ 0.1                              | \$ 0.1         | \$ 44.7        | \$ 44.7         |
| Buildings and Improvements | 23.1                               | 23.0           | 16.1                                | 16.0           | 39.2           | 39.0            |
| Equipment                  | 7.6                                | 8.0            | 18.4                                | 18.5           | 26.0           | 26.5            |
| Infrastructure             | 59.1                               | 58.7           | 29.1                                | 28.6           | 88.2           | 87.3            |
| Construction in Progress   | 0.6                                | 0.3            | 0.4                                 | 0.1            | 1.0            | 0.4             |
| Less:                      |                                    |                |                                     |                |                |                 |
| Accumulated Depreciation   | (64.2)                             | (62.2)         | (35.6)                              | (34.4)         | (99.8)         | (96.6)          |
| <b>Total</b>               | <b>\$ 70.8</b>                     | <b>\$ 72.4</b> | <b>\$ 28.5</b>                      | <b>\$ 28.9</b> | <b>\$ 99.3</b> | <b>\$ 101.3</b> |

At year-end, the City's investment in capital assets for both its governmental and business-type activities was \$99.3 million (net of accumulated depreciation).

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Major capital asset events during FY20/21 included the following:

- Six (6) new vehicles for the police Department along with a new pickup truck was included in equipment. This was offset by removing some old equipment that the City had disposed of in prior years and was fully depreciated.
- Renovations to the Pool slide at the Aquatic Center.
- \$0.4 million related to replacement of water main on Washington Street.
- The City had \$0.6 million in construction in progress mostly related to the Old Courthouse & Sheriff's house restoration, storm sewer improvements around Kimball Avenue and the intersections of Washington and Lawrence Avenue, and Road improvements related to both Route 47 and Roundabout at the intersections of Lake, South, and Madison.

For more information on the City's capital assets, see Note 5 in the notes to the financial statements.

**Long-Term Debt**

The table below summarizes the City's bonded and similar indebtedness:

**Table 5  
Bonded and Similar Indebtedness  
As of April 30, 2021  
(in millions)**

|                             | <i>Governmental<br/>Activities</i> |             | <i>Business-Type<br/>Activities</i> |             | <i>Total<br/>Primary<br/>Government</i> |             |
|-----------------------------|------------------------------------|-------------|-------------------------------------|-------------|---|-------------|
|                             | <i>2021</i>                        | <i>2020</i> | <i>2021</i>                         | <i>2020</i> | <i>2021</i>                             | <i>2020</i> |
| General Obligation Bonds    | \$ 10.9                            | \$ 1.5      | \$ -                                | \$ -        | \$ 10.9                                 | \$ 1.5      |
| Alternate Revenue Bonds     | 2.1                                | 2.9         | 1.8                                 | 2.3         | 3.9                                     | 5.2         |
| Capital Leases              | -                                  | -           | -                                   | -           | -                                       | -           |
| Landfill Closure Costs      | 0.4                                | 0.4         | -                                   | -           | 0.4                                     | 0.4         |
| Compensated Absences        | 2.0                                | 1.9         | 0.3                                 | 0.3         | 2.3                                     | 2.2         |
| Net Pension Liability       | 9.8                                | 18.4        | 0.1                                 | 0.6         | 9.9                                     | 19.0        |
| OPEB                        | 1.4                                | 1.3         | 0.3                                 | 0.3         | 1.7                                     | 1.6         |
| Unamortized Bond Premium    | 0.7                                | 0.1         | 0.2                                 | 0.2         | 0.9                                     | 0.3         |
| Asset Retirement Obligation | -                                  | -           | 0.3                                 | 0.3         | 0.3                                     | 0.3         |
| <b>Total</b>                | <b>27.3</b>                        | <b>26.5</b> | <b>3.0</b>                          | <b>4.0</b>  | <b>30.3</b>                             | <b>30.5</b> |

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

As of April 30, 2021, the City had a total of \$14.8 million in bonded indebtedness outstanding. Of this amount, \$10.5 million, including premium, was in the form of General Obligation Bonds backed by the full faith and credit of the City government. The Alternate Revenue Bonds, which had a balance of \$3.9 million at the end of 2020, are repaid using specific revenues sources pledged at the time of issuance. This classification of bonded indebtedness included water and sewer, police facility, Opera House, environmental management, park development, recreation center and tax increment revenue bonds.

Water and sewer service fees charged to the City's residents and businesses are paying the debt service on the water and sewer bonds. The Opera House revenue bonds, paid off during fiscal year 2021) are repaid using ticket surcharges, fundraising events and sales taxes. The Recreation Center's Alternate Revenue Bonds are funded through the monthly membership dues collected by this facility and supplemented through the use of park impact fees collected from new developments. Incremental property taxes generated in the City's Tax Increment Financing (TIF) District in the downtown are being used to pay the debt service on the City's Tax Increment Alternate Revenue Bonds. These bonds provided the resources to complete infrastructure improvements to the Die Cast site to prepare it for future residential/commercial development, as well as refinance an outstanding bank note to obtain a lower rate of interest. In addition, \$1.5 million of direct placement General Obligation bonds were issued to buy the old Die Cast site with the intent of giving or selling it to a developer that will greatly enhance the downtown area.

The City also issued in Fiscal year 2021 \$10 million, including premium, of GO Debt as part of the City's enhanced road repaving program.

In addition to the aforementioned bonded indebtedness, the City has an outstanding liability of \$0.4 million to pay for future landfill maintenance costs. The landfill cover was installed in 2000 and will need to be maintained and monitored over a 30-year period. This liability is based on landfill use to date. Therefore, the City reports a 100% of the anticipated costs to maintain the landfill for the remaining 9 years. These costs may vary in future years due to inflation and changes in technologies or regulations.

In accordance with GASB 83, \$0.3 million has been recorded under Asset Retirement Obligation to recognize the cost to decommission the City's wells once they reach end of life.

The City of Woodstock has \$9.9 million of net pension liability obligation. Of this amount, \$9.2 million is obligated to the Police Pension Fund, with the remaining balance of \$0.7 million for IMRF. This is down significantly from 2020's figure of \$19.0 million. This is a result of changes to the mortality table for Police Pension along with outstanding investment earnings during 2021. Lastly, \$0.9 million is recorded for unamortized bond premium. This amount will be amortized over the remaining life of each bond that created the premium.

The City's bond indebtedness is rated as an "AA" by Standard and Poor's Rating Service (S&P) since the City's upgrade on May 20, 2014 and was again confirmed by S&P on April 23, 2020 as part of the issuance of road bonds.

**CITY OF WOODSTOCK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

As a result of a special census the City conducted, the City became a Home Rule community on September 9, 2016 automatically as a result of having a population over 25,000 people. Therefore, in accordance with Illinois State Statute, the City of Woodstock is no longer subject to a legal debt ceiling. However, the City Council did pass a Home Rule Policy on June 7, 2016 indicating that the City will not issue any debt that will cause the City to exceed the debt limitation of 8.625% of the Equalized Assessed Value (EAV) contained within the City limits as established in Illinois Compiled State Statutes 65 ILCS 5/8-5-1. Therefore, based on this policy, the City of Woodstock's available debt margin at the end of FY20/21 would be \$46,949,042.

For more detailed information on the City's bonded and similar indebtedness, see Note 6 in the notes to the financial statements.

**Economic Factors**

The City's property tax base possesses significant commercial and industrial components. The value of commercial and industrial properties comprised 18.9% and 5.8%, respectively, of the City's total 2020 EAV of \$544.3 million. Most recent census data available found that the median income of families living in the City was \$65,260. This is up almost \$10,000 from just three years ago. This is just shy of the U.S. median income of \$67,521. Property taxes imposed on property within the City's corporate limits provide a stable revenue source. The property of the City's ten largest taxpayers during 2020 accounted for only about 6.57% of the City's total EAV.

The City receives revenue from a variety of other sources other than property taxes. Several major sales tax generators exist within the community. These include the largest Harley Davidson dealer in Northern Illinois, 3 new car dealerships, Wal-Mart, Menards, Jewel/Osco, Kohl's, Farm and Fleet and the downtown Square merchants.

As a result of the City's retail and focus on economic development, the City Sales tax continues to climb. The City non-home rule sales tax has risen from \$3.20 million ten year ago in 2011 to \$5.07 million day or a 58% increase.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Paul Christensen, Assistant City Manager/Finance Director, City of Woodstock, 121 W. Calhoun Street, Woodstock, IL 60098.

## **BASIC FINANCIAL STATEMENTS**

CITY OF WOODSTOCK, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2021

|   | Primary Government      |                          |                    | Component Unit           |
|---|-------------------------|--------------------------|--------------------|--------------------------|
|   | Governmental Activities | Business-Type Activities | Total              | Woodstock Public Library |
| <b>ASSETS</b>   | \$ 16,271,511           | \$ 2,587,110             | \$ 18,858,621      | \$ 840,490               |
| Cash and Investments  |                         |                          |                    |                          |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) | 8,320,852               | -                        | 8,320,852          | 1,385,959                |
| Property Taxes  | 675,756                 | 1,232,092                | 1,907,848          | -                        |
| Accounts  | 232,161                 | -                        | 232,161            | -                        |
| Loans   | 26,635                  | 13,545                   | 40,180             | 1,551                    |
| Interest  | 294,165                 | 4,892                    | 299,057            | -                        |
| Other   | 2,571,483               | -                        | 2,571,483          | 469                      |
| Due From Other Governments  | 83,029                  | -                        | 83,029             | -                        |
| Prepaid Expenses  | -                       | 5,968,125                | 5,968,125          | -                        |
| Restricted Cash and Investments                                       | 94,690                  | -                        | 94,690             | -                        |
| Net Pension Asset   |                         |                          |                    |                          |
| Capital Assets  |                         |                          |                    |                          |
| Nondepreciable  | 36,660,875              | 435,281                  | 37,096,156         | 401,754                  |
| Depreciable, Net of Accumulated Depreciation                          | 34,160,628              | 28,079,307               | 62,239,935         | 3,398,564                |
| <b>Total Assets</b>   | <b>99,391,785</b>       | <b>38,320,352</b>        | <b>137,712,137</b> | <b>6,028,787</b>         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                 |                         |                          |                    |                          |
| Unamortized Loss on Refunding   | 56,776                  | 129,047                  | 185,823            | -                        |
| Pension Items - IMRF  | 1,379,711               | 302,401                  | 1,682,112          | 207,901                  |
| Pension Items - Pension Trust Fund                                    | 398,738                 | -                        | 398,738            | -                        |
| Pension Items - OPEB  | 434,483                 | 85,856                   | 520,339            | 21,275                   |
| Well Asset Retirement Obligation                                      | -                       | 270,000                  | 270,000            | -                        |
| <b>Total Deferred Outflows of Resources</b>                           | <b>2,269,708</b>        | <b>787,304</b>           | <b>3,057,012</b>   | <b>229,176</b>           |
| <b>Total Assets and Deferred Outflows of Resources</b>                | <b>101,661,493</b>      | <b>39,107,656</b>        | <b>140,769,149</b> | <b>6,257,963</b>         |
| <b>LIABILITIES</b>  |                         |                          |                    |                          |
| Accounts Payable  | 1,271,026               | 213,733                  | 1,484,759          | 51,531                   |
| Accrued Payroll   | 214,774                 | 30,894                   | 245,668            | 20,989                   |
| Claims Payable  | 190,354                 | -                        | 190,354            | -                        |
| Interest Payable  | 116,668                 | 24,565                   | 141,233            | -                        |
| Unearned Revenue  | 144,368                 | -                        | 144,368            | -                        |
| Due to Other Governments  | 50                      | -                        | 50                 | -                        |
| Due to Other Organizations  | 410,263                 | -                        | 410,263            | -                        |
| Noncurrent Liabilities  |                         |                          |                    |                          |
| Due Within One Year   | 2,338,273               | 665,710                  | 3,003,983          | 89,749                   |
| Due in More than One Year   | 25,005,966              | 2,373,191                | 27,379,157         | 226,797                  |
| <b>Total Liabilities</b>  | <b>29,691,742</b>       | <b>3,308,093</b>         | <b>32,999,835</b>  | <b>389,066</b>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                         |                          |                    |                          |
| Deferred Revenue  | 8,320,852               | -                        | 8,320,852          | 1,385,959                |
| Pension Items - IMRF  | 3,212,177               | 704,039                  | 3,916,216          | 484,028                  |
| Pension Items - SLEP  | 56,592                  | -                        | 56,592             | -                        |
| Pension Items - Pension Trust Fund                                    | 6,216,140               | -                        | 6,216,140          | -                        |
| Pension Items - OPEB  | 48,326                  | 9,550                    | 57,876             | 2,366                    |
| <b>Total Deferred Inflows of Resources</b>                            | <b>17,854,087</b>       | <b>713,589</b>           | <b>18,567,676</b>  | <b>1,872,353</b>         |
| <b>Total Liabilities and Deferred Inflows of Resources</b>            | <b>47,545,829</b>       | <b>4,021,682</b>         | <b>51,567,511</b>  | <b>2,261,419</b>         |

(This statement is continued on the following page.)

CITY OF WOODSTOCK, ILLINOIS  
STATEMENT OF NET POSITION (Continued)

April 30, 2021

|                                  | Primary Government         |                             |                      | Component<br>Unit           |
|----------------------------------|----------------------------|-----------------------------|----------------------|-----------------------------|
|                                  | Governmental<br>Activities | Business-Type<br>Activities | Total                | Woodstock<br>Public Library |
| <b>NET POSITION</b>              |                            |                             |                      |                             |
| Net Investment in Capital Assets | \$ 66,586,790              | \$ 26,656,367               | \$ 93,243,157        | \$ 3,800,318                |
| Restricted for                   |                            |                             |                      |                             |
| Audit                            | 21,854                     | -                           | 21,854               | -                           |
| Tort Liability                   | 1,823,521                  | -                           | 1,823,521            | -                           |
| Police Protection                | 58,636                     | -                           | 58,636               | -                           |
| Maintenance of Roadways          | 1,576,518                  | -                           | 1,576,518            | -                           |
| Retirement Contributions         | 1,401,607                  | -                           | 1,401,607            | -                           |
| Culture and Recreation           | 515,533                    | -                           | 515,533              | -                           |
| Economic Development             | 266,573                    | -                           | 266,573              | -                           |
| Environmental Management         | 446,181                    | -                           | 446,181              | -                           |
| Capital Improvements             | -                          | 5,968,125                   | 5,968,125            | -                           |
| Unrestricted (Deficit)           | (18,581,549)               | 2,461,482                   | (16,120,067)         | 196,226                     |
| <b>TOTAL NET POSITION</b>        | <b>\$ 54,115,664</b>       | <b>\$ 35,085,974</b>        | <b>\$ 89,201,638</b> | <b>\$ 3,996,544</b>         |

See accompanying notes to financial statements.

CITY OF WOODSTOCK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended April 30, 2021

| FUNCTIONS/PROGRAMS              | Expenses             | Program Revenues     |                                    |                                  |
|---------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
|                                 |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>PRIMARY GOVERNMENT</b>       |                      |                      |                                    |                                  |
| Governmental Activities         | \$ 6,771,379         | \$ 1,645,243         | \$ -                               | \$ -                             |
| General Government              | 6,525,559            | 669,884              | 1,448,867                          | -                                |
| Public Safety                   | 14,656,017           | 54,916               | 987,098                            | 1,144,436                        |
| Highways and Streets            | 4,642,272            | 318,313              | 189,700                            | -                                |
| Culture and Recreation          | 782,577              | -                    | -                                  | -                                |
| Economic Development            | 541,493              | -                    | -                                  | -                                |
| Interest                        |                      |                      |                                    |                                  |
| Total Governmental Activities   | <u>33,919,297</u>    | <u>2,688,356</u>     | <u>2,625,665</u>                   | <u>1,144,436</u>                 |
| Business-Type Activities        |                      |                      |                                    |                                  |
| Water and Sewer                 | 4,858,536            | 5,836,890            | 302,205                            | 3,110                            |
| Total Business-Type Activities  | <u>4,858,536</u>     | <u>5,836,890</u>     | <u>302,205</u>                     | <u>3,110</u>                     |
| <b>TOTAL PRIMARY GOVERNMENT</b> | <u>\$ 38,777,833</u> | <u>\$ 8,525,246</u>  | <u>\$ 2,927,870</u>                | <u>\$ 1,147,546</u>              |
| <b>COMPONENT UNIT</b>           |                      |                      |                                    |                                  |
| Woodstock Public Library        | <u>\$ 1,838,457</u>  | <u>\$ 478,914</u>    | <u>\$ 417,038</u>                  | <u>\$ -</u>                      |

| Net (Expense) Revenue and Change in Net Position |               |                |               |                             |
|--|---------------|----------------|---------------|-----------------------------|
| Primary Government                               |               |                |               | Component                   |
| Governmental                                     | Business-Type |                |               | Unit                        |
| Activities                                       | Activities    | Total          |               | Woodstock<br>Public Library |
| \$ (5,126,136)                                   | \$ -          | \$ (5,126,136) | \$ -          | -                           |
| (4,406,808)                                      | -             | (4,406,808)    | -             | -                           |
| (12,469,567)                                     | -             | (12,469,567)   | -             | -                           |
| (4,134,259)                                      | -             | (4,134,259)    | -             | -                           |
| (782,577)  | -             | (782,577)      | -             | -                           |
| (541,493)  | -             | (541,493)      | -             | -                           |
| (27,460,840)                                     | -             | (27,460,840)   | -             | -                           |
| -  | 1,283,669     | 1,283,669      | -             | -                           |
| -  | 1,283,669     | 1,283,669      | -             | -                           |
| (27,460,840)                                     | 1,283,669     | (26,177,171)   | -             | -                           |
| -  | -             | -              | -             | (942,505)                   |
| General Revenues                                 |               |                |               |                             |
| Taxes  |               |                |               |                             |
| Property and Replacement                         | 8,531,536     | -              | 8,531,536     | 1,365,059                   |
| Sales  | 7,952,318     | -              | 7,952,318     | -                           |
| Telecommunications                               | 352,693       | -              | 352,693       | -                           |
| Hotel/Motel                                      | 51,014        | -              | 51,014        | -                           |
| Other Taxes                                      | 521,196       | -              | 521,196       | -                           |
| Intergovernmental - Unrestricted                 |               |                |               |                             |
| State Shared Taxes                               | 4,063,550     | -              | 4,063,550     | -                           |
| Investment Income                                | 61,101        | 68,777         | 129,878       | 6,006                       |
| Franchise Taxes                                  | 333,020       | -              | 333,020       | -                           |
| Miscellaneous                                    | 200,481       | -              | 200,481       | -                           |
| Gain (Loss) on Disposal of Capital Assets        | 53,821        | 2,022          | 55,843        | -                           |
| Transfers  | 493,660       | (493,660)      | -             | -                           |
| Total  | 22,614,390    | (422,861)      | 22,191,529    | 1,371,065                   |
| CHANGE IN NET POSITION                           | (4,846,450)   | 860,808        | (3,985,642)   | 428,560                     |
| NET POSITION, MAY 1                              | 58,962,114    | 34,225,166     | 93,187,280    | 3,567,984                   |
| NET POSITION, APRIL 30                           | \$ 54,115,664 | \$ 35,085,974  | \$ 89,201,638 | \$ 3,996,544                |

See accompanying notes to financial statements.

CITY OF WOODSTOCK, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2021

|   | General              | Police Protection   | Capital Improvements | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|---------------------|----------------------|-----------------------------|--------------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                      |                      |                     |                      |                             |                          |
| Cash and Investments  | \$ 7,540,085         | \$ 500              | \$ 2,730,364         | \$ 4,946,889                | \$ 15,217,838            |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) |                      |                     |                      |                             |                          |
| Property Taxes  | 1,594,246            | 3,863,935           | -                    | 2,862,671                   | 8,320,852                |
| Accounts Receivable   | 68,088               | 318                 | 249,418              | 277,998                     | 595,822                  |
| Notes   | -                    | -                   | -                    | 232,161                     | 232,161                  |
| Accrued Interest  | 11,751               | -                   | 4,916                | 8,042                       | 24,709                   |
| Other   | 109,688              | 2,784               | -                    | 181,693                     | 294,165                  |
| Prepaid Items   | 71,329               | -                   | -                    | 4,950                       | 76,279                   |
| Due From Other Governments  | 1,617,194            | -                   | 870,192              | 84,097                      | 2,571,483                |
| Due From Other Funds  | 230,316              | 146,809             | 1,257,400            | 1,151,952                   | 2,786,477                |
| Total Assets  | 11,242,697           | 4,014,346           | 5,112,290            | 9,750,453                   | 30,119,786               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                 |                      |                     |                      |                             |                          |
| None  | -                    | -                   | -                    | -                           | -                        |
| Total Deferred Outflows of Resources                                  | -                    | -                   | -                    | -                           | -                        |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                | <b>\$ 11,242,697</b> | <b>\$ 4,014,346</b> | <b>\$ 5,112,290</b>  | <b>\$ 9,750,453</b>         | <b>\$ 30,119,786</b>     |

(This statement is continued on the following page.)

**CITY OF WOODSTOCK, ILLINOIS**

BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS

April 30, 2021

|   | General              | Police<br>Protection | Capital<br>Improvements | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|----------------------|-------------------------|-----------------------------------|--------------------------------|
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b>       |                      |                      |                         |                                   |                                |
| <b>LIABILITIES</b>  | \$ 787,103           | \$ 10,659            | \$ 366,562              | \$ 105,230                        | \$ 1,269,554                   |
| Accounts Payable  | 96,065               | 73,726               | -                       | 44,983                            | 214,774                        |
| Accrued Payroll   | 97,860               | 7,390                | 12,500                  | 24,618                            | 142,368                        |
| Unearned Revenue  | 410,263              | -                    | -                       | -                                 | 410,263                        |
| Due to Other Organizations  | 50                   | -                    | -                       | -                                 | 50                             |
| Due to Other Governments  | 2,555,216            | -                    | -                       | 231,261                           | 2,786,477                      |
| Due to Other Funds  | -                    | -                    | -                       | -                                 | -                              |
| <b>Total Liabilities</b>  | <b>3,946,557</b>     | <b>91,775</b>        | <b>379,062</b>          | <b>406,092</b>                    | <b>4,823,486</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                      |                      |                         |                                   |                                |
| Unavailable Revenue   | 1,594,246            | 3,863,935            | -                       | 2,862,671                         | 8,320,852                      |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>1,594,246</b>     | <b>3,863,935</b>     | <b>-</b>                | <b>2,862,671</b>                  | <b>8,320,852</b>               |
| <b>Total Liabilities and Deferred Inflows of Resources</b>                    | <b>5,540,803</b>     | <b>3,955,710</b>     | <b>379,062</b>          | <b>3,268,763</b>                  | <b>13,144,338</b>              |
| <b>FUND BALANCES</b>  |                      |                      |                         |                                   |                                |
| Nonspendable  | 71,329               | -                    | -                       | 4,950                             | 76,279                         |
| Prepaid Items   | -                    | -                    | -                       | 21,854                            | 21,854                         |
| Restricted  | -                    | -                    | -                       | 1,823,521                         | 1,823,521                      |
| Audit   | -                    | -                    | -                       | -                                 | 58,636                         |
| Tort Liability  | -                    | 58,636               | -                       | -                                 | 58,636                         |
| Police Protection   | -                    | -                    | -                       | 1,401,607                         | 1,401,607                      |
| Retirement Contributions  | -                    | -                    | 296,663                 | 1,279,855                         | 1,576,518                      |
| Highways and Streets  | -                    | -                    | -                       | 515,533                           | 515,533                        |
| Culture and Recreation  | -                    | -                    | -                       | 266,573                           | 266,573                        |
| Economic Development  | -                    | -                    | -                       | 446,181                           | 446,181                        |
| Environmental Management  | -                    | -                    | -                       | -                                 | -                              |
| Unrestricted  | -                    | -                    | -                       | 437,620                           | 437,620                        |
| Committed   | -                    | -                    | -                       | 109,613                           | 109,613                        |
| Public Safety   | -                    | -                    | -                       | -                                 | -                              |
| Culture and Recreation  | -                    | -                    | -                       | -                                 | -                              |
| Recreation Center   | -                    | -                    | -                       | -                                 | -                              |
| Assigned  | -                    | -                    | 4,436,565               | -                                 | 4,436,565                      |
| Capital Outlay  | 5,630,565            | -                    | -                       | 174,383                           | 5,804,948                      |
| Unassigned (Deficit)  | -                    | -                    | -                       | -                                 | -                              |
| <b>Total Fund Balances</b>  | <b>5,701,894</b>     | <b>58,636</b>        | <b>4,733,228</b>        | <b>6,481,690</b>                  | <b>16,975,448</b>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 11,242,697</b> | <b>\$ 4,014,346</b>  | <b>\$ 5,112,290</b>     | <b>\$ 9,750,453</b>               | <b>\$ 30,119,786</b>           |

See accompanying notes to financial statements.

**CITY OF WOODSTOCK, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2021

|   |                      |
|---|----------------------|
|   | \$ 16,975,448        |
| <b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>  |                      |
| Amounts reported for governmental activities in the statement of net position<br>are different because:   |                      |
| Capital assets used in governmental activities are not financial resources and,<br>therefore, are not reported in the governmental funds  | 70,821,503           |
| The unamortized loss on refunding is not a current financial resource and,<br>therefore, is not reported in the governmental funds  | 56,776               |
| Bond premiums/discounts on bonds are expensed in the governmental funds<br>but capitalized and amortized in the statement of net position   | (661,675)            |
| Interest payable is not reported within the governmental funds, but is recorded<br>on the statement of net position   | (116,668)            |
| Net pension assets (SLEP) are not recorded in the governmental funds but are<br>recorded on the statement of net position   | 94,690               |
| Deferred outflows (inflows) of resources related to the City's participation in<br>IMRF are not financial resources and, therefore, are not reported in the<br>governmental funds | 1,379,711            |
| Deferred outflows of resources  | (3,212,177)          |
| Deferred inflows of resources   |                      |
| Deferred outflows (inflows) of resources related to the City's participation in<br>SLEP are not financial resources and, therefore, are not reported in the<br>governmental funds | (56,592)             |
| Deferred inflows of resources   |                      |
| Deferred outflows (inflows) of resources related to the Pension Trust Fund are not<br>financial resources and, therefore, are not reported in the governmental funds              | 398,738              |
| Deferred outflows of resources  | (6,216,140)          |
| Deferred inflows of resources   |                      |
| Deferred outflows (inflows) of resources related to the City's participation in<br>OPEB are not financial resources and, therefore, are not reported in the<br>governmental funds | 434,483              |
| Deferred outflows of resources  | (48,326)             |
| Deferred inflows of resources   |                      |
| Long-term liabilities, including bonds payable, are not due and payable in the<br>current period and, therefore, are not reported in the governmental funds                       | (608,690)            |
| Net pension liability - IMRF  | (9,190,106)          |
| Net pension liability - Pension Trust Fund  | (1,381,995)          |
| Total OPEB liability  | (9,430,000)          |
| General obligation bonds  | (1,500,000)          |
| General obligation notes  | (2,130,000)          |
| Alternate revenue bonds   | (376,000)            |
| Landfill closure costs  | (2,065,773)          |
| Compensated absences payable  |                      |
| The net position of the Internal Service Fund is included in the governmental<br>activities in the statement of net position  | 948,457              |
|   | <u>\$ 54,115,664</u> |
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>  |                      |

See accompanying notes to financial statements.

**CITY OF WOODSTOCK, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**

For the Fiscal Year Ended April 30, 2021

|  | General             | Police<br>Protection | Capital<br>Improvements | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------|-------------------------|-----------------------------------|--------------------------------|
| <b>REVENUES</b>  |                     |                      |                         |                                   |                                |
| Taxes  | \$ 7,007,423        | \$ 3,838,930         | \$ 3,532,749            | \$ 2,561,703                      | \$ 16,940,805                  |
| Licenses and Permits   | 221,672             | -                    | -                       | -                                 | 221,672                        |
| Intergovernmental  | 4,443,784           | 1,149,081            | 249,418                 | 1,828,296                         | 7,670,579                      |
| Charges for Services   | 450,090             | -                    | -                       | 1,990,285                         | 2,440,375                      |
| Fines and Fees   | -                   | 248,358              | 47,102                  | 116,915                           | 412,375                        |
| Investment Income  | (5,386)             | -                    | 29,588                  | 36,899                            | 61,101                         |
| Miscellaneous  | 385,989             | 74,627               | -                       | 317,843                           | 778,459                        |
| <b>Total Revenues</b>  | <b>12,503,572</b>   | <b>5,310,996</b>     | <b>3,858,857</b>        | <b>6,851,941</b>                  | <b>28,525,366</b>              |
| <b>EXPENDITURES</b>  |                     |                      |                         |                                   |                                |
| <b>Current</b>   |                     |                      |                         |                                   |                                |
| General Government   | 5,417,735           | -                    | -                       | 2,318,421                         | 7,736,156                      |
| Public Safety  | -                   | 7,291,913            | -                       | 372,091                           | 7,664,004                      |
| Highways and Streets   | 894,020             | -                    | -                       | 1,416,990                         | 2,311,010                      |
| Culture and Recreation                                       | 864,335             | -                    | -                       | 2,335,934                         | 3,200,269                      |
| Economic Development   | 291,704             | -                    | -                       | 35,253                            | 326,957                        |
| Capital Outlay   | -                   | -                    | 12,078,013              | 609,757                           | 12,687,770                     |
| Debt Service   | -                   | -                    | -                       | 795,000                           | 795,000                        |
| Principal Retirement   | -                   | -                    | -                       | 795,000                           | 795,000                        |
| Interest and Fiscal Charges                                  | -                   | -                    | 197,820                 | 258,962                           | 456,782                        |
| <b>Total Expenditures</b>                                    | <b>7,467,794</b>    | <b>7,291,913</b>     | <b>12,275,833</b>       | <b>8,142,408</b>                  | <b>35,177,948</b>              |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>5,035,778</b>    | <b>(1,980,917)</b>   | <b>(8,416,976)</b>      | <b>(1,290,467)</b>                | <b>(6,652,582)</b>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                      |                         |                                   |                                |
| General Obligation Bonds Issued                              | -                   | -                    | 9,430,000               | -                                 | 9,430,000                      |
| Premion on Bonds Issued                                      | -                   | -                    | 569,479                 | -                                 | 569,479                        |
| Transfers In   | 511,660             | 1,975,440            | 1,503,400               | 3,526,511                         | 7,517,011                      |
| Transfers (Out)  | (5,594,520)         | -                    | (368,700)               | (1,060,131)                       | (7,023,351)                    |
| Sale of Capital Assets                                       | 69,516              | -                    | -                       | -                                 | 69,516                         |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>(5,013,344)</b>  | <b>1,975,440</b>     | <b>11,134,179</b>       | <b>2,466,380</b>                  | <b>10,562,655</b>              |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>22,434</b>       | <b>(5,477)</b>       | <b>2,717,203</b>        | <b>1,175,913</b>                  | <b>3,910,073</b>               |
| <b>FUND BALANCES, MAY 1</b>                                  | <b>5,679,460</b>    | <b>64,113</b>        | <b>2,016,025</b>        | <b>5,305,777</b>                  | <b>13,065,375</b>              |
| <b>FUND BALANCES, APRIL 30</b>                               | <b>\$ 5,701,894</b> | <b>\$ 58,636</b>     | <b>\$ 4,733,228</b>     | <b>\$ 6,481,690</b>               | <b>\$ 16,975,448</b>           |

See accompanying notes to financial statements.

**CITY OF WOODSTOCK, ILLINOIS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended April 30, 2021

|  |                       |
|--|-----------------------|
| <b>NET CHANGE IN FUND BALANCES -<br/>TOTAL GOVERNMENTAL FUNDS</b>  | \$ 3,910,073          |
| Amounts reported for governmental activities in the statement of activities<br>are different because:  |                       |
| Governmental funds report capital outlay as expenditures; however, they<br>are capitalized and depreciated in the statement of activities  | 1,312,367             |
| Loss on disposal of capital assets are reported only in the statement of<br>activities   | (15,695)              |
| The repayment of the principal portion of long-term debt is reported as<br>an expenditure when due in governmental funds but as a reduction of<br>principal outstanding in the statement of activities | 842,000               |
| The issuance of long-term debt is reported as an other financing source<br>in governmental funds but as an increase of principal outstanding in the<br>statement of activities                         | (9,999,479)           |
| Governmental funds report the effect of premiums, discounts and similar<br>items when debt is first issued, whereas these amounts are deferred and<br>amortized in the statement of activities         | 107                   |
| Changes in the total OPEB liability are reported only in the statement<br>of activities  | (88,516)              |
| The change in the net pension liability is reported as an expense on the<br>statement of activities  | 2,062,051             |
| IMRF   | 42,939                |
| SLEP   | 6,543,696             |
| Pension Trust Fund   |                       |
| The change in deferred outflows (inflows) of resources is reported as<br>an expense on the statement of activities   | (1,087,077)           |
| IMRF   | (19,597)              |
| SLEP   | (5,180,273)           |
| Pension Trust Fund   | 40,064                |
| OPEB   |                       |
| Some expenses in the statement of activities do not require the use of<br>current financial resources and, therefore, are not reported as<br>expenditures in the governmental funds                    | (2,912,145)           |
| Depreciation   | (181,593)             |
| Change in compensated absences   | (84,818)              |
| Change in interest payable   |                       |
| The change in net position of certain activities of the Internal Service<br>Fund is not reported in the governmental funds, but is included<br>within the statement of activities                      | <u>(30,554)</u>       |
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>   | <u>\$ (4,846,450)</u> |

See accompanying notes to financial statements.

CITY OF WOODSTOCK, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

April 30, 2021

|   | Business-Type<br>Activities | Governmental<br>Activities |
|---|-----------------------------|----------------------------|
|   | Enterprise                  | Internal<br>Service        |
| <b>CURRENT ASSETS</b>                           |                             |                            |
| Cash and Investments                            | \$ 2,587,110                | \$ 1,053,673               |
| Receivables                                     |                             |                            |
| Accounts  | 1,232,092                   | 79,934                     |
| Interest  | 13,545                      | 1,926                      |
| Other   | 4,892                       | -                          |
| Prepaid Expenses                                | -                           | 6,750                      |
| Restricted Cash and Investments                 | 5,968,125                   | -                          |
|   | <u>9,805,764</u>            | <u>1,142,283</u>           |
| Total Current Assets                            |                             |                            |
| <b>NONCURRENT ASSETS</b>                        |                             |                            |
| Capital Assets                                  |                             |                            |
| Nondepreciable                                  | 435,281                     | -                          |
| Depreciable, Net of Accumulated Depreciation    | 28,079,307                  | -                          |
|   | <u>28,514,588</u>           | <u>-</u>                   |
| Total Capital Assets                            |                             |                            |
| Total Noncurrent Assets                         | <u>28,514,588</u>           | <u>-</u>                   |
| Total Assets                                    | <u>38,320,352</u>           | <u>1,142,283</u>           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                             |                            |
| Unamortized Loss on Refunding                   | 129,047                     | -                          |
| Pension Items - IMRF                            | 302,401                     | -                          |
| Pension Items - OPEB                            | 85,856                      | -                          |
| Well Asset Retirement Obligation                | 270,000                     | -                          |
|   | <u>787,304</u>              | <u>-</u>                   |
| Total Deferred Outflows of Resources            |                             |                            |
| Total Assets and Deferred Outflows of Resources | <u>39,107,656</u>           | <u>1,142,283</u>           |
| <b>CURRENT LIABILITIES</b>                      |                             |                            |
| Accounts Payable                                | 213,733                     | 1,472                      |
| Claims Payable                                  | -                           | 190,354                    |
| Accrued Payroll                                 | 30,894                      | -                          |
| Interest Payable                                | 24,565                      | -                          |
| Unearned Revenue                                | -                           | 2,000                      |
| Compensated Absences                            | 155,932                     | -                          |
| Bonds Payable                                   | 495,000                     | -                          |
| Total OPEB Liability                            | 14,778                      | -                          |
|   | <u>934,902</u>              | <u>193,826</u>             |
| Total Current Liabilities                       |                             |                            |
| <b>NONCURRENT LIABILITIES</b>                   |                             |                            |
| Compensated Absences, Net of Current Portion    | 189,202                     | -                          |
| Net Pension Liability - IMRF                    | 133,411                     | -                          |
| Bonds Payable, Net of Current Portion           | 1,492,268                   | -                          |
| Total OPEB Liability, Net of Current Portion    | 258,310                     | -                          |
| Well Asset Retirement Obligation Liability      | 300,000                     | -                          |
|   | <u>2,373,191</u>            | <u>-</u>                   |
| Total Noncurrent Liabilities                    |                             |                            |
| Total Liabilities                               | <u>3,308,093</u>            | <u>193,826</u>             |

(This statement is continued on the following page.)

**CITY OF WOODSTOCK, ILLINOIS**  
**STATEMENT OF NET POSITION (Continued)**  
**PROPRIETARY FUNDS**

April 30, 2021

|   | <u>Business-Type<br/>Activities</u> | <u>Governmental<br/>Activities</u> |
|---|-------------------------------------|------------------------------------|
|   | <u>Enterprise</u>                   | <u>Internal<br/>Service</u>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                     |                                    |
| Pension Items - IMRF                                | \$ 704,039                          | \$ -                               |
| Pension Items - OPEB                                | 9,550                               | -                                  |
|   | <u>713,589</u>                      | <u>-</u>                           |
| Total Deferred Inflows of Resources                 | 4,021,682                           | 193,826                            |
| Total Liabilities and Deferred Inflows of Resources |                                     |                                    |
| <b>NET POSITION</b>                                 |                                     |                                    |
| Net Investment in Capital Assets                    | 26,656,367                          | -                                  |
| Restricted for Capital Improvements                 | 5,968,125                           | -                                  |
| Unrestricted  | 2,461,482                           | 948,457                            |
|   | <u>\$ 35,085,974</u>                | <u>\$ 948,457</u>                  |
| <b>TOTAL NET POSITION</b>                           |                                     |                                    |

See accompanying notes to financial statements.

**CITY OF WOODSTOCK, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS**

For the Fiscal Year Ended April 30, 2021

|  | <u>Business-Type<br/>Activities</u> | <u>Governmental<br/>Activities</u> |
|--|-------------------------------------|------------------------------------|
|  | <u>Enterprise</u>                   | <u>Internal<br/>Service</u>        |
| <b>OPERATING REVENUES</b>                            |                                     |                                    |
| Charges for Services                                 | \$ 5,706,635                        | \$ 2,678,186                       |
| Miscellaneous  | 130,255                             | -                                  |
|  | <hr/>                               | <hr/>                              |
| Total Operating Revenues                             | 5,836,890                           | 2,678,186                          |
| <b>OPERATING EXPENSES</b>                            |                                     |                                    |
| Administration                                       | -                                   | 2,724,838                          |
| Operations   |                                     |                                    |
| Salaries   | 1,101,269                           | -                                  |
| Benefits   | 281,908                             | -                                  |
| Personal Services                                    | 277,229                             | -                                  |
| Commodities  | 621,745                             | -                                  |
| Contractual Services                                 | 927,081                             | -                                  |
| Improvements   | 199,747                             | -                                  |
| Depreciation and amortization                        | 1,358,389                           | -                                  |
|  | <hr/>                               | <hr/>                              |
| Total Operating Expenses                             | 4,767,368                           | 2,724,838                          |
|  | <hr/>                               | <hr/>                              |
| OPERATING INCOME (LOSS)                              | 1,069,522                           | (46,652)                           |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>             |                                     |                                    |
| Investment Income                                    | 68,777                              | 16,098                             |
| Connection Fees                                      | 302,205                             | -                                  |
| Gain (Loss) on Disposal of Capital Assets            | 2,022                               | -                                  |
| Interest Expense                                     | (91,168)                            | -                                  |
|  | <hr/>                               | <hr/>                              |
| Total Non-Operating Revenues (Expenses)              | 281,836                             | 16,098                             |
|  | <hr/>                               | <hr/>                              |
| NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS | 1,351,358                           | (30,554)                           |
| <b>TRANSFERS</b>                                     |                                     |                                    |
| Transfers (Out)                                      | (493,660)                           | -                                  |
|  | <hr/>                               | <hr/>                              |
| Total Transfers                                      | (493,660)                           | -                                  |
|  | <hr/>                               | <hr/>                              |
| <b>CONTRIBUTIONS</b>                                 | 3,110                               | -                                  |
|  | <hr/>                               | <hr/>                              |
| CHANGE IN NET POSITION                               | 860,808                             | (30,554)                           |
| NET POSITION, MAY 1                                  | 34,225,166                          | 979,011                            |
|  | <hr/>                               | <hr/>                              |
| NET POSITION, APRIL 30                               | \$ 35,085,974                       | \$ 948,457                         |
|  | <hr/>                               | <hr/>                              |

See accompanying notes to financial statements.

**CITY OF WOODSTOCK, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Fiscal Year Ended April 30, 2021

|   | <u>Business-Type<br/>Activities</u> | <u>Governmental<br/>Activities</u> |
|---|-------------------------------------|------------------------------------|
|   | <u>Enterprise</u>                   | <u>Internal<br/>Service</u>        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                     |                                    |
| Receipts from Customer and Users                                    | \$ 5,773,530                        | \$ 614,388                         |
| Receipts from Interfund Services Transactions                       | -                                   | 2,005,557                          |
| Payments to Suppliers   | (2,031,942)                         | (2,593,751)                        |
| Payments to Employees   | (1,258,968)                         | -                                  |
| Payments to Other Funds   | (301,069)                           | -                                  |
|   | <hr/>                               | <hr/>                              |
| Net Cash from Operating Activities                                  | 2,181,551                           | 26,194                             |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                                     |                                    |
| Due From/To Other Funds   | 6,880                               | -                                  |
| Transfers (Out)   | (493,660)                           | -                                  |
| Connection Fees   | 302,205                             | -                                  |
|   | <hr/>                               | <hr/>                              |
| Net Cash from Noncapital Financing Activities                       | (184,575)                           | -                                  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |                                     |                                    |
| Capital Assets Purchased  | (872,972)                           | -                                  |
| Proceeds on Sale of Capital Assets                                  | 2,022                               | -                                  |
| Principal Payments on Long-Term Debt                                | (480,000)                           | -                                  |
| Interest Payments on Long-Term Debt                                 | (89,496)                            | -                                  |
|   | <hr/>                               | <hr/>                              |
| Net Cash from Capital and Related Financing Activities              | (1,440,446)                         | -                                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                     |                                    |
| Investment Income   | 109,442                             | 14,172                             |
|   | <hr/>                               | <hr/>                              |
| Net Cash from Investing Activities                                  | 109,442                             | 14,172                             |
| <b>NET INCREASE IN CASH AND<br/>CASH EQUIVALENTS</b>                | 665,972                             | 40,366                             |
| <b>CASH AND CASH EQUIVALENTS, MAY 1</b>                             | 7,889,263                           | 1,013,307                          |
|   | <hr/>                               | <hr/>                              |
| <b>CASH AND CASH EQUIVALENTS, APRIL 30</b>                          | \$ 8,555,235                        | \$ 1,053,673                       |
|   | <hr/>                               | <hr/>                              |

(This statement is continued on the following page.)

**CITY OF WOODSTOCK, ILLINOIS**  
**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUNDS**

For the Fiscal Year Ended April 30, 2021

|  | <u>Business-Type<br/>Activities</u> | <u>Governmental<br/>Activities</u> |
|--|-------------------------------------|------------------------------------|
|  | <u>Enterprise</u>                   | <u>Internal<br/>Service</u>        |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH FLOWS FROM OPERATING<br/>ACTIVITIES</b> |                                     |                                    |
| Operating Income (Loss)  | \$ 1,069,522                        | \$ (46,652)                        |
| Adjustments to Reconcile Operating Income to<br>Net Cash from Operating Activities                   |                                     |                                    |
| Depreciation and amortization  | 1,358,389                           | -                                  |
| Changes in Assets and Liabilities  |                                     |                                    |
| Accounts Receivable  | (63,360)                            | (58,241)                           |
| Pension Items - IMRF   | 238,264                             | -                                  |
| OPEB Items   | (7,916)                             | -                                  |
| Accounts Payable   | (6,140)                             | 754                                |
| Accrued Payroll  | 7,424                               | -                                  |
| Claims Payable   | -                                   | 130,333                            |
| Total OPEB Liability   | 17,491                              | -                                  |
| Compensated Absences   | 19,834                              | -                                  |
| Net Pension Liability - IMRF   | (451,957)                           | -                                  |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <u>\$ 2,181,551</u>                 | <u>\$ 26,194</u>                   |
| <b>CASH AND CASH EQUIVALENTS</b>   |                                     |                                    |
| Cash and Investments   | \$ 2,587,110                        | \$ 1,053,673                       |
| Restricted Cash and Investments  | 5,968,125                           | -                                  |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b>   | <u>\$ 8,555,235</u>                 | <u>\$ 1,053,673</u>                |
| <b>NONCASH CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>  |                                     |                                    |
| Capital Assets Financed by AP  | \$ 126,408                          | \$ -                               |
| <b>TOTAL NONCASH CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                                    | <u>\$ 126,408</u>                   | <u>\$ -</u>                        |

See accompanying notes to financial statements.  
- 17 -

**CITY OF WOODSTOCK, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUND**

April 30, 2021

|  | <b>Pension Trust</b> |
|--|----------------------|
|  | <b>Police</b>        |
|  | <b>Pension</b>       |
| <b>ASSETS</b>  | \$ 2,085,895         |
| Cash and Short-Term Investments  |                      |
| Investments, at Fair Value   | 12,011,409           |
| Equity Securities  | 3,423,105            |
| Corporate Bonds  | 4,066,122            |
| U.S. Treasury Securities   | 808,855              |
| U.S. Agency Securities   | 6,958,259            |
| Mutual Funds   |                      |
| Receivables (Net, Where Applicable,<br>of Allowances for Uncollectibles) | 34,847               |
| Accrued Interest   |                      |
| Total Assets   | 29,388,492           |
| <b>LIABILITIES</b>   | 2,286                |
| Accounts Payable   |                      |
| Total Liabilities  | 2,286                |
| <b>NET POSITION RESTRICTED<br/>FOR PENSIONS</b>                          | \$ 29,386,206        |

See accompanying notes to financial statements.

CITY OF WOODSTOCK, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUND

For the Fiscal Year Ended April 30, 2021

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**ADDITIONS**

|  |                  |
|--|------------------|
| Contributions                                    |                  |
| Employer Contributions                           | \$ 1,361,694     |
| Employee Contributions                           | <u>359,353</u>   |
| Total Contributions                              | <u>1,721,047</u> |
| Investment Income                                |                  |
| Net Appreciation in Fair<br>Value of Investments | 6,703,350        |
| Interest   | <u>236,051</u>   |
| Total Investment Income                          | 6,939,401        |
| Less Investment Expense                          | <u>(36,629)</u>  |
| Net Investment Income                            | <u>6,902,772</u> |
| Total Additions                                  | <u>8,623,819</u> |

**DEDUCTIONS**

|                                    |                  |
|------------------------------------|------------------|
| Retirement and Disability Benefits | 1,563,099        |
| Administrative Expenses            | <u>23,162</u>    |
| Total Deductions                   | <u>1,586,261</u> |

NET INCREASE

7,037,558

**NET POSITION RESTRICTED  
FOR PENSIONS**

|          |                             |
|----------|-----------------------------|
| May 1    | <u>22,348,648</u>           |
| April 30 | <u><u>\$ 29,386,206</u></u> |

See accompanying notes to financial statements.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**

April 30, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Woodstock, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City is a municipal corporation governed by an elected mayor and six-member council. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. A blended component unit, although legally separate, is, in substance, part of the City's operations and so data from this unit is combined with the data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column on the government-wide financial statements to emphasize it is legally separate from the City.

**Fiduciary Component Unit**

The City's police employees participate in the Police Pension Fund, a fiduciary component unit of the City. The Police Pension Fund functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected by pension beneficiaries and two elected by active police employees constitute the pension board. The City is obligated to fund all Police Pension Fund costs not funded by the Police Pension Fund participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the Police Pension Fund being fiscally dependent upon the City. The Police Pension Fund is reported as a pension trust fund. Separate financial statements are not available for the Police Pension Fund.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

Discretely Presented Component Unit

The Woodstock Public Library

The Woodstock Public Library (the Library) operates and maintains the City's public library facilities. The Library's Board of Trustees is appointed by the Mayor with the consent of the City Council. The Library may not issue bonded debt, and its annual budget and property tax levy requests are subject to the City Council's approval. Separate financial statements for the Library are not available.

**B. Fund Accounting**

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for acquisition or construction of major capital assets (capital projects funds) and funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

**CITY OF WOODSTOCK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (Continued)**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The City utilizes a pension trust fund is generally used to account for assets that the City holds in a fiduciary capacity or on behalf of others as their agent.

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of material interfund activity has been eliminated from these statements. The costs for interfund services provided/used between funds are not eliminated in the process of the consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 shared revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The Police Protection Fund is used to account for the operations of the City's Police Department. Financing is provided by a specific restricted property tax levy.

The Capital Improvements Fund is used to account for purchase of major capital equipment and construction or expansion of facilities.

**CITY OF WOODSTOCK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Government-Wide and Fund Financial Statements (Continued)**

The City reports the following major proprietary fund:

The Water and Sewer Fund accounts for the activities of the water operations and sewer operations systems.

Additionally, the City reports the following proprietary fund:

The Employee Insurance Fund, an Internal Service Fund, is used to account for the City's employee health insurance program provided to other departments and funds of the City on a cost reimbursement basis. This fund is reported as part of the governmental activities on the government-wide financial statements as it provides services primarily to the City's governmental funds/activities.

The City reports a pension trust fund as a fiduciary component unit to account for the Police Pension Fund.

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following fiscal year.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)**

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, utility taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The City reports unearned and unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or year intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow of resources for unearned and unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

**E. Cash and Investments**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City's proprietary funds consider their equity in pooled cash and all highly liquid investments, including restricted cash and investments, with an original maturity of three months or less when purchased to be cash equivalents.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Investments (Continued)**

**Investments**

Investments with a maturity of one year or greater at the time of purchase and all investments of the pension trust fund are stated at fair value except for non-negotiable certificates of deposit which are recorded at cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes.

**F. Restricted Assets**

Certain proceeds of the City's bonds as well as certain resources set aside for their repayment are classified as restricted assets on the financial statements because their use is limited. Certain assets are also restricted for capital improvements.

**G. Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These short-term receivables and payables are classified as "due from other funds" or "due to other funds" on the financial statements.

**H. Prepaid Items/Expenses**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. Prepaid items are recognized on the consumption method in governmental funds.

**I. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess \$20,000 to \$50,000, depending on asset type, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Capital Assets (Continued)**

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

|                           | <u>Years</u> |
|---------------------------|--------------|
| Building and Improvements | 20           |
| Land Improvements         | 20           |
| Machinery and Equipment   | 5-20         |
| Vehicles                  | 5-12         |
| Water and Sewer System    | 40           |
| Infrastructure            | 40           |

**J. Compensated Absences**

Accumulated unpaid vacation, sick pay and other employee benefit amounts for governmental fund types are accrued in these funds as a current liability to the extent that employees have retired or terminated at year end but have not been paid.

In the government-wide financial statements and the proprietary funds financial statements accumulated unpaid vacation, sick pay and other employee benefit amounts are recorded as earned by employees.

**K. Long-Term Obligations**

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums, discounts and losses on refundings, are deferred and amortized over the life of the bonds. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations (Continued)**

In the fund financial statements, governmental funds 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 expenditures.

**L. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**M. Fund Balances/Net Position**

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form, or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include both resolutions and ordinances approved by the City Council, as they are considered equally binding. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager and Director of Finance by passage of resolution No. 12-R-21, consistent with the intentions of the City Council. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Fund Balances/Net Position (Continued)**

The City has established a fund balance policy for its General Fund that targets unrestricted fund balance at 90 days (three months) of estimated operating expenditures including those expenditures reported in other governmental funds that receive annual operating transfers with the exception of transfers intended to fund capital projects.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels or unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt principal issued to construct capital assets.

**N. Interfund Transactions**

Interfund service transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

**O. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**P. Postponement of Implementation of Certain Authoritative Guidance**

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the City has delayed the implementation of GASB Statement No. 87, *Leases*, to April 30, 2023.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**2. INDIVIDUAL FUND DISCLOSURES**

A. Deficit Fund Balances/Net Position

The Route 47 TIF #2 Fund had a deficit fund balance as of April 30, 2021, of \$43,434.

B. Due To/From Other Funds

Due to/from other funds at April 30, 2021, are comprised of the following:

| Receivable Fund       | Payable Fund          | Amount                     |
|-----------------------|-----------------------|----------------------------|
| General               | Nonmajor Governmental | \$ 230,316                 |
| Police Protection     | General               | 146,809                    |
| Capital Improvements  | General               | 1,257,400                  |
| Nonmajor Governmental | General               | 1,151,007                  |
| Nonmajor Governmental | Nonmajor Governmental | <u>945</u>                 |
| <b>TOTAL</b>          |                       | <u><b>\$ 2,786,477</b></u> |

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

- \$230,316 due from the nonmajor governmental funds to the General Fund. This balance relates to money provided by the General Fund to the nonmajor governmental funds from routine transfers made at year end. The City intends to move the money between the funds within one year.
- \$146,809 due from the General Fund to the Police Protection Fund. This balance relates primarily to money provided by the General Fund to the Police Protection Fund from routine transfers made at year end for normal operating expenditures. Repayment is expected within one year.
- \$1,151,007 due from the General Fund to the nonmajor governmental funds. This balance relates to money provided by the General Fund to the nonmajor governmental funds from routine transfers made at year end. The City intends to move the money between the funds within one year.
- \$1,257,400 due from the General Fund to the Capital Improvements fund. This balance relates to money provided by the General Fund to the nonmajor governmental funds from routine transfers made at year end. The City intends to move the money between the funds within one year.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**2. INDIVIDUAL FUND DISCLOSURES (Continued)**

C. Interfund Transfers

Interfund transfers during the year ended April 30, 2021, consisted of the following:

|                       | <u>Transfer In</u>          | <u>Transfer Out</u>         |
|-----------------------|-----------------------------|-----------------------------|
| General               | \$ 511,660                  | \$ 5,594,520                |
| Police Protection     | 1,975,440                   | -                           |
| Capital Improvements  | 1,503,400                   | 368,700                     |
| Nonmajor Governmental | 3,526,511                   | 1,060,131                   |
| Water and Sewer       | -                           | 493,660                     |
|                       | <u>                    </u> | <u>                    </u> |
| TOTAL                 | <u>\$ 7,517,011</u>         | <u>\$ 7,517,011</u>         |

The purposes of interfund transfers are as follows:

- \$511,660 transferred from other funds to the General Fund. These transfers are from the Water and Sewer Fund (\$493,660) and nonmajor governmental funds (\$18,000) (Northern Illinois Special Recreation Fund) that relate to routine transfers from these operations. These transfers will not be repaid.
- \$3,526,511 transferred to nonmajor governmental funds from the General Fund (\$2,461,680), Capital Improvements Fund (\$368,700) and nonmajor governmental funds (\$696,131). This relates primarily to transfers from the General Fund to the Debt Service Fund (nonmajor governmental fund) to provide for the debt service payments of two alternate revenue bonds repaid by the use of sales taxes and routine transfers provided on behalf of the Police Protection Fund and nonmajor governmental funds. These transfers will not be repaid.
- \$1,875,440 transferred to the Police Protection Fund from the General Fund and \$100,000 from nonmajor governmental funds. These transfers are from represent routine transfers to fund these operations. These transfers will not be repaid.
- \$1,503,400 transferred to the Capital Improvements Fund from the General Fund (\$1,257,400), and nonmajor governmental funds (\$246,000). This relates primarily to transfers from the General Fund for capital improvements and to close out the Emergency Relief Fund (nonmajor governmental fund, \$226,000). These transfers will not be repaid.

**CITY OF WOODSTOCK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**3. DEPOSITS AND INVESTMENTS**

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

The City's investment policy authorizes the City to make deposits/invest in insured financial institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations and The Illinois Funds.

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

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

The City and Police Pension Fund categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

**A. City Deposits with Financial Institutions**

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral with a fair value of 105% of all bank balances in excess of federal depository insurance with the collateral held by the City or the City's agent in the City's name.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

**B. City Investments**

The following table presents the maturities of investments subject to interest rate risk as of April 30, 2021:

| Investment Type                    | Fair Value          | Investment Maturities (in Years) |                     |             |                 |
|------------------------------------|---------------------|----------------------------------|---------------------|-------------|-----------------|
|                                    |                     | Less than 1                      | 1-5                 | 6-10        | Greater than 10 |
| Negotiable Certificate of Deposits | \$ 5,963,963        | \$ 4,457,119                     | \$ 1,506,844        | \$ -        | \$ -            |
| Municipal Bonds                    | 895,633             | -                                | 895,633             | -           | -               |
| <b>TOTAL</b>                       | <b>\$ 6,859,596</b> | <b>\$ 4,457,119</b>              | <b>\$ 2,402,477</b> | <b>\$ -</b> | <b>\$ -</b>     |

In accordance with its investment policy, the City limits its exposure to interest rate risk, the risk that changes in interest rates will adversely affect the fair value of investments, by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a three-year period. The investment policy limits the maximum maturity length of investments three years from date of purchase, except for reserve funds. Investments in reserve funds may be purchased with maturities to match future projects or liability requirements.

Additionally, the City categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of April 30, 2021: The municipal bonds and negotiable certificate of deposits are valued using quoted matrix pricing models (Level 2 inputs).

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in certificates of deposit at \$250,000 or less each and money market mutual funds. The Illinois Funds and money market mutual funds are rated Aaa, and the municipal bonds are rates Aaa to Aa2 by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. The Illinois Funds and money market mutual funds are not subject to custodial credit risk.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**3. DEPOSITS AND INVESTMENTS (Continued)**

**B. City Investments (Continued)**

Concentration of credit risk is the risk that the City has a high percentage of its investments in one type of investment. The City's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to 50% of the portfolio, excluding U.S. Treasury obligations.

**4. RECEIVABLES**

**A. Property Taxes**

Property taxes for the 2020 levy year attach as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2021 and are payable in two installments, on or about June 1, 2021 and September 1, 2021. The County collects such taxes and remits them periodically.

The City has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2020 tax levy has been recorded as unavailable/deferred revenue on the financial statements. The 2021 tax levy, which attached as an enforceable lien on property as of January 1, 2021, has not been recorded as a receivable as of April 30, 2021, as the tax has not yet been levied by the City and will not be levied until December 2021 and, therefore, the levy is not measurable at April 30, 2021.

**B. Due from Other Governments**

The detail of due from other governments in the governmental activities is as follows:

|   |                            |
|---|----------------------------|
| State Shared Sales Tax                  | \$ 1,351,342               |
| State Use Tax                           | 228,381                    |
| Home Rule Sales Tax                     | 756,807                    |
| Telecommunication Tax                   | 87,649                     |
| State Shared Motor Fuel Tax             | 84,097                     |
| Other                                   | <u>63,207</u>              |
| <b>TOTAL DUE FROM OTHER GOVERNMENTS</b> | <b><u>\$ 2,571,483</u></b> |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. CAPITAL ASSETS**

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

|   | Balances<br>May 1    | Additions             | Retirements       | Balances<br>April 30 |
|---|----------------------|-----------------------|-------------------|----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>              |                      |                       |                   |                      |
| Capital Assets not Being Depreciated        |                      |                       |                   |                      |
| Land  | \$ 36,077,712        | \$ 8,220              | \$ -              | \$ 36,085,932        |
| Construction in Progress                    | 330,445              | 466,810               | 222,312           | 574,943              |
| Total Capital Assets Not Being Depreciated  | 36,408,157           | 475,030               | 222,312           | 36,660,875           |
| Capital Assets Being Depreciated            |                      |                       |                   |                      |
| Land Improvements                           | 8,477,773            | 151,987               | -                 | 8,629,760            |
| Building and Improvements                   | 23,037,535           | 54,778                | -                 | 23,092,313           |
| Equipment                                   | 7,974,199            | 524,605               | 916,780           | 7,582,024            |
| Infrastructure                              | 58,747,491           | 328,279               | -                 | 59,075,770           |
| Total Capital Assets Being Depreciated      | 98,236,998           | 1,059,649             | 916,780           | 98,379,867           |
| Less Accumulated Depreciation for           |                      |                       |                   |                      |
| Land Improvements                           | 6,429,687            | 254,263               | -                 | 6,683,950            |
| Building and Improvements                   | 10,086,910           | 631,727               | -                 | 10,718,637           |
| Equipment                                   | 6,141,764            | 483,713               | 901,085           | 5,724,392            |
| Infrastructure                              | 39,549,818           | 1,542,442             | -                 | 41,092,260           |
| Total Accumulated Depreciation              | 62,208,179           | 2,912,145             | 901,085           | 64,219,239           |
| Total Capital Assets Being Depreciated, Net | 36,028,819           | (1,852,496)           | 15,695            | 34,160,628           |
| <b>TOTAL GOVERNMENTAL ACTIVITIES, NET</b>   | <b>\$ 72,436,976</b> | <b>\$ (1,377,466)</b> | <b>\$ 238,007</b> | <b>\$ 70,821,503</b> |
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                      |                       |                   |                      |
| Capital Assets not Being Depreciated        |                      |                       |                   |                      |
| Land  | \$ 93,200            | \$ -                  | \$ -              | \$ 93,200            |
| Construction in Progress                    | 75,911               | 342,081               | 75,911            | 342,081              |
| Total Capital Assets Not Being Depreciated  | 169,111              | 342,081               | 75,911            | 435,281              |
| Capital Assets Being Depreciated            |                      |                       |                   |                      |
| Building and Improvements                   | 15,983,666           | 177,598               | -                 | 16,161,264           |
| Equipment                                   | 18,532,733           | 60,125                | 157,037           | 18,435,821           |
| Water and Sewer Mains                       | 28,625,735           | 438,726               | -                 | 29,064,461           |
| Total Capital Assets Being Depreciated      | 63,142,134           | 676,449               | 157,037           | 63,661,546           |
| Less Accumulated Depreciation for           |                      |                       |                   |                      |
| Building and Improvements                   | 5,113,919            | 391,677               | -                 | 5,505,596            |
| Equipment                                   | 16,909,354           | 230,645               | 157,037           | 16,982,962           |
| Water and Sewer Mains                       | 12,372,614           | 721,067               | -                 | 13,093,681           |
| Total Accumulated Depreciation              | 34,395,887           | 1,343,389             | 157,037           | 35,582,239           |
| Total Capital Assets Being Depreciated, Net | 28,746,247           | (666,940)             | -                 | 28,079,307           |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES, NET</b>  | <b>\$ 28,915,358</b> | <b>\$ (324,859)</b>   | <b>\$ 75,911</b>  | <b>\$ 28,514,588</b> |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions of the primary government as follows:

|   |                         |
|---|-------------------------|
| GOVERNMENTAL ACTIVITIES                                     | \$ 253,951              |
| General Government  | 266,235                 |
| Public Safety   | 1,766,254               |
| Highways and Streets  | <u>625,705</u>          |
| Culture and Recreation                                      |                         |
| <br>TOTAL DEPRECIATION EXPENSE -<br>GOVERNMENTAL ACTIVITIES | <br><u>\$ 2,912,145</u> |

**6. LONG-TERM DEBT**

**A. Changes in Governmental Activities Long-Term Liabilities**

During the fiscal year, the following changes occurred in liabilities reported in the governmental activities:

|  | Balances<br>May 1        | Additions                | Retirements              | Balances<br>April 30     | Current<br>Portion      |
|--|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| General Obligation Bonds                   | \$ -                     | \$ 9,430,000             | \$ -                     | \$ 9,430,000             | \$ 405,000              |
| General Obligation Note                    |                          |                          |                          | 1,500,000                | -                       |
| Direct Placement                           | 1,500,000                | -                        | -                        | 2,130,000                | 700,000                 |
| Alternate Revenue Bonds                    | 2,925,000                | -                        | 795,000                  | 376,000                  | 47,000                  |
| Landfill Closure Costs                     | 423,000                  | -                        | 47,000                   |                          |                         |
| Compensated Absences<br>Payable*           | 1,884,180                | 1,149,803                | 968,210                  | 2,065,773                | 1,097,709               |
| Net Pension Liability -<br>IMRF*           | 2,670,741                | -                        | 2,062,051                | 608,690                  | -                       |
| Net Pension Liability -<br>Police Pension* | 15,733,802               | -                        | 6,543,696                | 9,190,106                | -                       |
| Total OPEB Liability*                      | 1,293,479                | 88,516                   | -                        | 1,381,995                | 88,564                  |
| Unamortized Bond<br>Premium                | 117,349                  | 569,479                  | 23,586                   | 663,242                  | -                       |
| Unamortized Bond Discount                  | (4,078)                  | -                        | (2,511)                  | (1,567)                  | -                       |
| <br>TOTAL GENERAL<br>LONG-TERM DEBT        | <br><u>\$ 26,543,473</u> | <br><u>\$ 11,237,798</u> | <br><u>\$ 10,437,032</u> | <br><u>\$ 27,344,239</u> | <br><u>\$ 2,338,273</u> |

\*Primarily retired by the General and Police Protection Funds.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**B. General Obligation Bonds**

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

| Issue   | Fund Debt Retired by | Balances May 1 | Issuances           | Retirements | Balances April 30   | Current Portion   |
|---|----------------------|----------------|---------------------|-------------|---------------------|-------------------|
| \$9,430,000 General Obligation, Series 2020A dated May 28, 2020, due in annual installments of \$405,000 to \$665,000, plus interest of 3% through January 1, 2039. | Debt Service         | \$ -           | \$ 9,430,000        | \$ -        | \$ 9,430,000        | \$ 405,000        |
| <b>TOTAL GENERAL OBLIGATION BONDS</b>   |                      | <u>\$ -</u>    | <u>\$ 9,430,000</u> | <u>\$ -</u> | <u>\$ 9,430,000</u> | <u>\$ 405,000</u> |

**C. General Obligation Note - Direct Placement**

The City issued a \$1,500,000 General Obligation Note, Series 2020 to finance the acquisition of real property. The note was issued directly to a bank. General obligation notes currently outstanding are as follows:

| Issue   | Fund Debt Retired by | Balances May 1      | Issuances   | Retirements | Balances April 30   | Current Portion |
|---|----------------------|---------------------|-------------|-------------|---------------------|-----------------|
| \$1,500,000 General Obligation Note, Series 2020 dated February 28, 2020, due in semi-annual payments of \$52,934 beginning in 2023, bearing interest at 3.60% through March 1, 2042. | Debt Service         | \$ 1,500,000        | \$ -        | \$ -        | \$ 1,500,000        | \$ -            |
| <b>TOTAL GENERAL OBLIGATION BONDS</b>   |                      | <u>\$ 1,500,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,500,000</u> | <u>\$ -</u>     |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**D. Alternate Revenue Source Bonds**

The City also issues general obligation (alternate revenue source) bonds to provide funds for the acquisition and construction of major capital facilities. Alternate revenue source bonds pledge specific revenues other than property taxes to repay the debt. The County Clerk is required to levy a property tax if the City has insufficient funds to repay the debt. The City has made all required payments for fiscal year 2020/2021 and does not anticipate having to levy a property tax in future years to repay the bonds. The governmental activities alternate revenue source bonds currently outstanding are as follows:

| Issue   | Fund Debt Retired by | Balances May 1      | Issuances   | Retirements/ Refundings | Balances April 30   | Current Portion   |
|---|----------------------|---------------------|-------------|-------------------------|---------------------|-------------------|
| \$1,425,000 Alternate Revenue Bonds, Series 2010A dated July 21, 2010, due in annual installments of \$120,000 to \$160,000, plus interest of 1.150% to 3.625%, through December 1, 2020. | Debt Service         | \$ 120,000          | \$ -        | \$ 120,000              | \$ -                | \$ -              |
| \$1,475,000 Alternate Revenue Bonds, Series 2010C dated July 21, 2010, due in annual installments of \$120,000 to \$155,000, plus interest of 1.15% to 3.75%, through December 1, 2021.   | Debt Service         | 300,000             | -           | 145,000                 | 155,000             | 155,000           |
| \$325,000 Alternate Revenue Bonds, Series 2010E dated July 21, 2010, due in annual installments of \$25,000 to \$35,000, plus interest of 1.15% to 3.75%, through December 1, 2021.       | Debt Service         | 70,000              | -           | 35,000                  | 35,000              | 35,000            |
| \$4,700,000 Alternate Revenue Bonds, Series 2014 dated June 18, 2014, due in annual installments of \$430,000 to \$530,000, plus interest of 3% through December 1, 2025.                 | Debt Service         | 2,435,000           | -           | 495,000                 | 1,940,000           | 510,000           |
| <b>TOTAL ALTERNATE REVENUE SOURCE BONDS</b>   |                      | <b>\$ 2,925,000</b> | <b>\$ -</b> | <b>\$ 795,000</b>       | <b>\$ 2,130,000</b> | <b>\$ 700,000</b> |

**6. LONG-TERM DEBT (Continued)**

**D. Alternate Revenue Source Bonds (Continued)**

The following is a summary of bond transactions and other debt transactions of the City for the year ended April 30, 2021, that are payable by governmental activities.

In 2010, the City issued the series 2010A general obligation alternate revenue source bonds to refund the remaining principal for the series 2000C and 2001 alternate revenue bonds issued in prior years. The bond ordinance requires the City to have 1.25 times the annual debt service on the bonds in order to abate the property tax that also secures the bonds. The outstanding principal for the series 2000C bonds was called on August 20, 2010 and the outstanding principal for the series 2001 bonds was called on February 1, 2011. The series 2010A bonds were retired on December 1, 2020. During the current fiscal year, the pledge of sales taxes of \$124,350 was 2.50% of the total sales tax revenues.

In 2010, the City issued the series 2010C general obligation alternate revenue source bonds to refund the remaining series 2002E alternate revenue bonds. The bond ordinance requires the City to have 1.25 times the annual debt service on the bonds in order to abate the property tax that also secures the bonds. The outstanding principal for the series 2002E bonds was called on December 1, 2010. The total interest and principal remaining to be paid on the 2010C bonds is \$160,813, with the pledge expiring December 1, 2021, when the bonds are paid off. During the current fiscal year, the pledge of tax increment property taxes of \$156,059 was 26.10% of the total tax increment property tax revenues.

In 2010, the City issued the series 2010E general obligation alternate revenue source bonds to refund the remaining series 2002E alternate revenue bonds. The bond ordinance requires the City to have 1.25 times the annual debt service on the bonds in order to abate the property tax that also secures the bonds. The outstanding principal for the series 2002E bonds was called on December 1, 2010. The total interest and principal remaining to be paid on the bonds is \$36,313, with the pledge expiring December 1, 2021, when the bonds are paid off. During the current fiscal year, the pledge of tax increment property taxes of \$37,581 was 6.30% of the total tax increment property tax revenues.

In 2015, the City issued the series 2014 general obligation alternate revenue source bonds to refund the remaining series 2003 general obligation (limited tax) debt certificates and a portion of the series 2005B general obligation alternate revenue source bonds through an advanced refunding. The total interest and principal remaining to be paid on the 2014 bonds is \$2,081,900. During the current fiscal year, the pledge of telecommunication taxes of \$568,050 was 5.70% of the total sales, use income and telecommunications taxes and park impact, recreation center and general fees.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**E. Landfill Closure Costs**

In compliance with GASB Statement No. 18, the City has reported its long-term obligation related to closing costs for a landfill closed in 2000. The City is the owner of a tract of land formerly operated as a municipal landfill. The City has been identified, in addition to one other corporate entity, by the United States Environmental Protection Agency (USEPA) as a potential responsible party under the Superfund Amendments and Reauthorization Act of the Comprehensive Environment Response Compensation Acts. Governmental activities long-term liabilities related to the landfill were as follows:

|                                  | Fund Debt Retired by     | Balances May 1 | Additions | Reductions | Balances April 30 | Current Portion |
|----------------------------------|--------------------------|----------------|-----------|------------|-------------------|-----------------|
| Landfill Post Closure Care Costs | Environmental Management | \$ 423,000     | \$ -      | \$ 47,000  | \$ 376,000        | \$ 47,000       |

**F. Debt Service Requirements to Maturity**

Debt service requirements to maturity for governmental activities long-term debt is as follows:

| Fiscal Year Ending April 30, | General Obligation Note Direct Placement |                   | Alternate Revenue Bonds |                   |
|------------------------------|--|-------------------|-------------------------|-------------------|
|                              | Principal                                | Interest          | Principal               | Interest          |
| 2022                         | \$ -                                     | \$ -              | \$ 700,000              | \$ 65,325         |
| 2023                         | 52,182                                   | 53,686            | 530,000                 | 42,900            |
| 2024                         | 54,230                                   | 51,638            | 440,000                 | 27,000            |
| 2025                         | 56,200                                   | 49,668            | 460,000                 | 13,800            |
| 2026                         | 58,241                                   | 47,627            | -                       | -                 |
| 2027                         | 60,357                                   | 45,511            | -                       | -                 |
| 2028                         | 62,550                                   | 43,318            | -                       | -                 |
| 2029                         | 64,791                                   | 41,077            | -                       | -                 |
| 2030                         | 67,175                                   | 38,693            | -                       | -                 |
| 2031                         | 69,616                                   | 36,252            | -                       | -                 |
| 2032                         | 72,145                                   | 33,723            | -                       | -                 |
| 2033                         | 74,765                                   | 31,103            | -                       | -                 |
| 2034                         | 77,481                                   | 28,387            | -                       | -                 |
| 2035                         | 80,296                                   | 25,572            | -                       | -                 |
| 2036                         | 83,212                                   | 22,656            | -                       | -                 |
| 2037                         | 86,235                                   | 19,633            | -                       | -                 |
| 2038                         | 89,367                                   | 16,501            | -                       | -                 |
| 2039                         | 92,614                                   | 13,254            | -                       | -                 |
| 2040                         | 95,978                                   | 9,890             | -                       | -                 |
| 2041                         | 99,463                                   | 6,405             | -                       | -                 |
| 2042                         | 103,102                                  | 2,759             | -                       | -                 |
| <b>TOTAL</b>                 | <b>\$ 1,500,000</b>                      | <b>\$ 617,353</b> | <b>\$ 2,130,000</b>     | <b>\$ 149,025</b> |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

F. Debt Service Requirements to Maturity (Continued)

| Fiscal Year<br>Ending<br>April 30, | General Obligation Bonds |                     |
|------------------------------------|--------------------------|---------------------|
|                                    | Principal                | Interest            |
| 2022                               | \$ 405,000               | \$ 282,900          |
| 2023                               | 415,000                  | 270,750             |
| 2024                               | 425,000                  | 258,300             |
| 2025                               | 440,000                  | 245,550             |
| 2026                               | 455,000                  | 232,350             |
| 2027                               | 465,000                  | 218,700             |
| 2028                               | 480,000                  | 204,750             |
| 2029                               | 495,000                  | 190,350             |
| 2030                               | 510,000                  | 175,500             |
| 2031                               | 525,000                  | 160,200             |
| 2032                               | 540,000                  | 144,450             |
| 2033                               | 560,000                  | 128,250             |
| 2034                               | 575,000                  | 111,450             |
| 2035                               | 590,000                  | 94,200              |
| 2036                               | 610,000                  | 76,500              |
| 2037                               | 630,000                  | 58,200              |
| 2038                               | 645,000                  | 39,300              |
| 2039                               | 665,000                  | 19,950              |
| <b>TOTAL</b>                       | <b>\$ 9,430,000</b>      | <b>\$ 2,911,650</b> |

G. Business-Type Activities

Long-term debt payable by business-type activities is as follows:

| Issue  | Fund Debt<br>Retired by | Balances<br>May 1 | Issuances | Retirements | Balances<br>April 30 | Current<br>Portion |
|--|-------------------------|-------------------|-----------|-------------|----------------------|--------------------|
| \$2,940,000 Alternate Revenue<br>Bonds, Series 2010D, dated<br>July 21, 2010, due in annual<br>installments of \$240,000 to<br>\$305,000, plus interest of<br>1.375% to 3.750%, through<br>December 1, 2021. | Water and<br>Sewer      | \$ 605,000        | \$ -      | \$ 300,000  | \$ 305,000           | \$ 305,000         |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**G. Business-Type Activities (Continued)**

| Issue  | Fund Debt Retired by | Balances May 1      | Issuances         | Retirements         | Balances April 30   | Current Portion   |
|--|----------------------|---------------------|-------------------|---------------------|---------------------|-------------------|
| \$1,840,000 Alternate Revenue Bonds, Series 2016, dated October 10, 2016, due in annual installments of \$175,000 to \$235,000, plus interest of 4% through January 1, 2028. | Water and Sewer      | \$ 1,665,000        | \$ -              | \$ 180,000          | \$ 1,485,000        | \$ 190,000        |
| Compensated Absences   | Water and Sewer      | 325,300             | 170,184           | 150,350             | 345,134             | 155,932           |
| Net Pension Liability - IMRF   | Water and Sewer      | 585,368             | -                 | 451,957             | 133,411             | -                 |
| Total OPEB Liability   | Water and Sewer      | 255,597             | 17,491            | -                   | 273,088             | 14,778            |
| Unamortized Bond Premium   | N/A                  | 223,679             | -                 | 24,182              | 199,497             | -                 |
| Unamortized Bond Discount  | N/A                  | (4,422)             | -                 | (2,193)             | (2,229)             | -                 |
| Asset Retirement Obligation  | N/A                  | 300,000             | -                 | -                   | 300,000             | -                 |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT</b>   |                      | <b>\$ 3,955,522</b> | <b>\$ 187,675</b> | <b>\$ 1,104,296</b> | <b>\$ 3,038,901</b> | <b>\$ 665,710</b> |

Debt service requirements to maturity for business-type activities long-term debt is as follows:

| Fiscal Year Ending April 30, | Alternate Revenue Bonds |                   |
|------------------------------|-------------------------|-------------------|
|                              | Principal               | Interest          |
| 2021                         | \$ 495,000              | \$ 67,038         |
| 2022                         | 195,000                 | 47,900            |
| 2023                         | 205,000                 | 39,900            |
| 2024                         | 210,000                 | 31,600            |
| 2025                         | 220,000                 | 23,000            |
| 2026                         | 230,000                 | 14,000            |
| 2027                         | 235,000                 | 4,700             |
| <b>TOTAL</b>                 | <b>\$ 1,790,000</b>     | <b>\$ 228,138</b> |

**6. LONG-TERM DEBT (Continued)**

H. No Commitment/Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. The aggregate principal amount payable for the only series of IDRBs outstanding as of April 30, 2021, which could be determined, was \$18,967,742.

I. Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various shallow water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells is 20 years.

**7. DEFINED BENEFIT PENSION PLANS**

The City contributes to three defined benefit pension plans, two of these plans provided by the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the remaining defined benefit plan provided through the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for these three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

The City and Library aggregate amount of pension expense for the fiscal year ended April 30, 2021, was \$(388,879).

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions

Illinois Municipal Retirement Fund - Regular Pension Plan

*Plan Administration*

All employees (including those of the discretely presented component unit and other than those covered by the Police Pension Plan and the Sheriff's Law Enforcement Personnel (SLEP) Plan provided through IMRF) 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.

*Plan Membership*

At December 31, 2020, IMRF membership consisted of:

|   |                       |
|---|-----------------------|
| Inactive Employees or Their Beneficiaries | 111                   |
| Currently Receiving Benefits              |                       |
| Inactive Employees Entitled to but not    | 95                    |
| yet Receiving Benefits                    | <u>110</u>            |
| Active Employees                          |                       |
| <br>TOTAL                                 | <br><u><u>316</u></u> |

The membership above includes both the City and Library.

*Benefits Provided*

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Regular Pension Plan (Continued)

*Benefits Provided (Continued)*

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for fiscal year 2021 was 13.09% of covered payroll.

*Actuarial Assumptions*

The City's net pension liability was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

|                            |                   |
|----------------------------|-------------------|
| Actuarial Valuation Date   | December 31, 2020 |
| Actuarial Cost Method      | Entry-Age Normal  |
| Assumptions                |                   |
| Inflation                  | 2.25%             |
| Salary Increases           | 2.85% to 13.75%   |
| Interest Rate              | 7.25%             |
| Cost of Living Adjustments | 3.00%             |
| Asset Valuation Method     | Fair Value        |

7. **DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Regular Pension Plan (Continued)

*Actuarial Assumptions (Continued)*

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.25%. 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 the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was used to determine the total pension liability.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Regular Pension Plan (Continued)

*Changes in the Net Pension Liability - City*

|  | (a)<br>Total<br>Pension<br>Liability | (b)<br>Plan<br>Fiduciary<br>Net Position | (a) - (b)<br>Net<br>Pension<br>Liability |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2020                          | \$ 43,906,202                        | \$ 40,650,093                            | \$ 3,256,109                             |
| Changes for the Period                               |                                      |  |  |
| Service Cost   | 577,265                              | -  | 577,265                                  |
| Interest   | 3,125,555                            | -  | 3,125,555                                |
| Difference Between Expected<br>and Actual Experience | -                                    | -  | -  |
|  | 1,238,359                            | -  | 1,238,359                                |
| Changes in Assumptions                               | (372,352)                            | -  | (372,352)                                |
| Employer Contributions                               | -                                    | 864,877                                  | (864,877)                                |
| Employee Contributions                               | -                                    | 298,462                                  | (298,462)                                |
| Net Investment Income                                | -                                    | 5,785,931                                | (5,785,931)                              |
| Benefit Payments and Refunds                         | (2,167,445)                          | (2,167,445)                              | -  |
| Other (Net Transfer)                                 | -                                    | 133,565                                  | (133,565)                                |
| Net Changes  | 2,401,382                            | 4,915,390                                | (2,514,008)                              |
| BALANCES AT DECEMBER 31, 2020                        | \$ 46,307,584                        | \$ 45,565,483                            | \$ 742,101                               |

There were changes in assumptions relating to inflation rates, salary rate increases, and mortality rates.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Regular Pension Plan (Continued)

*Changes in the Net Pension Liability - Library*

|  | (a)<br>Total<br>Pension<br>Liability | (b)<br>Plan<br>Fiduciary<br>Net Position | (a) - (b)<br>Net<br>Pension<br>Liability |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2020                          | \$ 5,426,609                         | \$ 5,024,169                             | \$ 402,440                               |
| Changes for the Period                               |                                      |  |  |
| Service Cost   | 71,347                               | -  | 71,347                                   |
| Interest   | 386,305                              | -  | 386,305                                  |
| Difference Between Expected<br>and Actual Experience | 153,056                              | -  | 153,056                                  |
| Changes in Assumptions                               | (46,021)                             | -  | (46,021)                                 |
| Employer Contributions                               | -                                    | 106,895                                  | (106,895)                                |
| Employee Contributions                               | -                                    | 36,888                                   | (36,888)                                 |
| Net Investment Income                                | -                                    | 715,115                                  | (715,115)                                |
| Benefit Payments and Refunds                         | (267,887)                            | (267,887)                                | -  |
| Other (Net Transfer)                                 | -                                    | 16,509                                   | (16,509)                                 |
| Net Changes  | 296,800                              | 607,520                                  | (310,720)                                |
| BALANCES AT DECEMBER 31, 2020                        | \$ 5,723,409                         | \$ 5,631,689                             | \$ 91,720                                |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Regular Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2021, the City recognized pension expense/(income) of (\$323,789). At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience                                   | \$ 1,092,020                         | \$ 46,925                           |
| Changes in Assumption   | 288,294                              | 373,980                             |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | -                                    | 3,495,311                           |
| Contributions Subsequent to Measurement Date  | 301,798                              | -                                   |
| <b>TOTAL</b>  | <u>\$ 1,682,112</u>                  | <u>\$ 3,916,216</u>                 |

\$301,798 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the fiscal year ending April 30, 2021.

For the year ended April 30, 2022, the Library recognized pension expense/(income) of (\$40,019). At April 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience                                   | \$ 134,968                           | \$ 5,800                            |
| Changes in Assumption   | 35,632                               | 46,222                              |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | -                                    | 432,006                             |
| Contributions Subsequent to Measurement Date  | 37,301                               | -                                   |
| <b>TOTAL</b>  | <u>\$ 207,901</u>                    | <u>\$ 484,028</u>                   |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Regular Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

\$37,301 reported as deferred outflows of resources related to pensions resulting from library contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the fiscal year ending April 30, 2022.

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

| Fiscal Year<br>Ending<br>April 30, | City                  | Library             | Total                 |
|------------------------------------|-----------------------|---------------------|-----------------------|
| 2022                               | \$ (532,368)          | \$ (65,798)         | \$ (598,166)          |
| 2023                               | (170,727)             | (21,101)            | (191,828)             |
| 2024                               | (1,258,739)           | (155,574)           | (1,414,313)           |
| 2025                               | (574,070)             | (70,955)            | (645,025)             |
| 2026                               | -                     | -                   | -                     |
| Thereafter                         | -                     | -                   | -                     |
| <b>TOTAL</b>                       | <b>\$ (2,535,904)</b> | <b>\$ (313,428)</b> | <b>\$ (2,849,332)</b> |

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

|                                      | 1% Decrease<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|--------------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability (Asset) - IMRF |                        |                                     |                        |
| City                                 | \$ 6,303,297           | \$ 742,101                          | \$ (3,742,820)         |
| Library                              | 779,059                | 91,720                              | (462,596)              |
| <b>Total</b>                         | <b>\$ 7,082,356</b>    | <b>\$ 833,821</b>                   | <b>\$ (4,205,416)</b>  |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Plan

*Plan Administration*

All SLEP employees 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.

*Plan Membership*

At December 31, 2020, SLEP membership consisted of:

|   |                 |
|---|-----------------|
| Inactive Employees or Their Beneficiaries                     | 2               |
| Currently Receiving Benefits                                  |                 |
| Inactive Employees Entitled to but not yet Receiving Benefits | -               |
| Active Employees  | <u>2</u>        |
| <b>TOTAL</b>  | <b><u>2</u></b> |

*Benefits Provided*

SLEP members, having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2% of their final earnings rate for the next ten years of credited service, and 1% for each year thereafter. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statute.

*Contributions*

Participating members are required to contribute 7.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer contribution and required employer contribution for fiscal year 2021 was 0% of covered payroll.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Plan  
 (Continued)

*Actuarial Assumptions*

The City's net pension liability (asset) was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

|                            |                   |
|----------------------------|-------------------|
| Actuarial Valuation Date   | December 31, 2020 |
| Actuarial Cost Method      | Entry-Age Normal  |
| Assumptions                |                   |
| Inflation                  | 2.25%             |
| Salary Increases           | 2.85% to 13.75%   |
| Interest Rate              | 7.25%             |
| Cost of Living Adjustments | 2.50%             |
| Asset Valuation Method     | Fair Value        |

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.25%. 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 the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Plan  
(Continued)

*Discount Rate (Continued)*

rate. Based on those assumptions, the SLEP's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was used to determine the total pension liability (asset).

*Changes in the Net Pension Liability (Asset)*

|  | (a)<br>Total<br>Pension<br>Liability | (b)<br>Plan<br>Fiduciary<br>Net Position | (a) - (b)<br>Net Pension<br>Liability<br>(Asset) |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2020                          | \$ 389,571                           | \$ 441,322                               | \$ (51,751)                                      |
| Changes for the Period                               |                                      |  |  |
| Service Cost   | -                                    | -  | -  |
| Interest   | 27,007                               | -  | 27,007   |
| Difference between Expected<br>and Actual Experience | 5,450                                | -  | 5,450  |
| Changes in Assumptions                               | 2,033                                | -  | 2,033  |
| Employer Contributions                               | -                                    | -  | -  |
| Employee Contributions                               | -                                    | -  | -  |
| Net Investment Income                                | -                                    | 69,922                                   | (69,922)   |
| Benefit Payments and Refunds                         | (34,132)                             | (34,132)                                 | -  |
| Administrative Expense                               | -                                    | -  | -  |
| Other (Net Transfer)                                 | -                                    | 7,507                                    | (7,507)  |
| Net Changes  | 358                                  | 43,297                                   | (42,939)   |
| BALANCES AT DECEMBER 31, 2020                        | \$ 389,929                           | \$ 484,619                               | \$ (94,690)                                      |

There were changes in assumptions relating to inflation rates, salary rate increases and mortality rates.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Plan  
 (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2021, the City recognized pension expense/(income) of \$(23,342).

At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience                                   | \$ -                                 | \$ -                                |
| Changes in Assumption   | -                                    | -                                   |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | -                                    | 59,592                              |
| <b>TOTAL</b>  | <u>\$ -</u>                          | <u>\$ 59,592</u>                    |

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

| Fiscal Year<br>Ending<br>April 30, |                    |
|------------------------------------|--------------------|
| 2022                               | \$ (18,667)        |
| 2023                               | (10,079)           |
| 2024                               | (23,067)           |
| 2025                               | (7,779)            |
| 2026                               | -                  |
| Thereafter                         | -                  |
| <b>TOTAL</b>                       | <u>\$ (59,592)</u> |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Plan  
 (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

|                                      | 1% Decrease<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|--------------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability (Asset) - SLEP | \$ (61,864)            | \$ (94,690)                         | \$ (123,357)           |

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (ILCS) (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

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.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan

*Plan Membership*

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

|   |                      |
|---|----------------------|
| Inactive Plan Members or Beneficiaries                              |                      |
| Currently Receiving Benefits  | 22                   |
| Inactive Plan Members Entitled to but not<br>yet Receiving Benefits | 7                    |
| Active Plan Members   | <u>38</u>            |
| <br>TOTAL   | <br><u><u>67</u></u> |

*Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtained by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to

7. **DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Employees are required by ILCS 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 City is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has chosen to fund 100% of the past service cost by 2040 using entry age normal. For the year ended April 30, 2021, the City's contribution was 38.42% of covered payroll.

*Investment Policy*

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as the City, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations' tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions (rated BBB- or better by S&P), Illinois insurance company general and separate accounts (rated AA+ or better by S&P), equity mutual funds and equity securities. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, corporate bonds (rated A or better by S&P), common and preferred stock, The Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

per share value which is equal to the participants fair value) and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

During the year ended April 30, 2021, an updated investment policy was approved by the Board of Trustees to include language relating to the Illinois Sustainable Investing Act (40 ILCS 5/1-113.6 and 1-113.17).

It is the policy of the Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, liquidity, safety and return on investment.

The Fund's investment manager establishes the following target allocation across asset classes:

| Asset Class                  | Target | Long-Term<br>Expected Real<br>Rate of Return |
|------------------------------|--------|--|
| U.S. Government Fixed Income | 33%    | 2.50%  |
| U.S. Large Cap Equities      | 50%    | 5.50%  |
| U.S. Small Cap Equities      | 5%     | 5.50%  |
| International Equities       | 4%     | 5.50%  |
| Emerging Market Equities     | 1%     | 5.50%  |
| Real Estate                  | 5%     | 5.50%  |
| Cash                         | 2%     | 0.50%  |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

Asset class returns are calculated on the geometric mean basis and derived from stocks, bonds, cash and inflation of 2.90% from 1926-2014 Morningstar except for International Equity, which is derived from MSCI EAFE Index for the period December 31, 1976 through August 31.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade-date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

*Investment 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 32.74%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of April 30, 2021:

| Investment Type           | Fair Value          | Investment Maturities (in Years) |                     |                     |                 |
|---------------------------|---------------------|----------------------------------|---------------------|---------------------|-----------------|
|                           |                     | Less than 1                      | 1-5                 | 6-10                | Greater than 10 |
| U.S. Treasury Obligations | \$ 4,066,122        | \$ 353,015                       | \$ 2,380,837        | \$ 1,332,270        | \$ -            |
| U.S. Agency Obligations   | 808,855             | 101,611                          | -                   | 700,660             | 6,584           |
| Corporate Bonds           | 3,423,105           | 739,094                          | 2,301,084           | 382,927             | -               |
| <b>TOTAL</b>              | <b>\$ 8,298,082</b> | <b>\$ 1,193,720</b>              | <b>\$ 4,681,921</b> | <b>\$ 2,415,857</b> | <b>\$ 6,584</b> |

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk* (Continued)

The Police Pension Plan has the following recurring fair value measurements as of April 30, 2021: The U.S. Treasury obligations and U.S. agency obligations are valued using institutional bond quoted (Level 2 inputs). The corporate bonds are valued using quoted matrix pricing models (Level 2 inputs). The Police Pension Plan also has equity securities and mutual funds valued using quoted prices (Level 1 inputs).

In accordance with its investment policy, the Fund limits its exposure to interest rate risk, the risk that changes in interest rates will adversely affect the fair value of investments, by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Fund. The Fund's investment policy specifically prohibits the use of or the investment in derivatives.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government or corporate bonds rated as investment grade by one of the two largest rating services at the time of purchase. The U.S. agency obligations are rated AA+ and the money market mutual funds are rated AA+. The corporate bonds are rated BBB- to AA+.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, all security transactions that are exposed to custodial credit risk are processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds are not subject to custodial credit risk.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined using the following actuarial methods and assumptions.

|                            |                  |
|----------------------------|------------------|
| Actuarial Valuation Date   | April 30, 2021   |
| Actuarial Cost Method      | Entry-Age Normal |
| Assumptions                |                  |
| Inflation                  | 2.50%            |
| Salary Increases           | 3.50% to 11.00%  |
| Interest Rate              | 7.00%            |
| Cost of Living Adjustments | 3.00%            |
| Asset Valuation Method     | Fair Value       |

Mortality rates were based on the RP 2014 Mortality Table with a blue collar adjustment, with improvement scale MP-2020 applied to 2021.

*Discount Rate*

The discount rate used to measure the total pension liability was 7%. 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 the City contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability*

|  | (a)<br>Total<br>Pension<br>Liability | (b)<br>Plan<br>Fiduciary<br>Net Position | (a) - (b)<br>Net<br>Pension<br>Liability |
|--|--------------------------------------|--|--|
| BALANCES AT MAY 1, 2020                              | \$ 38,082,450                        | \$ 22,348,648                            | \$ 15,733,802                            |
| Changes for the Period                               |                                      |  |  |
| Service Cost   | 746,537                              | -  | 746,537                                  |
| Interest   | 2,663,321                            | -  | 2,663,321                                |
| Changes in Benefit Terms                             | -                                    | -  | -  |
| Difference Between Expected<br>and Actual Experience | (1,189,913)                          | -  | (1,189,913)                              |
| Changes in Assumptions                               | (162,984)                            | -  | (162,984)                                |
| Employer Contributions                               | -                                    | 1,361,694                                | (1,361,694)                              |
| Employee Contributions                               | -                                    | 359,353                                  | (359,353)                                |
| Net Investment Income                                | -                                    | 6,902,772                                | (6,902,772)                              |
| Benefit Payments and Refunds                         | (1,563,099)                          | (1,563,099)                              | -  |
| Administrative Expense                               | -                                    | (23,162)                                 | 23,162                                   |
| Net Changes  | 493,862                              | 7,037,558                                | (6,543,696)                              |
| BALANCES AT APRIL 30, 2021                           | \$ 38,576,312                        | \$ 29,386,206                            | \$ 9,190,106                             |

There was a change with respect to actuarial assumptions from the prior year to reflect the mortality improvement scale from scale MP-2019 to scale MP-2020.

As of April 30, 2021, the plan was 68.8% funded.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

|                       | 1% Decrease<br>(6%) | Current<br>Discount Rate<br>(7%) | 1% Increase<br>(8%) |
|-----------------------|---------------------|----------------------------------|---------------------|
| Net Pension Liability | \$ 15,174,611       | \$ 9,190,106                     | \$ 4,357,681        |

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2021, the City recognized pension expense of \$(1,729). At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience                                | \$ 78,058                            | \$ 2,253,688                        |
| Changes in Assumptions   | 320,680                              | 1,135,960                           |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | -                                    | 2,826,492                           |
| <b>TOTAL</b>   | <b>\$ 398,738</b>                    | <b>\$ 6,216,140</b>                 |

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the Police Pension Plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

| Fiscal Year<br>Ending<br>April 30, |                       |
|------------------------------------|-----------------------|
|                                    | \$ (1,711,518)        |
| 2022                               | (1,526,174)           |
| 2023                               | (887,135)             |
| 2024                               | (1,233,172)           |
| 2025                               | (266,132)             |
| 2026                               | (193,271)             |
| Thereafter                         | <u>(5,817,402)</u>    |
| <b>TOTAL</b>                       | <b>\$ (5,817,402)</b> |

**8. LANDFILL CLOSURE COSTS**

The City is the owner of a tract of land formerly operated as a municipal landfill. The City has been identified, in addition to one other corporate entity, by the United States Environmental Protection Agency (USEPA) as a potential responsible party under the Superfund Amendments and Reauthorization Act of the Comprehensive Environment Response Compensation Acts. State and Federal laws and regulations required the City to place a final cover on its landfill site. This cover was installed in 2000 and will need to be maintained and monitored for a period of 30 years. Recognition of the landfill liability is based on landfill capacity used to date. Therefore, the City reports an estimate for 100% of the costs anticipated to maintain and monitor the landfill for the remaining 15 years. These amounts are based on what it costs to maintain and monitor the landfill in 2020. The City expects the actual costs may be higher due to inflation, changes in technology or changes in regulations.

The City reports the estimated costs of \$376,000 in the governmental activities. These costs will be funded by the Environmental Management Special Revenue Fund.

**9. RISK MANAGEMENT**

The City is exposed to various risks including but not limited to losses from workers' compensation, employee health insurance and general liability/property. The City is self-insured for its exposure to employee health risks. The City participates in the McHenry County Municipal Risk Management Association (McMRMA), a public entity risk pool, which provides workers' compensation and general liability/property coverage.

McMRMA is a proprietary agency whose members are McHenry County, Illinois governments. McMRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. Premiums are invested by the McMRMA Board of Directors and are used to pay claims processed by a third party administrator.

Each member assumes the first \$1,000 of each occurrence and has self-insurance retention at various amounts. Management consists of a Board of Directors comprised of one appointed representative from each member.

The City does not exercise any control over the activities of McMRMA beyond its representation on the Board of Directors. Initial contributions are determined in advance of each membership year based on the individual member's size and previous claims as defined in the by-laws of McMRMA and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of McMRMA attributable to a membership year which they were a member.

The City has established the Employee Insurance Internal Service Fund to account for the employee health insurance activities. Each participating fund makes payments to the Employee Insurance Internal Service Fund. The charges are based on personnel costs and established premium rates for various insurance coverages.

The City has contracted with a third party administrator (TPA) to administer the employee health insurance program and to review and process claims. In addition, the City has contracted with third party carriers for specific stop-loss coverage to limit the City's exposure. The specific stop-loss coverage is based on \$90,000 per individual per year.

The City does not utilize aggregate stop-loss coverage for its health plan. Settlements have not exceeded coverage in any of the prior four years.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. RISK MANAGEMENT (Continued)**

A reconciliation of claims payable for the fiscal years ended April 30, 2021 and 2020 are as follows:

|                          | Health             |                    |
|--------------------------|--------------------|--------------------|
|                          | 2021               | 2020               |
| CLAIMS PAYABLE, MAY 1    | \$ 60,021          | \$ 250,466         |
| Add Claims Incurred      | 2,320,318          | 1,783,538          |
| Less Claims Paid         | <u>(2,189,985)</u> | <u>(1,973,983)</u> |
| CLAIMS PAYABLE, APRIL 30 | <u>\$ 190,354</u>  | <u>\$ 60,021</u>   |

**10. CONTINGENT LIABILITIES**

A. Litigation

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

B. 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 City expects such amounts, if any, to be immaterial.

**11. OTHER POSTEMPLOYMENT BENEFITS**

A. Plan Description

In addition to providing the pension benefits described, the City provides other postemployment benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the City's governmental activities and Waterworks and Sewerage Fund.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

B. Benefits Provided

The City and Library provide OPEB to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans or meet COBRA requirements. All retirees contribute 100% of the premium to the Plan to cover the cost of providing the benefits to the retirees via the health insurance plan (pay as you go), which results in an implicit subsidy to the City and Library. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents until they are Medicare eligible.

All health care benefits are provided through the City and Library's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Eligibility in City and Library sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

C. Membership

At April 30, 2021, membership consisted of:

|  |                   |
|--|-------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefit Payments | 12                |
| Inactive Employees Entitled to but not yet Receiving Benefit Payments    | -                 |
| Active Employees   | <u>150</u>        |
| <b>TOTAL</b>   | <u><u>162</u></u> |

The membership above includes both the City and Library.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**D. Actuarial Assumptions and Other Inputs**

The total OPEB liability at April 30, 2021, as determined by an actuarial valuation as of 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.

|                             |                                  |
|-----------------------------|----------------------------------|
| Actuarial Cost Method       | Entry-Age Normal                 |
| Actuarial Value of Assets   | Not Applicable                   |
| Inflation                   | 3.00%                            |
| Salary Increases            | 4.00%                            |
| Discount Rate               | 1.83%                            |
| Healthcare Cost Trend Rates | 4.50% to 5.00%<br>4.50% Ultimate |

Police employees that suffer a catastrophic injury or are killed in the line of duty may receive 100% City paid lifetime coverage for the employee, their spouse and each dependent child under the Public Safety Employee Benefits Act.

The discount rate was based on the index rate for tax-exempt general obligation municipal bonds rated AA or better at April 30, 2021.

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on scale AA.

The actuarial assumptions used in the April 30, 2021 valuation are based on 20% participation assumed, with 50% electing spouse coverage.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

E. Changes in the Total OPEB Liability

| CITY   | Total OPEB<br>Liability |
|--|-------------------------|
| BALANCES AT MAY 1, 2020                              | <u>\$ 1,549,076</u>     |
| Changes for the Period                               |                         |
| Service Cost   | 42,592                  |
| Interest   | 42,605                  |
| Difference Between Expected<br>and Actual Experience | (15,226)                |
| Changes in Benefit Terms                             | -                       |
| Changes in Assumptions                               | 139,378                 |
| Benefit Payments                                     | (103,342)               |
| Other Changes  | -                       |
| Net Changes  | <u>106,007</u>          |
| BALANCES AT APRIL 30, 2021                           | <u>\$ 1,655,083</u>     |
|  |                         |
| LIBRARY  | Total OPEB<br>Liability |
| BALANCES AT MAY 1, 2020                              | <u>\$ 63,121</u>        |
| Changes for the Period                               |                         |
| Service Cost   | 2,852                   |
| Interest   | 1,799                   |
| Difference Between Expected<br>and Actual Experience | (732)                   |
| Changes in Benefit Terms                             | -                       |
| Changes in Assumptions                               | 5,602                   |
| Benefit Payments                                     | (4,972)                 |
| Other Changes  | -                       |
| Net Changes  | <u>4,549</u>            |
| BALANCES AT APRIL 30, 2021                           | <u>\$ 67,670</u>        |

There were changes in assumptions related to the inflation rates, salary rate increases, discount rate, and health care trends.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**F. Rate Sensitivity**

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 1.83% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.83%) or 1 percentage point higher (2.83%) than the current rate:

|                             | 1% Decrease<br>(0.83%) | Current<br>Discount Rate<br>(1.83%) | 1% Increase<br>(2.83%) |
|-----------------------------|------------------------|-------------------------------------|------------------------|
| City                        | \$ 1,784,836           | \$ 1,655,083                        | \$ 1,536,992           |
| Library                     | 72,975                 | 67,670                              | 62,842                 |
| <b>Total OPEB Liability</b> | <b>\$ 1,857,811</b>    | <b>\$ 1,722,753</b>                 | <b>\$ 1,599,834</b>    |

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.50% to 5.00% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 4.00%) or 1 percentage point higher (5.50% to 6.00%) than the current rate:

|                             | 1% Decrease<br>(3.50% to 4.00%) | Current<br>Healthcare Rate<br>(4.50% to 5.00%) | 1% Increase<br>(5.50% to 6.00%) |
|-----------------------------|---------------------------------|--|---------------------------------|
| City                        | \$ 1,507,271                    | \$ 1,655,083                                   | \$ 1,826,742                    |
| Library                     | 61,627                          | 67,670   | 74,688                          |
| <b>Total OPEB Liability</b> | <b>\$ 1,568,898</b>             | <b>\$ 1,722,753</b>                            | <b>\$ 1,901,430</b>             |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended April 30, 2021, the City recognized OPEB expense of \$161,116. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 7,203                             | \$ 13,656                           |
| Changes in Assumptions                             | <u>513,136</u>                       | <u>44,220</u>                       |
| <b>TOTAL</b>                                       | <u>\$ 520,339</u>                    | <u>\$ 57,876</u>                    |

For the year ended April 30, 2021, the Library recognized OPEB expense of \$7,755. At April 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 295                               | \$ 558                              |
| Changes in Assumptions                             | <u>20,980</u>                        | <u>1,808</u>                        |
| <b>TOTAL</b>                                       | <u>\$ 21,275</u>                     | <u>\$ 2,366</u>                     |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

| Fiscal Year<br>Ending<br>April 30, | City              | Library          | Total             |
|------------------------------------|-------------------|------------------|-------------------|
| 2022                               | \$ 75,919         | \$ 3,104         | \$ 79,023         |
| 2023                               | 75,919            | 3,104            | 79,023            |
| 2024                               | 75,919            | 3,104            | 79,023            |
| 2025                               | 75,919            | 3,104            | 79,023            |
| 2026                               | 82,868            | 3,389            | 86,257            |
| Thereafter                         |                   |                  |                   |
| <b>TOTAL</b>                       | <b>\$ 462,463</b> | <b>\$ 18,909</b> | <b>\$ 481,372</b> |

**12. TAX ABATEMENTS**

The City has entered into an economic incentive agreement with an entity whereby the City has agreed to reimburse the commercial entity through home rule sales tax rebates for 100% of sales above a certain threshold. The economic incentive agreement has a term of five years. There are no claw back provisions in the agreement. The terms of these rebate arrangements are specified within written agreements with the business concerned as allowed under the Illinois Compiled Statute Municipal Code (65 ILCS 5/8-11-20). This agreement was authorized through formal approval by the City Council. The City did not rebate any home rule sales taxes during the year ended April 30, 2021.

**13. COMPONENT UNIT - WOODSTOCK PUBLIC LIBRARY**

A. Summary of Significant Accounting Policies

The accounting policies of the Library conform to generally accepted accounting principles as applicable to governments. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

13. COMPONENT UNIT - WOODSTOCK PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

1. Fund Accounting

Governmental Funds

The accounts of the Library are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into three fund types and one broad fund category as follows:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

2. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred.

The modified accrual basis of accounting is followed by the governmental funds on the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library considers property taxes as available if they are collected within 60 days after year end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**13. COMPONENT UNIT - WOODSTOCK PUBLIC LIBRARY (Continued)**

A. Summary of Significant Accounting Policies (Continued)

3. Cash and Investments

Investments are stated at cost or amortized cost, which approximates fair value.

B. Deposits and Investments

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

The Library's outstanding cash is invested also in accordance with the City's investment policy, which authorizes the City to make deposits/invest in insured financial institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations and The Illinois Funds.

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

1. Library Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral with a fair value of 105% of all bank balances in excess of federal depository insurance with the collateral held by the Library or the Library's agent in the Library's name.

**13. COMPONENT UNIT - WOODSTOCK PUBLIC LIBRARY (Continued)**

B. Deposits and Investments (Continued)

2. Library Investments

The Library categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a two-year period. The investment policy limits the maximum maturity length of investments two years from date of purchase, except for reserve funds. Investments in reserve funds may be purchased with maturities to match future projects or liability requirements.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in certificates of deposit at \$250,000 or less each and money market mutual funds. The Illinois Funds and money market mutual funds are rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Library's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Library's name. The Illinois Funds and money market mutual funds are not subject to custodial credit risk.

Concentration of Credit Risk - The Library's investment policy limits investments the amount of the portfolio that can be invested in any one investment vehicle to 50% of the portfolio, excluding U.S. Treasury obligations.

The Library's investment policy does not specifically prohibit the use of or the investment in derivatives.

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**13. COMPONENT UNIT - WOODSTOCK PUBLIC LIBRARY (Continued)**

C. Receivables

Property taxes for the 2020 levy year attach as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2021 and August 1, 2021, and are payable in two installments, on or about June 1, 2021 and September 1, 2021. The County collects such taxes and remits them periodically.

The Library has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2020 tax levy has been recorded as unavailable/deferred revenue on the balance sheet for governmental funds. The 2021 tax levy, which attached as an enforceable lien on property as of January 1, 2021, has not been recorded as a receivable as of April 30, 2021 as the tax has not yet been levied by the Library and will not be levied until December 2021 and, therefore, the levy is not measurable at April 30, 2021.

D. Capital Assets

The following is a summary of changes in the Library's capital assets during the fiscal year:

|  | Balances<br>May 1   | Additions        | Retirements      | Balances<br>April 30 |
|--|---------------------|------------------|------------------|----------------------|
| Capital Assets not Being Depreciated           |                     |                  |                  |                      |
| Land   | \$ 401,754          | \$ -             | \$ -             | \$ 401,754           |
| Construction in Progress                       | 61,025              | -                | 61,025           | -                    |
| Total Capital Assets Not Being Depreciated     | 462,779             | -                | 61,025           | 401,754              |
| Capital Assets Being Depreciated               |                     |                  |                  |                      |
| Building and Improvements                      | 7,285,992           | 286,735          | -                | 7,572,727            |
| Equipment                                      | 440,076             | -                | -                | 440,076              |
| Total Capital Assets Being Depreciated         | 7,726,068           | 286,735          | -                | 8,012,803            |
| Less Accumulated Depreciation for              |                     |                  |                  |                      |
| Building and Improvements                      | 3,974,098           | 210,470          | -                | 4,184,568            |
| Equipment                                      | 427,591             | 2,080            | -                | 429,671              |
| Total Accumulated Depreciation                 | 4,401,689           | 212,550          | -                | 4,614,239            |
| Total Capital Assets Being Depreciated,<br>Net | 3,324,379           | 74,185           | -                | 3,398,564            |
| <b>TOTAL CAPITAL ASSETS</b>                    | <b>\$ 3,787,158</b> | <b>\$ 74,185</b> | <b>\$ 61,025</b> | <b>\$ 3,800,318</b>  |

**CITY OF WOODSTOCK, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**13. COMPONENT UNIT - WOODSTOCK PUBLIC LIBRARY (Continued)**

**E. Long-Term Debt**

**1. Changes in Long-Term Liabilities**

During the fiscal year the following changes occurred in liabilities reported in general long-term debt:

|                                     | Balances<br>May 1 | Additions        | Retirements       | Balances<br>April 30 | Current<br>Portion |
|-------------------------------------|-------------------|------------------|-------------------|----------------------|--------------------|
| Compensated Absences Payable        | \$ 186,846        | \$ 67,237        | \$ 96,927         | \$ 157,156           | \$ 84,777          |
| Net Pension Liability - IMRF        | 402,440           | -                | 310,720           | 91,720               | -                  |
| Total OPEB Liability                | 63,121            | 4,549            | -                 | 67,670               | 4,972              |
| <b>TOTAL GENERAL LONG-TERM DEBT</b> | <b>\$ 652,407</b> | <b>\$ 71,786</b> | <b>\$ 407,647</b> | <b>\$ 316,546</b>    | <b>\$ 89,749</b>   |

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WOODSTOCK, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

For the Fiscal Year Ended April 30, 2021

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       |
|--|----------------------------|-------------------------|---------------------|
| <b>REVENUES</b>  |                            |                         |                     |
| Taxes  | \$ 6,518,300               | \$ 6,518,300            | \$ 7,007,423        |
| Licenses and Permits   | 247,000                    | 247,000                 | 221,672             |
| Intergovernmental  | 3,763,100                  | 3,763,100               | 4,443,784           |
| Charges for Services   | 657,500                    | 657,500                 | 450,090             |
| Investment Income  | 113,500                    | 113,500                 | (5,386)             |
| Miscellaneous  | 310,500                    | 310,500                 | 385,989             |
| <b>Total Revenues</b>  | <u>11,609,900</u>          | <u>11,609,900</u>       | <u>12,503,572</u>   |
| <b>EXPENDITURES</b>  |                            |                         |                     |
| General Government   | 5,000,400                  | 5,500,400               | 5,417,735           |
| Highways and Streets   | 988,200                    | 988,200                 | 894,020             |
| Culture and Recreation                                       | 1,060,700                  | 1,060,700               | 864,335             |
| Economic Development   | 334,700                    | 334,700                 | 291,704             |
| <b>Total Expenditures</b>                                    | <u>7,384,000</u>           | <u>7,884,000</u>        | <u>7,467,794</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>4,225,900</u>           | <u>3,725,900</u>        | <u>5,035,778</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                            |                         |                     |
| Transfers In   | 576,400                    | 576,400                 | 511,660             |
| Transfers (Out)  | (4,825,500)                | (7,032,700)             | (5,594,520)         |
| Sale of Capital Assets                                       | 25,500                     | 25,500                  | 69,516              |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>(4,223,600)</u>         | <u>(6,430,800)</u>      | <u>(5,013,344)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ 2,300</u>            | <u>\$ (2,704,900)</u>   | 22,434              |
| <b>FUND BALANCE, MAY 1</b>                                   |                            |                         | <u>5,679,460</u>    |
| <b>FUND BALANCE, APRIL 30</b>                                |                            |                         | <u>\$ 5,701,894</u> |

(See independent auditor's report.)

**CITY OF WOODSTOCK, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
POLICE PROTECTION FUND**

For the Fiscal Year Ended April 30, 2021

|                                    | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    |
|------------------------------------|----------------------------|-------------------------|------------------|
| <b>REVENUES</b>                    |                            |                         |                  |
| Taxes                              |                            |                         |                  |
| Property Tax                       | \$ 3,851,000               | \$ 3,851,000            | \$ 3,838,930     |
| Total Taxes                        | <u>3,851,000</u>           | <u>3,851,000</u>        | <u>3,838,930</u> |
| Intergovernmental                  |                            |                         |                  |
| State Grant                        | 25,700                     | 25,700                  | 1,072,715        |
| Cannabis Use Tax                   | 20,400                     | 20,400                  | 20,866           |
| PTI Reimbursement                  | 3,900                      | 3,900                   | -                |
| Community Unit School District 200 | 125,000                    | 125,000                 | 55,500           |
| Total Intergovernmental            | <u>175,000</u>             | <u>175,000</u>          | <u>1,149,081</u> |
| Fines and Fees                     |                            |                         |                  |
| Police Fines                       | 250,000                    | 250,000                 | 207,340          |
| Adjudicated Fines                  | 16,000                     | 16,000                  | 7,243            |
| Drug Forfeiture Revenue            | 1,000                      | 1,000                   | 1,520            |
| DUI Fines                          | 10,000                     | 10,000                  | 5,587            |
| Explorer Revenue                   | 2,500                      | 2,500                   | 998              |
| Video Game Licensing Fees          | 85,500                     | 85,500                  | 25,670           |
| Total Fines and Fees               | <u>365,000</u>             | <u>365,000</u>          | <u>248,358</u>   |
| Other                              |                            |                         |                  |
| Wireless Alarm Fees                | 58,700                     | 58,700                  | 54,630           |
| Miscellaneous Income               | 11,000                     | 11,000                  | 14,135           |
| Extra Police Duty Charges          | 11,600                     | 11,600                  | 506              |
| Dare Contributions                 | 2,500                      | 2,500                   | 1,261            |
| Workers' Compensation Recapture    | -                          | -                       | 4,095            |
| Total Other                        | <u>83,800</u>              | <u>83,800</u>           | <u>74,627</u>    |
| Total Revenues                     | <u>4,474,800</u>           | <u>4,474,800</u>        | <u>5,310,996</u> |

(This schedule is continued on the following page.)

**CITY OF WOODSTOCK, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)  
POLICE PROTECTION FUND**

For the Fiscal Year Ended April 30, 2021

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>      |
|--|----------------------------|-------------------------|--------------------|
| <b>EXPENDITURES</b>                                  |                            |                         |                    |
| Public Safety  | \$ 4,298,500               | \$ 4,298,500            | \$ 4,244,268       |
| Salaries   | 2,009,100                  | 2,009,100               | 2,015,862          |
| Benefits   | 75,700                     | 75,700                  | 76,406             |
| Personal Services                                    | 864,300                    | 864,300                 | 856,134            |
| Contractual Services                                 | 113,700                    | 113,700                 | 90,768             |
| Commodities  | 3,800                      | 3,800                   | 1,434              |
| Other Charges  | 7,000                      | 7,000                   | 7,041              |
| Capital Outlay                                       |                            |                         |                    |
| Total Expenditures                                   | <u>7,372,100</u>           | <u>7,372,100</u>        | <u>7,291,913</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(2,897,300)</u>         | <u>(2,897,300)</u>      | <u>(1,980,917)</u> |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                            |                         |                    |
| Transfers In   | 2,807,000                  | 2,807,000               | 1,875,440          |
| General  | 100,000                    | 100,000                 | 100,000            |
| Wireless Alarm                                       |                            |                         |                    |
| Total Other Financing Sources (Uses)                 | <u>2,907,000</u>           | <u>2,907,000</u>        | <u>1,975,440</u>   |
| NET CHANGE IN FUND BALANCE                           | <u>\$ 9,700</u>            | <u>\$ 9,700</u>         | <u>(5,477)</u>     |
| FUND BALANCE, MAY 1                                  |                            |                         | <u>64,113</u>      |
| FUND BALANCE, APRIL 30                               |                            |                         | <u>\$ 58,636</u>   |

(See independent auditor's report.)

**CITY OF WOODSTOCK, ILLINOIS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Six Fiscal Years

| FISCAL YEAR ENDED APRIL 30,  | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution                                  | \$ 962,377   | \$ 814,006   | \$ 816,900   | \$ 857,973   | \$ 862,478   | \$ 859,439   |
| Contributions in Relation to the Actuarially Determined Contribution | 962,377      | 814,006      | 816,900      | 857,973      | 862,478      | 859,439      |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                              | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered Payroll  | \$ 7,350,231 | \$ 7,371,798 | \$ 6,649,799 | \$ 6,685,771 | \$ 6,653,409 | \$ 6,646,780 |
| Contributions as a Percentage of Covered Payroll                     | 13.09%       | 11.04%       | 12.28%       | 12.83%       | 12.96%       | 12.93%       |

**Notes to Required Supplementary Information**

Above figures are combined for the City and the Library. Library contributions were \$121,063, \$106,800, \$106,229, \$115,417, \$94,873 and \$94,538 in 2021, 2020, 2019, 2018, 2017 and 2016, respectively, which equalled the actuarially determined contribution.

The information presented is for the fiscal year ended April 30 and, therefore, was determined as part of the actuarial valuations as of January 1 of the preceding calendar years. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually; projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.25% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF WOODSTOCK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SHERIFF'S LAW ENFORCEMENT PERSONNEL

Last Six Fiscal Years

| FISCAL YEAR ENDED APRIL 30,  | 2021        | 2020        | 2019        | 2018               | 2017        | 2016        |
|--|-------------|-------------|-------------|--------------------|-------------|-------------|
| Actuarially Determined Contribution                                  | \$ -        | \$ -        | \$ -        | \$ -               | \$ 8,694    | \$ 19,794   |
| Contributions in Relation to the Actuarially Determined Contribution | -           | -           | -           | 51,463             | 8,694       | 19,794      |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                              | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (51,463)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll  | \$ -        | \$ -        | \$ -        | \$ -               | \$ 62,683   | \$ 142,596  |
| Contributions as a Percentage of Covered Payroll                     | 0.00%       | 0.00%       | 0.00%       | 0.00%              | 13.87%      | 13.88%      |

Notes to Required Supplementary Information

The information presented is for the fiscal year ended April 30 and, therefore, was determined as part of the actuarial valuations as of January 1 of the preceding calendar years. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.50% compounded annually and postretirement benefit increases of 3.25% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF WOODSTOCK, ILLINOIS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE PENSION FUND**

Last Ten Fiscal Years

|   | 2021               | 2020                | 2019            | 2018            | 2017            | 2016              | 2015               | 2014               | 2013                | 2012            |
|---|--------------------|---------------------|-----------------|-----------------|-----------------|-------------------|--------------------|--------------------|---------------------|-----------------|
| <b>FISCAL YEAR ENDED APRIL 30,</b>                                  |                    |                     |                 |                 |                 |                   |                    |                    |                     |                 |
| Actuarially Determined Contribution                                 | \$ 1,350,081       | \$ 1,211,194        | \$ 1,348,352    | \$ 1,411,705    | \$ 1,153,594    | \$ 938,891        | \$ 910,852         | \$ 806,043         | \$ 718,760          | \$ 859,521      |
| Contribution in Relation to the Actuarially Determined Contribution | 1,361,694          | 1,348,000           | 1,342,311       | 1,408,019       | 1,150,683       | 946,589           | 930,616            | 882,336            | 857,721             | 834,862         |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                             | <u>\$ (11,613)</u> | <u>\$ (136,806)</u> | <u>\$ 6,041</u> | <u>\$ 3,686</u> | <u>\$ 2,911</u> | <u>\$ (7,698)</u> | <u>\$ (19,764)</u> | <u>\$ (76,293)</u> | <u>\$ (138,961)</u> | <u>\$ 4,659</u> |
| Covered Payroll   | \$ 3,544,362       | \$ 3,470,297        | \$ 3,434,725    | \$ 3,240,910    | \$ 3,174,036    | \$ 3,128,846      | \$ 3,046,780       | \$ 2,953,578       | \$ 2,826,492        | \$ 2,728,331    |
| Contributions as a Percentage of Covered Payroll                    | 38.42%             | 38.84%              | 39.08%          | 43.45%          | 36.25%          | 30.25%            | 30.54%             | 29.87%             | 30.35%              | 31.33%          |

**Notes to Required Supplementary Information**

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay; closed and the amortization period was 20 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7% annually, projected salary increase assumption of 3.50% to 11.00% compounded annually and inflation of 2.50%.

(See independent auditor's report.)

CITY OF WOODSTOCK, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six Fiscal Years

| MEASUREMENT DATE DECEMBER 31,                               | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>TOTAL PENSION LIABILITY</b>                              | \$ 648,612    | \$ 684,295    | \$ 622,576    | \$ 703,139    | \$ 713,679    | \$ 695,142    |
| Service Cost  | 3,511,860     | 3,384,571     | 3,216,820     | 3,219,536     | 3,063,939     | 2,910,757     |
| Interest  | 1,391,415     | 59,250        | 815,156       | (557,869)     | 229,947       | 222,933       |
| Changes of Benefit Terms                                    | (418,373)     | -             | 1,315,939     | (1,272,787)   | (158,276)     | 100,164       |
| Differences Between Expected and Actual Experience          | (2,435,332)   | (2,273,794)   | (2,143,298)   | (2,032,595)   | (1,834,320)   | (1,732,864)   |
| Changes of Assumptions                                      |               |               |               |               |               |               |
| Benefit Payments, including Refunds of Member Contributions | 2,698,182     | 1,854,322     | 3,827,193     | 59,424        | 2,014,969     | 2,196,132     |
| Net Change in Total Pension Liability                       | 49,332,811    | 47,478,489    | 43,651,296    | 43,591,872    | 41,576,903    | 39,380,771    |
| Total Pension Liability - Beginning                         | \$ 52,030,993 | \$ 49,332,811 | \$ 47,478,489 | \$ 43,651,296 | \$ 43,591,872 | \$ 41,576,903 |
| <b>TOTAL PENSION LIABILITY - ENDING</b>                     |               |               |               |               |               |               |
| <b>PLAN FIDUCIARY NET POSITION</b>                          | \$ 971,772    | \$ 710,137    | \$ 869,435    | \$ 847,794    | \$ 887,083    | \$ 864,278    |
| Contributions - Employer                                    | 335,350       | 304,925       | 299,117       | 299,291       | 317,001       | 298,857       |
| Contributions - Member                                      | 6,501,046     | 7,395,147     | (2,264,419)   | 6,508,593     | 2,383,819     | 174,531       |
| Net Investment Income                                       | (2,435,332)   | (2,273,794)   | (2,143,298)   | (2,032,595)   | (1,834,320)   | (1,732,864)   |
| Benefit Payments, including Refunds of Member Contributions | 150,074       | 127,287       | 744,517       | (636,614)     | 268,307       | 141,099       |
| Administrative Expense                                      | 5,522,910     | 6,263,702     | (2,494,648)   | 4,986,469     | 2,021,890     | (254,299)     |
| Net Change in Plan Fiduciary Net Position                   | 45,674,262    | 39,410,560    | 41,905,208    | 36,918,739    | 34,896,849    | 35,151,148    |
| Plan Fiduciary Net Position - Beginning                     | \$ 51,197,172 | \$ 45,674,262 | \$ 39,410,560 | \$ 41,905,208 | \$ 36,918,739 | \$ 34,896,849 |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>                 |               |               |               |               |               |               |
| <b>EMPLOYER'S NET PENSION LIABILITY</b>                     | \$ 833,821    | \$ 3,658,549  | \$ 8,067,929  | \$ 1,746,088  | \$ 6,673,133  | \$ 6,680,054  |

**MEASUREMENT DATE DECEMBER 31,**

|   | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Plan Fiduciary Net Position<br>as a Percentage of the Total Pension Liability | 98.40%       | 92.58%       | 83.01%       | 96.00%       | 84.69%       | 83.93%       |
| Covered Payroll   | \$ 7,452,240 | \$ 6,776,115 | \$ 6,647,050 | \$ 6,588,415 | \$ 6,669,429 | \$ 6,646,780 |
| Employer's Net Pension Liability<br>as a Percentage of Covered Payroll        | 11.19%       | 53.99%       | 121.38%      | 26.50%       | 100.06%      | 100.50%      |

**Note to Required Supplementary Information**

The table above includes amounts for both the City and Library.

In 2020, a change in assumptions related to price inflation, salary increases and mortality rates were made.

In 2018, a change in assumption for the discount rate was made since the prior measurement date.

In 2017, a change in assumptions for price inflation, salary increases, retirement age and mortality rates were made since the prior measurement date.

In 2016, a change in assumption for the discount rate was made since the prior measurement date.

In 2015, changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF WOODSTOCK, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
SHERIFF'S LAW ENFORCEMENT PERSONNEL

Last Six Fiscal Years

|   | MEASUREMENT DATE DECEMBER 31, |             |            |             |            |            |
|---|-------------------------------|-------------|------------|-------------|------------|------------|
|   | 2020                          | 2019        | 2018       | 2017        | 2016       | 2015       |
| <b>TOTAL PENSION LIABILITY</b>                              |                               |             |            |             |            |            |
| Service Cost  | \$ 27,007                     | \$ 27,122   | \$ 27,523  | \$ 28,348   | \$ 24,970  | \$ 24,508  |
| Interest  | -                             | -           | -          | -           | 25,139     | 22,378     |
| Changes of Benefit Terms                                    | 5,450                         | 5,033       | 4,546      | 4,073       | 28,527     | (2,136)    |
| Differences Between Expected and Actual Experience          | 2,033                         | -           | 8,039      | (11,195)    | (1,083)    | 883        |
| Changes of Assumptions                                      | (34,132)                      | (33,369)    | (32,603)   | (31,844)    | (15,409)   | -          |
| Benefit Payments, including Refunds of Member Contributions | 358                           | (1,214)     | 7,505      | (10,618)    | 62,144     | 45,633     |
| Net Change in Total Pension Liability                       | 389,571                       | 390,785     | 383,280    | 393,898     | 331,754    | 286,121    |
| Total Pension Liability - Beginning                         | \$ 389,929                    | \$ 389,571  | \$ 390,785 | \$ 383,280  | \$ 393,898 | \$ 331,754 |
| <b>TOTAL PENSION LIABILITY - ENDING</b>                     |                               |             |            |             |            |            |
|   | \$ -                          | \$ -        | \$ -       | \$ 51,463   | \$ 14,576  | \$ 20,149  |
| <b>PLAN FIDUCIARY NET POSITION</b>                          |                               |             |            |             |            |            |
| Contributions - Employer                                    | -                             | -           | -          | -           | 7,882      | 10,695     |
| Contributions - Member                                      | 69,922                        | 102,103     | (33,993)   | 69,077      | 12,354     | 1,577      |
| Net Investment Income                                       | (34,132)                      | (33,369)    | (32,603)   | (31,844)    | (15,409)   | -          |
| Benefit Payments, including Refunds of Member Contributions | 7,507                         | 3,988       | 12,416     | (9,057)     | 8,687      | (17,285)   |
| Administrative Expense                                      | 43,297                        | 72,722      | (54,180)   | 79,639      | 28,090     | 15,136     |
| Net Change in Plan Fiduciary Net Position                   | 441,322                       | 368,600     | 422,780    | 343,141     | 315,051    | 299,915    |
| Plan Fiduciary Net Position - Beginning                     | \$ 484,619                    | \$ 441,322  | \$ 368,600 | \$ 422,780  | \$ 343,141 | \$ 315,051 |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>                 |                               |             |            |             |            |            |
|   | \$ (94,690)                   | \$ (51,751) | \$ 22,185  | \$ (39,500) | \$ 50,757  | \$ 16,703  |
| <b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>             |                               |             |            |             |            |            |

MEASUREMENT DATE DECEMBER 31,

|   | 2020    | 2019    | 2018   | 2017    | 2016       | 2015       |
|---|---------|---------|--------|---------|------------|------------|
| Plan Fiduciary Net Position<br>as a Percentage of the Total Pension Liability (Asset) | 124.28% | 113.28% | 94.32% | 110.31% | 87.11%     | 94.97%     |
| Covered Payroll   | \$ -    | \$ -    | \$ -   | \$ -    | \$ 105,089 | \$ 142,596 |
| Employer's Net Pension Liability<br>as a Percentage of Covered Payroll                | 0.00%   | 0.00%   | 0.00%  | 0.00%   | 48.30%     | 11.71%     |

Note to Required Supplementary Information

In 2020, a change in assumptions related to price inflation, salary increases and mortality rates were made.

In 2018, a change in assumption for the discount rate was made since the prior measurement date.

In 2017, changes in assumptions related to price inflation, salary increases, retirement age and mortality rates were made.

In 2016, a change in assumption for the discount rate was made since the prior measurement date.

In 2015, changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF WOODSTOCK, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYERS  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND

Last Seven Fiscal Years

| MEASUREMENT DATE APRIL 30,                                  | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>TOTAL PENSION LIABILITY</b>                              | \$ 746,537    | \$ 748,692    | \$ 706,960    | \$ 823,328    | \$ 905,293    | \$ 852,188    | \$ 757,695    |
| Service Cost  | 2,663,321     | 2,567,730     | 2,394,466     | 2,546,258     | 2,504,674     | 2,194,307     | 1,962,497     |
| Interest  | -             | 55,580        | -             | -             | -             | -             | -             |
| Changes of Benefit Terms                                    | (1,189,913)   | (407,585)     | 136,603       | (2,079,782)   | (1,208,473)   | 133,033       | (201,741)     |
| Differences Between Expected and Actual Experience          | (162,984)     | (102,406)     | 561,190       | (2,060,208)   | (1,145,515)   | 2,522,026     | 2,026,786     |
| Changes of Assumptions                                      | (1,563,099)   | (1,425,460)   | (1,306,020)   | (1,257,359)   | (1,313,138)   | (1,222,358)   | (1,244,966)   |
| Benefit Payments, including Refunds of Member Contributions | 493,862       | 1,436,551     | 2,493,199     | (2,027,763)   | (257,159)     | 4,479,196     | 3,300,271     |
| Net Change in Total Pension Liability                       | 38,082,450    | 36,645,899    | 34,152,700    | 36,180,463    | 36,437,622    | 31,958,426    | 28,658,155    |
| Total Pension Liability - Beginning                         | \$ 38,576,312 | \$ 38,082,450 | \$ 36,645,899 | \$ 34,152,700 | \$ 36,180,463 | \$ 36,437,622 | \$ 31,958,426 |
| <b>TOTAL PENSION LIABILITY - ENDING</b>                     |               |               |               |               |               |               |               |
| <b>PLAN FIDUCIARY NET POSITION</b>                          |               |               |               |               |               |               |               |
| Contributions - Employer                                    | \$ 1,361,694  | \$ 1,348,000  | \$ 1,342,311  | \$ 1,408,019  | \$ 1,150,683  | \$ 946,589    | \$ 930,616    |
| Contributions - Member                                      | 359,353       | 352,046       | 334,891       | 328,649       | 309,048       | 302,301       | 340,776       |
| Net Investment Income                                       | 6,902,772     | (163,092)     | 682,891       | 1,017,206     | 1,659,111     | (641,851)     | 724,532       |
| Benefit Payments, including Refunds of Member Contributions | (1,563,099)   | (1,425,460)   | (1,306,020)   | (1,257,359)   | (1,313,138)   | (1,222,358)   | (1,244,966)   |
| Administrative Expense                                      | (23,162)      | (25,290)      | (16,764)      | (13,304)      | (14,507)      | (13,625)      | (16,111)      |
| Net Change in Plan Fiduciary Net Position                   | 7,037,558     | 86,204        | 1,037,309     | 1,483,211     | 1,791,197     | (628,944)     | 734,647       |
| Plan Fiduciary Net Position - Beginning                     | 22,348,648    | 22,262,444    | 21,225,135    | 19,741,924    | 17,950,727    | 18,579,671    | 17,845,024    |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>                 | \$ 29,386,206 | \$ 22,348,648 | \$ 22,262,444 | \$ 21,225,135 | \$ 19,741,924 | \$ 17,950,727 | \$ 18,579,671 |
| <b>EMPLOYER'S NET PENSION LIABILITY</b>                     | \$ 9,190,106  | \$ 15,733,802 | \$ 14,383,455 | \$ 12,927,565 | \$ 16,438,539 | \$ 18,486,895 | \$ 13,378,755 |

MEASUREMENT DATE APRIL 30,

|   | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Plan Fiduciary Net Position<br>as a Percentage of the Total Pension Liability | 76.18%       | 58.68%       | 60.75%       | 62.15%       | 54.57%       | 49.26%       | 58.14%       |
| Covered Payroll   | \$ 3,544,362 | \$ 3,470,297 | \$ 3,434,725 | \$ 3,240,910 | \$ 3,174,036 | \$ 3,128,846 | \$ 3,046,780 |
| Employer's Net Pension Liability<br>as a Percentage of Covered Payroll        | 259.29%      | 453.38%      | 418.77%      | 398.89%      | 517.91%      | 590.85%      | 439.11%      |

Note to Required Supplementary Information

In 2021, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

In 2020, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates. In addition, there was a change in benefit terms related to the Tier II benefit changes effective January 1, 2020 under Illinois Public Act 101-610.

In 2019, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

In 2018, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

In 2017, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

In 2016, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

In 2015, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF WOODSTOCK, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Three Fiscal Years

| <b>MEASUREMENT DATE APRIL 30,</b>  | <b>2021</b>          | <b>2020</b>         | <b>2019</b>         |
|--|----------------------|---------------------|---------------------|
| <b>TOTAL OPEB LIABILITY</b>  | \$ 45,444            | \$ 39,692           | \$ 37,192           |
| Service Cost   | 44,404               | 50,617              | 42,527              |
| Interest   | -                    | -                   | -                   |
| Changes of Benefit Terms   |                      |                     |                     |
| Differences Between Expected and Actual Experience                                 | (15,958)             | -                   | 11,539              |
| Changes of Assumptions   | 144,980              | 42,672              | 39,080              |
| Benefit Payments   | (108,314)            | (194,906)           | (181,504)           |
| Other Changes  | -                    | (173)               | 463,165             |
| <b>Net Change in Total OPEB Liability</b>  | <b>110,556</b>       | <b>(62,098)</b>     | <b>411,999</b>      |
| <b>Total OPEB Liability - Beginning</b>  | <b>1,612,197</b>     | <b>1,674,295</b>    | <b>1,262,296</b>    |
| <b>TOTAL OPEB LIABILITY - ENDING</b>   | <b>\$ 1,722,753</b>  | <b>\$ 1,612,197</b> | <b>\$ 1,674,295</b> |
| <b>Covered-employee Payroll</b>  | <b>\$ 10,723,140</b> | <b>\$ 9,674,551</b> | <b>\$ 9,674,551</b> |
| <b>Employer's Total OPEB Liability as a Percentage of Covered-employee Payroll</b> | <b>16.07%</b>        | <b>16.66%</b>       | <b>17.31%</b>       |

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

The table above includes amounts for both the City and Library.

In 2021, there were changes in assumptions related to the inflation rate, salary rate increases, discount rate and health care rates.

In 2020, there were changes in assumptions related to the discount rate.

In 2019, there were changes in assumptions related to the discount rate and health care trend rate, in addition the decrements were changed to those in the most recent IMRF and the Police Pension Fund pension plan valuation reports.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF WOODSTOCK, ILLINOIS**  
**SCHEDULE OF INVESTMENT RETURNS**  
**POLICE PENSION FUND**

Last Seven Fiscal Years

| <b>FISCAL YEAR ENDED APRIL 30,</b>                                 | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 32.74%      | (0.73%)     | 4.72%       | 5.88%       | 10.02%      | (2.33%)     | 5.05%       |

Note to Required Supplementary Information

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

## CITY OF WOODSTOCK, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2021

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#### **BUDGETS**

Annual budgets are adopted for all governmental, proprietary and pension trust funds, except for the Emergency Relief Fund. Budgets are adopted on a basis consistent with GAAP. All annual appropriations lapse at fiscal year end.

All departments of the City submit requests for appropriations to the City Manager so that a budget may be prepared. The budget is prepared by fund, department and account and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The budget may be amended throughout the year by the governing body.

The budget officer can transfer amounts between accounts within a department for the General Fund and within a fund for all other funds; however, transfers between funds must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the department level for the General Fund and the fund level for all other funds. During the year, one budget amendment and several budget transfers were adopted and are reflected in the financial statements.