

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

UNIT CODE 088-060-30

REPORT AND ANNUAL
FINANCIAL STATEMENTS

APRIL 30, 2024

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
TABLE OF CONTENTS

	<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIALS STATEMENTS	
<u>EXHIBIT</u>	
A Statement of Net Position	4
B Statement of Activities	5
C Balance Sheet - Governmental Funds	6
D Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
E Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	8
F Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
G Statement of Fiduciary Net Position - Fiduciary Funds	10
H Statement of Changes in Fiduciary Net Position - Fiduciary Fund - Police Pension Trust Fund	11
NOTES TO FINANCIAL STATEMENTS	12-47
REQUIRED SUPPLEMENTARY INFORMATION	
<u>SCHEDULE</u>	
1 Budgetary Comparison Schedule (Budgetary Basis) - General Fund	48-60
2 Budgetary Comparison Schedule (Budgetary Basis) - Home Rule Fund	61-62
3 Budgetary Comparison Schedule (Budgetary Basis) - Recreational Fund	63
4 Budgetary Comparison Schedule (Budgetary Basis) - Food and Beverage Fund	64
5 Budgetary Comparison Schedule (Budgetary Basis) - Tax Rebates Fund	65
6 Budgetary Comparison Schedule (Budgetary Basis) - TIF No. 1 Bunkum Road	66
7 Budgetary Comparison Schedule (Budgetary Basis) - TIF No. 2 Shoppes of St. Clair	67
8 Budgetary Comparison Schedule (Budgetary Basis) - TIF No. 3 Lincoln Trail	68
9 Notes to Budgetary Comparison Schedules	69
10 Police Pension Trust Fund - Schedule of Changes in Net Pension Liability and Related Ratios - Current Year	70
11 Illinois Municipal Retirement Fund - Schedule of Changes in Net Pension Liability and Related Ratios - Current Year	71
12 Police Pension Trust Fund - Multiyear Schedule of Contributions - Last 10 Fiscal Years	72
13 Notes to Schedule of Contributions - Police Pension	73-74
14 Illinois Municipal Retirement Fund - Multiyear Schedule of Contributions - Last 10 Fiscal Years	75
15 Note to Schedule of Contributions - IMRF	76
16 Multiyear Schedule of Post Retirement Benefits	77
17 Multiyear Schedule of Employer Paid Contributions - Post Retirement Benefits	78
18 Notes to the Schedule of Post Retirement Benefits - Summary of Actual Methods and Assumptions - Post Retirement Benefits	79-82

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
TABLE OF CONTENTS

	<u>PAGES</u>
SUPPLEMENTARY INFORMATION	
<u>SCHEDULE</u>	
19 Combining Balance Sheet - Non-Major Governmental Funds	83
20 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Non-Major Governmental Funds	84
21 Combining Balance Sheet - All General Fund Accounts	85
22 Statement of Revenues, Expenditures, and Changes in Fund Balances - All General Fund Accounts	86-87
COMPLIANCE AUDIT	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	88-89
Schedule of Findings and Responses	90-91
Schedule of Prior Year Findings and Responses	92-93



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the City Council
City of Fairview Heights, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fairview Heights, Illinois (the "City") as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fairview Heights, Illinois as of April 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Fairview Heights, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Mayor and the City Council
City of Fairview Heights, Illinois

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Management has omitted the management discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, pension information, and post-retirement benefits on pages 48 through 82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

To the Honorable Mayor and the City Council
City of Fairview Heights, Illinois

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the City of Fairview Heights, Illinois' 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 of Fairview Heights, Illinois' 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 City of Fairview Heights, Illinois' internal control over financial reporting and compliance.



SCHEFFEL BOYLE
Belleville, Illinois

December 11, 2024

BASIC FINANCIAL STATEMENTS

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2024

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 30,219,774	
Certificates of Deposit	1,266,665	
Prepaid Insurance	293,352	
Receivables	7,206,223	
Restricted Cash and Cash Equivalents	<u>6,676,825</u>	
Total Current Assets		<u>\$ 45,662,839</u>

NONCURRENT ASSETS:

Capital Assets, Net	<u>81,368,143</u>	
Total Noncurrent Assets		<u>81,368,143</u>
Total Assets		<u>127,030,982</u>

DEFERRED OUTFLOWS OF RESOURCES

DEFERRED OUTFLOWS OF RESOURCES

Related to Pensions and OPEB	<u>8,188,482</u>	
Total Deferred Outflows of Resources		<u>8,188,482</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	461,665	
Accrued Payroll	421,219	
Due from Fiduciary Fund	37,142	
Accrued Interest Payable	240,813	
Bonds Payable, Current	<u>533,668</u>	
Total Current Liabilities		<u>1,694,507</u>

NONCURRENT LIABILITIES:

Compensated Absences	719,155	
Other Postemployment Benefit Obligation	3,593,351	
Bonds Payable, Noncurrent	14,902,755	
Net Pension Liability	<u>21,511,317</u>	
Total Noncurrent Liabilities		<u>40,726,578</u>
Total Liabilities		<u>42,421,085</u>

DEFERRED INFLOWS OF RESOURCES

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue - Property Tax	1,251,779	
Related to Pensions and OPEB	<u>6,497,308</u>	
Total Deferred Inflows of Resources		<u>7,749,087</u>

NET POSITION

Net Investment in Capital Assets	65,931,720	
Restricted Net Position	17,302,864	
Unrestricted Net Position	<u>1,814,708</u>	
Total Net Position		<u>\$ 85,049,292</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2024

FUNCTIONS/PROGRAMS:	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Governmental Activities					
General Government					
Executive Department	\$ 2,668,556	\$ 272,819	\$ -	\$ -	\$ (2,395,737)
Municipal Complex	851,943	81,419	-	-	(770,524)
Public Safety					
Police	11,688,142	543,156	896,843	-	(10,248,143)
Emergency Services and Disaster Agency	53,202	-	-	-	(53,202)
Street and Public Works					
Motor Fuel Tax	-	-	848,018	-	848,018
Engineering/Streets	2,695,853	2,000	1,000,000	-	(1,693,853)
Public Works Maintenance	1,734,260	-	-	-	(1,734,260)
Land Use and Development	954,577	278,966	-	-	(675,611)
Sales Tax Rebates	78,745	-	-	-	(78,745)
Tax Increment Financing	740,570	-	-	-	(740,570)
Culture and Recreation					
Parks	1,512,890	23,160	-	-	(1,489,730)
Library	748,618	58,548	1,781	-	(688,289)
Tourism	221,821	-	-	-	(221,821)
Recreation	1,807,636	1,540,421	45,000	-	(222,215)
Interest on Long-Term Debt	586,438	-	-	-	(586,438)
 Total Governmental Activities	 \$ 26,343,251	 \$ 2,800,489	 \$ 2,791,642	 \$ -	 (20,751,120)

GENERAL REVENUES:

Taxes	
Sales Tax	8,876,325
Home Rule Tax	7,246,147
Food and Beverage Tax	2,554,515
Hotel and Motel Tax	920,786
State Income Tax	2,780,219
Use Tax	630,105
Cannabis Tax	738,019
Property Tax	1,194,142
Franchise Tax	1,535,834
Business District Tax	67,207
Video Game Tax	349,566
Investment Earnings	1,734,944
Miscellaneous	53,668
Total General Revenues	28,681,477
 Change in Net Position	 7,930,357
 Net Position, Beginning of Year	 77,118,935
 Net Position, End of Year	 \$ 85,049,292

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2024

ASSETS	GENERAL	HOME RULE	RECREATION CENTER	FOOD AND BEVERAGE	TAX FEES	TIF NO. 1 BUNKUM ROAD	TIF NO. 2 SHOPPES OF ST. CLAIR	TIF NO. 3 LINCOLN TRAIL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:										
Cash and Cash Equivalents	\$ 15,021,013	\$ 5,934,059	\$ 230,219	\$ 4,200,083	\$ -	\$ -	\$ -	\$ -	\$ 4,834,400	\$ 30,219,774
Certificates of Deposit	-	-	-	398,182	-	-	-	-	868,483	1,266,665
Prepaid Insurance	293,352	-	-	-	-	-	-	-	-	293,352
Receivables	3,033,748	1,577,859	-	235,578	947,928	350,805	336,255	472,197	251,853	7,206,223
Due from Other Funds	160,452	-	-	-	-	-	-	-	-	160,452
Restricted Cash and Cash Equivalents	78,725	57,844	-	-	-	2,694,759	1,321,144	2,317,313	207,040	6,676,825
Total Assets	<u>\$ 18,587,290</u>	<u>\$ 7,569,762</u>	<u>\$ 230,219</u>	<u>\$ 4,833,843</u>	<u>\$ 947,928</u>	<u>\$ 3,045,564</u>	<u>\$ 1,657,399</u>	<u>\$ 2,789,510</u>	<u>\$ 6,161,776</u>	<u>\$ 45,823,291</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>										
LIABILITIES:										
Accounts Payable	\$ 98,225	\$ 1,520	\$ 17,282	\$ -	\$ 275,386	\$ -	\$ -	\$ 57,719	\$ 11,533	\$ 461,665
Accrued Payroll	379,298	-	25,252	-	-	-	-	-	16,669	421,219
Due to Other Funds	69,476	-	-	-	-	-	-	-	128,118	197,594
Total Liabilities	<u>546,999</u>	<u>1,520</u>	<u>42,534</u>	<u>-</u>	<u>275,386</u>	<u>-</u>	<u>-</u>	<u>57,719</u>	<u>156,320</u>	<u>1,080,478</u>
DEFERRED INFLOWS OF RESOURCES:										
Unavailable Revenue - Property Taxes	18,133	-	-	-	-	350,805	336,255	472,197	74,389	1,251,779
Total Deferred Inflows of Resources	<u>18,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,805</u>	<u>336,255</u>	<u>472,197</u>	<u>74,389</u>	<u>1,251,779</u>
FUND BALANCES:										
Nonspendable	293,352	-	-	-	-	-	-	-	-	293,352
Restricted for:										
Rebate and Financing										
Agreements	78,725	57,844	-	-	672,542	-	-	-	-	809,111
Infrastructure	-	-	-	-	-	-	-	-	2,235,736	2,235,736
Special Revenue Funds	-	7,510,398	-	-	-	2,694,759	1,321,144	2,259,594	178,770	13,964,665
Assigned	-	-	-	4,833,843	-	-	-	-	3,620,120	8,453,963
Unassigned:										
General Funds	17,650,081	-	-	-	-	-	-	-	-	17,650,081
Special Revenue Funds	-	-	187,685	-	-	-	-	-	(103,559)	84,126
Total Fund Balances	<u>18,022,158</u>	<u>7,568,242</u>	<u>187,685</u>	<u>4,833,843</u>	<u>672,542</u>	<u>2,694,759</u>	<u>1,321,144</u>	<u>2,259,594</u>	<u>5,931,067</u>	<u>43,491,034</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,587,290</u>	<u>\$ 7,569,762</u>	<u>\$ 230,219</u>	<u>\$ 4,833,843</u>	<u>\$ 947,928</u>	<u>\$ 3,045,564</u>	<u>\$ 1,657,399</u>	<u>\$ 2,789,510</u>	<u>\$ 6,161,776</u>	<u>\$ 45,823,291</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2024

Total Fund Balance - Total Governmental Funds	\$ 43,491,034
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$138,862,333 net of accumulated depreciation of \$57,494,190 are not financial resources and, therefore, are not reported in the funds.	81,368,143
Certain liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at April 30, 2024, were:	
Compensated Absences	\$ (719,155)
Accrued Interest on Bonds Payable	(240,813)
Other Post Employment Benefit Obligation	(3,593,351)
Net Pension Liability	(21,511,317)
Bonds Payable	(15,436,423)
	<u>(41,501,059)</u>
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:	
Deferred Outflows of Resources (Related to Pensions and OPEB)	9,220,036
Deferred Inflows of Resources (Related to Pensions and OPEB)	<u>(7,528,862)</u>
Net Position of Governmental Activities	<u>\$ 85,049,292</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

	GENERAL	HOME RULE	RECREATION CENTER	FOOD AND BEVERAGE	TAX REBATES	TIF NO. 1 BUNKUM ROAD	TIF NO. 2 SHOPPES OF ST. CLAIR	TIF NO. 3 LINCOLN TRAIL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:										
Sales Taxes	\$ 8,629,104	\$ -	\$ -	\$ -	\$ 247,221	\$ -	\$ -	\$ -	\$ -	\$ 8,876,325
Food and Beverage Taxes	644,578	-	-	1,909,937	-	-	-	-	-	2,554,515
Home Rule Taxes	4,563,856	2,551,979	-	-	130,312	-	-	-	-	7,246,147
Income Taxes	2,780,219	-	-	-	-	-	-	-	-	2,780,219
Property Taxes	47,312	-	-	-	-	331,039	336,451	426,482	52,858	1,194,142
Use Taxes	630,105	-	-	-	-	-	-	-	-	630,105
Cannabis Taxes	556,437	-	-	181,582	-	-	-	-	-	738,019
Hotel and Motel Taxes	398,316	-	-	-	-	-	-	-	522,470	920,786
Utility/Franchise Taxes	1,535,834	-	-	-	-	-	-	-	-	1,535,834
Video Game Taxes	349,566	-	-	-	-	-	-	-	-	349,566
Motor Fuel Taxes	-	-	-	-	-	-	-	-	848,018	848,018
Business District Taxes	-	-	-	-	67,207	-	-	-	-	67,207
Licenses and Permits	377,374	-	-	-	-	-	-	-	-	377,374
Grant	889,846	1,000,000	-	-	-	-	-	-	-	1,889,846
Fines and Fees	239,006	-	1,540,423	-	-	-	-	-	208,986	1,988,415
Donations	6,996	-	45,000	-	-	-	-	-	1,781	53,777
Interest Income	327,467	510,473	-	168,599	66,601	137,819	86,623	132,823	304,539	1,734,944
OPEB Insurance Contributions	-	-	-	-	-	-	-	-	172,574	172,574
Miscellaneous	279,874	35,825	-	-	-	-	-	-	93	315,792
Total Revenues	22,255,890	4,098,277	1,585,423	2,260,118	511,341	468,858	423,074	559,305	2,111,319	34,273,605
EXPENDITURES:										
Current										
General Government										
Mayor's Department	356,413	-	-	-	-	-	-	-	-	356,413
Clerk's Department	529,322	-	-	636	-	-	-	-	27,809	557,767
Finance Department	448,982	-	-	-	-	-	-	-	-	448,982
Administration Department	1,309,194	15,186	-	-	-	-	-	-	146,172	1,470,552
Municipal Complex	742,665	76,882	-	-	-	-	-	-	-	819,547
Public Safety										
Police	10,900,868	243,465	-	-	-	-	-	-	61,959	11,206,292
Emergency Services and Disaster Agency	41,045	-	-	-	-	-	-	-	-	41,045
Streets and Public Works										
Engineering/Streets	1,232,549	278,909	-	-	-	-	-	-	-	1,511,458
Public Works	-	-	-	-	-	-	-	-	-	-
Maintenance	692,876	-	-	-	-	-	-	-	1,072,077	1,764,953
Land Use and Development	1,001,663	39,802	-	-	-	-	-	-	-	1,041,465
Sales Tax Rebates	-	-	-	-	78,745	-	-	-	-	78,745
Tax Increment Financing	-	-	-	-	-	96,215	1,507,461	772,485	5,150	2,381,311
Culture and Recreation										
Parks	1,509,289	82,080	-	-	-	-	-	-	43,069	1,634,438
Library	154,505	-	-	-	-	-	-	-	627,694	782,199
Tourism	-	-	-	-	-	-	-	-	145,778	145,778
Recreation Center	-	-	1,358,907	-	-	-	-	-	-	1,358,907
Debt Service										
Principal	-	-	-	485,000	-	-	-	-	-	485,000
Interest	-	-	-	592,500	-	-	-	-	-	592,500
Capital Outlay	34,500	2,024,659	-	-	-	-	-	-	80,487	2,139,646
Total Expenditures	18,953,871	2,760,983	1,358,907	1,078,136	78,745	96,215	1,507,461	772,485	2,210,195	28,816,998
Excess (Deficiency) of Revenues Over Expenditures	3,302,019	1,337,294	226,516	1,181,982	432,596	372,643	(1,084,387)	(213,180)	(98,876)	5,456,607
OTHER FINANCING SOURCES (USES):										
Transfers Out	(672,562)	-	-	-	-	-	-	-	-	(672,562)
Transfers In	-	-	-	-	-	32,981	33,520	42,490	563,571	672,562
Total Other Financing Sources (Uses)	(672,562)	-	-	-	-	32,981	33,520	42,490	563,571	-
Net Change in Fund Balances	2,629,457	1,337,294	226,516	1,181,982	432,596	405,624	(1,050,867)	(170,690)	464,695	5,456,607
Fund Balances, Beginning of Year	15,392,701	6,230,948	(38,831)	3,651,861	239,946	2,289,135	2,372,011	2,430,284	5,466,372	38,034,427
Fund Balances (Deficit), End of Year	\$18,022,158	\$ 7,568,242	\$ 187,685	\$ 4,833,843	\$ 672,542	\$ 2,694,759	\$ 1,321,144	\$ 2,259,594	\$ 5,931,067	\$ 43,491,034

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 5,456,607

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported depreciation expense. This is the amount by which capital outlay of \$3,780,390 exceeded depreciation expense of \$2,543,115 in the current period. 1,237,275

Bond premiums received are reported as other financing sources in the governmental funds but are reported as a liability and amortized over the life of the bonds on the statement of net position. 28,668

Payment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 485,000

Some income/expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This includes the following:

Increase in Compensated Absences	\$ (53,759)	
Pension Income	758,714	
Loss on the Disposition of Fixed Assets	(9,656)	
Decrease in Accrued Interest	6,062	
Decrease in Other Postemployment Benefit	<u>21,446</u>	
		<u>722,807</u>

Change in Net Position of Governmental Activities \$ 7,930,357

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
APRIL 30, 2024

<u>ASSETS</u>	<u>PENSION TRUST FUND</u>
Pooled Cash and Cash Equivalents	\$ 6,242,796
Total Cash	<u>6,242,796</u>
Due from City General Fund	<u>37,142</u>
Interest and Dividends Receivable	<u>64,333</u>
Investments, at Fair Value	
Domestic Common Stocks	5,990,298
Mutual Funds	19,051,168
Government Securities/Fixed Income	<u>8,326,859</u>
Total Investments	<u>33,368,325</u>
Total Assets	<u>\$ 39,712,596</u>
 <u>LIABILITIES</u>	
None	\$ -
 <u>NET POSITION</u>	
Held in Trust for Pension Benefits	<u>\$ 39,712,596</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND -
POLICE PENSION TRUST FUND
FOR THE YEAR ENDED APRIL 30, 2024

	<u>PENSION TRUST FUND</u>
ADDITIONS:	
Contributions	
Employer	\$ 2,604,000
Plan Members	421,765
Transfer In	<u>295,037</u>
Total Contributions	<u>3,320,802</u>
Miscellaneous Income	<u>2,354</u>
Investment Income	
Net Appreciation in Fair Value of Investments	3,021,545
Interest	551,184
Dividends	<u>666,369</u>
	4,239,098
Less: Investment Expense	<u>116,754</u>
Total Investment Income	<u>4,122,344</u>
Total Additions	<u>7,445,500</u>
DEDUCTIONS:	
Retirement Benefits	2,360,732
Disability	337,480
Refund and Transfer of Contributions	246,721
Administrative Expenses	<u>19,857</u>
Total Deductions	<u>2,964,790</u>
Change in Net Position	4,480,710
Beginning of Year	<u>35,231,886</u>
End of Year	<u>\$ 39,712,596</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Fairview Heights (the "City") was incorporated on October 2, 1969.

The City provides the following services: general government, planning and zoning, police protection, parks and recreation, library, road improvements, and road maintenance. The City is governed by an elected Mayor and City Council members by wards.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City reporting entity, as set forth in Section 2100 of GASB's - Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The City holds the corporate powers of the organization.
- The City appoints a voting majority of the organization's board.
- The City is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the City.
- There is fiscal dependency by the organization on the City.

Based on the aforementioned criteria, the Fairview Heights Library is a blended component unit. The Library is governed by a nine-member Board of Trustees appointed by the City's Mayor. The Library is financially accountable to the City as the City's approval is needed for the levy of property taxes for Library operations and to issue bonded debt on behalf of the Library. Separately audited financial statements of the Library are not available.

As required by generally accepted accounting principles, these financial statements present the City and all related organizations for which the City exercises financial accountability. The Police Pension Fund has been included as a fiduciary fund due to the fiduciary responsibility exercised over this Pension Fund.

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 primary government. For the most part, the effect of interfund activity has been removed from these statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. The City does not allocate indirect expenses to functions in the statement of activities. *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 identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements; all non-major funds are aggregated and presented in a single column. The City does not have any proprietary funds.

D. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are reported only when payment is due.

Sales and use taxes, hotel and motel taxes, home rule taxes, franchise taxes (fees), intergovernmental revenue, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of the special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.
2. The same element of the individual governmental fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental funds combined.
3. In addition, any other governmental fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not to be paid through other funds are paid from the General Fund.

Special Revenue funds - Special Revenue funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or assigned or committed to finance particular functions or activities of the City. The reporting entity includes the following Special Revenue funds, all of which are reported as major funds:

<u>FUND</u>	<u>BRIEF DESCRIPTION</u>
Home Rule Fund	A fund established by City ordinance to account for home rule tax revenues and expenditures as legally restricted for City use.
Recreation Center Fund	A fund established by City ordinance to account for the construction and operating of the Recreation Center.
Tax Rebate Fund	A fund established by the City to account for activities related to all tax rebate financing agreements.
Food and Beverage	A fund established by the City to account for activities related to all food and beverage taxes.
TIF #1 Bunkum Road	A fund established by the City to account for activities related to Bunkum Road's tax increment financing district.
TIF #2 Shoppes of St. Clair	A fund established by the City to account for activities related to the Shoppes of St. Clair's tax increment financing
TIF #3 Lincoln Trail	A fund established by the City to account for activities related to Lincoln Trail's tax increment financing district.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Other Fund Types

The City also reports the following fund types:

Pension Trust Fund - The Pension Trust Fund reports fiduciary resources held in trust and the receipt, investment, and distribution of retirement contributions. The City's Pension Trust Fund is limited to eligible police officers.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statement.

E. Cash and Cash Equivalents and Investments

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of less than thirty days.

The City Council adopted formal deposit and investment policies. These policies apply to all City funds not contained in pension trusts. The Finance Director manages all unrestricted investments. Pension Trust funds have investment policies separately approved by their respective oversight boards.

Investments are reported at fair value which is determined by using selected basis. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund manager based on quoted sales price of the underlying securities. Cash deposits are reported at carrying amounts, which reasonably estimates fair value. The composition of pension trust investments, additional cash, and investment information, and fair values are presented in Note 2.

Investment income related to other immaterial residual balances in certain other funds is assigned and transferred to the General Fund.

F. Capital Assets, Depreciation, and Amortization

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$15,000 or more as purchase or construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Depreciation is computed using the straight-line method based on various estimated useful asset lives as follows:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Building	20 Years
Improvements	20 Years
Equipment, Furniture, and Fixtures	5 Years
Water System	40 Years
Sewer, Sidewalks, Streets, and Roads	40 Years

G. Deferred Outflows of Resources

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

H. Compensated Absences

Full-time, part-time, and permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure and departments (police contract varies) within the City. Sick leave accrues to full-time, permanent employees to specified maximums. Permanent part-time employees under Local 148 receive sick time to specified maximums. Generally, vacation must be used on a calendar year basis, or it is lost. Employees are entitled to a percentage of accrued vacation upon termination. Sick leave carries over, but is lost if the employee quits, but may be credited towards IMRF when they retire. The police contract includes a buyout of sick leave upon retirement. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued liabilities in the government-wide and fiduciary financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

I. Long-Term Obligations

In the government-wide financial statements outstanding debt is reported as liabilities. Bond discounts and premiums are deferred and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources in the current period. Issuance costs are reported as expenditures.

J. Net Position

Net positions represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
2. Restricted Net Position - This amount is restricted by creditors, grantors, contributors, or laws and regulations of other governments.
3. Unrestricted Net Position - This is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

K. Program Revenues

In the statement of activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

1. General Government - Licenses, permits, and administration fees. Rental of municipal buildings.
2. Public Safety - Fine revenue, outside employment; operating and capital grants includes U.S. Department of Justice, State of Illinois, and Illinois Emergency Management Agency.
3. Streets and Public Works - Permit and developer fees; commercial vehicle and gasoline excise tax shared by the state and operating grants from Illinois Department of Revenue.
4. Culture and Recreation - Rental income, recreation fees, and operating grants including state per capita tax.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

L. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental fund categories is reported as follows in the fund financial statements:

1. Interfund Loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2. Interfund Services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund Reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund Transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government - Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal Balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental activities' columns of the statement of net position, except for the residual amounts due between governmental activities, which are reported as internal balances.
2. Internal Activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities. The effects of interfund services between funds, if any, are not eliminated in the statement of activities.

M. Fund Equity

Beginning with fiscal year 2012, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - Amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact.

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

Committed Fund Balance - Amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used by any other purpose unless the City takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance - Amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates authority.

Unassigned Fund Balance - Amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assigned actions.

The City has the following funds with deficit fund balances: TIF No.5 Ludwig Drive \$98,823, and TIF No. 6 IL RTE 159 \$4,736.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 during the reporting period. Actual results could differ from those estimates.

O. Deferred Inflows of Resources

Statement of Net Position and Balance Sheet - Governmental funds report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period, so it will not be recognized as an inflow of resources (revenue) until that time.

P. New Accounting Pronouncements

GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*, is effective for the City for the fiscal year ended April 30, 2024. SBITAs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB 96 established a single approach to accounting for and reporting SBITAs by state and local governments. The City has determined the impact of the new accounting pronouncement is immaterial.

Q. Future Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The City has not determined the effect of this Statement.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS

As of April 30, 2024, the City had the following cash and investments:

Statement of Net Position	
Cash and Cash Equivalents	\$ 30,219,774
Restricted Cash	6,676,825
Certificates of Deposits	<u>1,266,665</u>
	<u>38,163,264</u>
Fiduciary Fund	
Cash	6,242,796
Investments	<u>33,368,325</u>
	<u>39,611,121</u>
	<u>\$ 77,774,385</u>

As of April 30, 2024, cash and investments consisted of the following:

<u>INVESTMENTS</u>	<u>COST</u>
Cash on Hand	\$ 396
Deposits with Financial Institutions	44,124,104
Brokered Certificates of Deposits	281,560
Government Securities	6,319,354
Corporate Securities	2,007,505
Mutual Funds	19,051,168
Domestic Common Stocks	<u>5,990,298</u>
Total	<u>\$ 77,774,385</u>

As of April 30, 2024, the Library Fund, a blended component unit of the City, had the following brokered certificates of deposit:

<u>INVESTMENTS</u>	<u>MATURITY</u>	<u>COST</u>
Citibank - Certificate of Deposit	10/29/2024	94,010
Milestone BK Salt Lake City UT - Certificate of Deposit	1/29/2025	93,612
Wells Fargo Bank Natl Assn - Certificate of Deposit	7/23/2024	<u>93,938</u>
		<u>\$ 281,560</u>

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be 110 percent secured by collateral valued at market or par, whichever is lower, less than the amount of the Federal Deposit Insurance Corporation Insurance (FDIC). Deposited funds may be invested in financial institutions with an established record of fiscal health and service and a long history of dealing with public funds. Collateral agreements must be approved prior to the deposit of funds as provided by law.

Pension trust investment policy restricts uninvested cash to minimal balances generally covered by the FDIC.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS (CONT'D)

At April 30, 2024, the book balance of the City's cash and investments was \$38,163,264 and the bank balance was \$38,131,027. Of the bank balance, \$3,393,453 was covered by federal depository insurance and \$34,737,574 was covered by collateralized securities held by the City, its agent, or by the pledging financial institution's trust department or agent in the name of the City or applicable public.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

INVESTMENT TYPE	REMAINING MATURITY				
	12 MONTHS OR LESS	13 TO 24 MONTHS	25 TO 60 MONTHS	MORE THAN 60 MONTHS	TOTAL
Policemen's Pension					
U.S. Treasury Notes	\$ 431,942	\$ 959,385	\$ 994,821	\$ 3,338,997	\$ 5,725,145
Federal Agency Securities	-	-	-	594,209	594,209
Corporate Securities	345,417	688,205	973,883	-	2,007,505
Mutual Funds	19,051,168	-	-	-	19,051,168
Domestic Common Stocks	5,990,298	-	-	-	5,990,298
Total	<u>\$ 25,818,825</u>	<u>\$ 1,647,590</u>	<u>\$ 1,968,704</u>	<u>\$ 3,933,206</u>	<u>\$ 33,368,325</u>

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by a nationally recognized statistical ratings organization. Presented below is the rating as of April 30, 2024, for each investment type.

INVESTMENT TYPE	RATINGS AS OF YEAR END					
	EXEMPT FROM					
	TOTALS	DISCLOSURE	AAA	AA	A	BBB
U.S. Treasury Notes	\$ 5,725,145	\$ 5,725,145	\$ -	\$ -	\$ -	\$ -
Federal Agency Securities	594,209	594,209	-	-	-	-
Corporate Securities	2,007,505	-	-	195,304	669,525	1,142,676
Mutual Funds	19,051,168	19,051,168	-	-	-	-
Domestic Common Stocks	5,990,298	5,990,298	-	-	-	-
Total	<u>\$ 33,368,325</u>	<u>\$ 31,360,820</u>	<u>\$ -</u>	<u>\$ 195,304</u>	<u>\$ 669,525</u>	<u>\$ 1,142,676</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS (CONT'D)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City currently carries operating cash balances in several financial institutions and requires collateral for all amounts over the insured limits. Money market accounts are also used as an intermediary investment to mitigate risk.

Investment Policies

City Policy

Generally, the City's investing activities are managed under the custody of the Finance Director. Investing is performed in accordance with investment policies adopted by the City (1) direct obligations of the United States government, its agencies, or instrumentalities to the payment of which the full faith and credit of the government of the United States is pledged, or obligations to the payment of which the full faith and credit of the State is pledged; (2) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings banks, savings and loan associations, and credit unions, located in the City when secured by appropriate collateral; (3) with certain limitations; negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations; (4) public treasurers' investment pool administered by the Illinois State Treasurer; and (5) other available bank investments, pass books, and savings accounts provided securities are pledged to secure those funds.

The Illinois Funds is an external investment pool administered by the Illinois State Treasurer. U.S. Bank, N.A., serves as custodian for The Illinois Funds. The fair value of the City's investment in The Illinois Funds is the same as the value of the pool shares. Although, not subject to direct regulatory oversight, The Illinois Funds is administered in accordance with the provisions of Illinois statute 30 ILCS 235 "Public Funds Investment Act". The Illinois Funds - Money Market Fund has earned Fitch's highest rating (AAAmmf). The rating signifies an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks.

Pension Trust Policy

The City's Pension Trust is the Police Pension Fund.

The Pension Trust is permitted to invest in securities as authorized by the legal list contained in the Illinois Pension Code Section 3-135 and subsequent amendments and by the Public Funds Investment Act (30 ILCS 235/0.01). All investments made by the Pension Trust were authorized.

Investment policies provide for investment managers who have full discretion of assets allocated to them subject to the overall investment guidelines set out in the policies. Manager performance is reviewed by the pension board. Overall investment guidelines provide for diversification and allow investments as described above. The plan addresses custodial credit risk with policy providing for the engagement of a custodian who accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured, or called items, and provides periodic accounting to the pension board.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS (CONTD)

Asset allocation guidelines for the plan are as follows:

	MINIMUM	MAXIMUM
Equities	20 %	65 %
Fixed Income (Greater than One Year)	30	78
Cash Equivalents	2	20

The composition of Pension Trust Fund investments at fair value is shown on the following table, collateral risk categories are not included:

DESCRIPTION	VALUE	COST
Domestic Common Stocks	\$ 5,990,298	\$ 3,761,228
U.S. Treasury Notes	5,725,145	6,075,739
Federal Agencies	594,209	1,037,316
Corporate Bonds	2,007,505	2,213,943
Mutual Funds	19,051,168	16,527,969
	<u>\$ 33,368,325</u>	<u>\$ 29,616,195</u>

Credit Risk - The fund limits credit risk based on its investment policy by investing in top rated securities generally in government and government agency securities.

The City was in compliance with all investment policies at April 30, 2024.

NOTE 3. FAIR VALUE MEASUREMENT

Certificates of Deposit that are participating in interest-earning investment contracts are subject to GASB 72, *Fair Value Measurement and Application*. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the fair value hierarchy for the balances of the investments of the City's Pension Trust Fund measured at fair value on a recurring basis as of April 30, 2024:

	LEVEL 1	LEVEL 2	LEVELING NOT REQUIRED	TOTAL
Investments by Fair Value Level:				
U.S. Treasury Notes	\$ 5,725,145	\$ -	\$ -	\$ 5,725,145
Federal Agency Securities	-	594,209	-	594,209
Corporate Securities	-	2,007,505	-	2,007,505
Mutual Funds	19,051,168	-	-	19,051,168
Domestic Common Stocks	5,990,298	-	-	5,990,298
Total	<u>\$ 30,766,611</u>	<u>\$ 2,601,714</u>	<u>\$ -</u>	<u>\$ 33,368,325</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 3. FAIR VALUE MEASUREMENT (CONT'D)

Level 1 Fair Value Measurements

The fair value for investments in this category is based on quoted prices in active markets for identical assets, including U.S. Treasury Notes, Mutual Funds, and Common Stocks.

Level 2 Fair Value Measurements

The fair value for investments in this category is determined by reference to quoted market prices for similar investments, yield curves, and other relevant information. Investments in this category include Federal Agency Securities and Corporate Securities.

Level 3 Fair Value Measurements

The fair value for investments in this category is based on unobservable inputs.

NOTE 4. PROPERTY TAXES RECEIVABLE

The City has not levied any property taxes in the current or prior years. The City receives from the townships one-half of the township road tax produced by the property within the limits of the municipality. Within one year of receipt of the money, the amount must either be budgeted or returned. These governments levy taxes annually prior to December 31 of each year. Property taxes are attached as an enforceable lien on property as of January 1. Property taxes are mailed in the year following the assessment year. 2022 property taxes were payable in two installments: July 1, 2023, and September 1, 2023. The County Treasurer bills and collects the property taxes. The City receives its portion from these governments after those dates. Taxes recorded in these financial statements are from 2022 and prior tax levies.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 5. CAPITAL ASSETS

Changes in Capital Assets

The following provides a summary of changes in capital assets:

	BALANCE AT MAY 1, 2023	ADDITIONS	RETIREMENTS	BALANCE AT APRIL 30, 2024
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 10,928,701	\$ 148,974	\$ -	\$ 11,077,675
Construction in Progress	768,609	1,917,489	-	2,686,098
Total Capital Assets Not Being Depreciated	11,697,310	2,066,463	-	13,763,773
Other Capital Assets				
Buildings	35,467,020	-	(62,320)	35,404,700
Other Improvements	4,414,819	-	-	4,414,819
Machinery and Equipment	8,978,738	309,816	(766,913)	8,521,641
Infrastructure	75,353,289	1,404,111	-	76,757,400
Total Other Capital Assets at Historical Costs	124,213,866	1,713,927	(829,233)	125,098,560
Sub-Total	135,911,176	3,780,390	(829,233)	138,862,333
Less Accumulated Depreciation for				
Buildings	11,258,675	868,525	(58,286)	12,068,914
Other Improvements	3,190,269	115,901	-	3,306,170
Machinery and Equipment	7,700,925	197,037	(761,288)	7,136,674
Infrastructure	33,620,780	1,361,652	-	34,982,432
Total Accumulated Depreciation	55,770,649	2,543,115	(819,574)	57,494,190
Governmental Activities Capital Assets, Net	\$ 80,140,527	\$ 1,237,275	\$ (9,659)	\$ 81,368,143

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 5. CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions as follows in the statement of activities:

PRIMARY GOVERNMENT:

Governmental Activities

General Government

Executive \$ 24,962

Municipal Complex 88,568

Police Safety

Police 274,403

EDSA 12,157

Street and Public Works

Engineering/Streets 1,385,985

Public Works Maintenance 20,422

Culture and Recreation

Parks 107,091

Recreation Center 506,880

Library 46,604

Tourism 76,043

Total Depreciation for Governmental Activities \$ 2,543,115

NOTE 6. LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

General Obligation bonds are issued by the City for various municipal projects. These bonds are secured by property taxes, with the levy annually abated and payments made from the general revenues of the City. These bonds are required to be fully paid within 25 years from the date of issue and are backed by the full faith and credit of the City. The City has no debt outstanding subject to legal debt limitations. The City's borrowing capacity is restrained by maintaining the City's debt at a reasonable level. Other debt issued to support governmental activities is repaid as follows: compensated absences are paid from the fund responsible for the employee's compensation with significant liabilities payable from the General Fund; lease obligations are primarily paid from the General Fund.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended April 30, 2024:

DESCRIPTION AND PURPOSE	BALANCE MAY 1, 2023	ISSUED	RETIRED	BALANCE APRIL 30, 2024	DUE WITHIN ONE YEAR
Governmental Activities:					
Compensated					
Absences	\$ 665,396	\$ 835,032	\$ 781,273	\$ 719,155	\$ -
Direct Placement General					
Obligation Bonds	15,360,000	-	485,000	14,875,000	505,000
Bond Premiums	590,091	-	28,668	561,423	28,668
Total	\$ 16,615,487	\$ 835,032	\$ 1,294,941	\$ 16,155,578	\$ 533,668

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 6. LONG-TERM DEBT (CONTD)

The City has direct placement general obligation debt service requirements at April 30, 2024, on bond issues as follows:

1. A general obligation bond issue of \$9,470,000 dated November 9, 2017, provides for the serial retirement of the principal at varying rates annually over the life of the issue with final payment on December 1, 2043. Interest is payable on these bonds on June 1 and December 1 of each year at a rate ranging from 3.00 to 4.5 percent per annum. The proceeds from this issue were used for the construction of the Recreation Center.
2. A general obligation bond issue of \$7,925,000 dated February 27, 2018, provides for the serial retirement of the principal at varying rates annually over the life of the issue with final payment on December 1, 2043. Interest is payable on these bonds on June 1 and December 1 of each year at a rate ranging from 3.00 to 4.5 percent per annum. The proceeds from this issue were used for the construction of the Recreation Center.

The annual debt service requirements of the City for retirement of General Obligation bond principal and payment of interest coupons by fiscal year are as follows at April 30, 2024:

PAYABLE DURING THE YEAR ENDED	<u>DIRECT PLACEMENT GENERAL</u> <u>OBLIGATION BOND SERIES DTD 11/9/17</u>		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2025	\$ 582,275	\$ 265,000	\$ 317,275
April 30, 2026	581,675	275,000	306,675
April 30, 2027	585,675	290,000	295,675
April 30, 2028	584,075	300,000	284,075
April 30, 2029	587,075	315,000	272,075
April 30, 2030 - 2034	2,926,975	1,765,000	1,161,975
April 30, 2035 - 2039	2,939,350	2,180,000	759,350
April 30, 2040 - 2044	2,942,800	2,650,000	292,800
	<u>\$ 11,729,900</u>	<u>\$ 8,040,000</u>	<u>\$ 3,689,900</u>

PAYABLE DURING THE YEAR ENDED	<u>DIRECT PLACEMENT GENERAL</u> <u>OBLIGATION BOND SERIES DTD 2/27/18</u>		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2025	\$ 500,676	\$ 240,000	\$ 260,676
April 30, 2026	498,476	245,000	253,476
April 30, 2027	496,126	250,000	246,126
April 30, 2028	498,626	260,000	238,626
April 30, 2029	500,696	270,000	230,696
April 30, 2030 - 2034	2,493,280	1,510,000	983,280
April 30, 2035 - 2039	2,483,954	1,825,000	658,954
April 30, 2040 - 2044	2,493,016	2,235,000	258,016
	<u>\$ 9,964,850</u>	<u>\$ 6,835,000</u>	<u>\$ 3,129,850</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 6. LONG-TERM DEBT (CONT'D)

PAYABLE DURING THE YEAR ENDED	TOTAL	<u>ALL BONDS</u> PRINCIPAL	INTEREST
April 30, 2025	\$ 1,082,951	\$ 505,000	\$ 577,951
April 30, 2026	1,080,151	520,000	560,151
April 30, 2027	1,081,801	540,000	541,801
April 30, 2028	1,082,701	560,000	522,701
April 30, 2029	1,087,771	585,000	502,771
April 30, 2030 - 2034	5,420,255	3,275,000	2,145,255
April 30, 2035 - 2039	5,423,304	4,005,000	1,418,304
April 30, 2040 - 2044	5,435,816	4,885,000	550,816
	<u>\$ 21,694,750</u>	<u>\$ 14,875,000</u>	<u>\$ 6,819,750</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Generally, outstanding balances between funds are reported as "due to/from other funds", including outstanding charges by one fund to another for services or goods outstanding at year-end, and other miscellaneous, receivable/payable between funds.

The following schedule reports receivables and payables within the reporting entity at fiscal year-end:

DUE FROM	DUE TO	AMOUNT
Governmental Activities/Major	Governmental Activities/Major	
Governmental Funds:	Governmental Funds:	
TIF No. 5	General Fund	\$ 127,093
TIF No. 6	General Fund	1,025
		<u>\$ 128,118</u>

DUE FROM	DUE TO	AMOUNT
Governmental Activities/Major		
Fiduciary Funds:	Governmental Funds:	
Police Pension Fund	General Fund	\$ 37,142
General Fund/Police Pension Fund	Police Pension Fund	69,476

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)

The following is a summary of transfers during the year ended April 30, 2024:

TRANSFER FROM	TRANSFER TO	AMOUNT
General Fund	Library	\$ 558,305
General Fund	TIF No. 1 Bunkum Road	32,981
General Fund	TIF No. 2 Shoppes of St. Clair	33,520
General Fund	TIF No. 3 Lincoln Trail	42,490
General Fund	TIF No. 4 FH West	5,266
		<u>\$ 672,562</u>

The General Fund transfer to the Library Fund was used to transfer additional revenue to the Library Fund to meet the fiscal needs of the Library Board in lieu of assessing their property tax levy request.

The General Fund transfers to TIF No. 1 Bunkum Road as required by Illinois TIF Section 11-74.4-3 was used to pay the developer the additional 10 percent add on for non-corporate taxes.

The General Fund transfer to TIF No. 2 Shoppes of St. Clair as required by Illinois TIF Section 11-74.4-3 was used to pay the developer the additional 10 percent add on for non-corporate taxes.

The General Fund transfer to TIF No. 3 Lincoln Trail as required by Illinois TIF Section 11-74.4-3 was used to reimburse TIF No. 3 Lincoln Trail the additional 10 percent contribution for the current year and all prior years.

The General Fund transfer to TIF No. 4 FH West as required by Illinois TIF Section 11-74.4-3 was used to reimburse TIF No. 4 FH West, the additional 10 percent contribution for the current year and all prior years.

NOTE 8. TAX ABATEMENTS

Pursuant to Ordinance Number 1947-2023 and later amended by Ordinance 1953-2023, the City authorized a sales tax rebate program with Grady Commercial Real Estate, LLC, the developer of 10860 Lincoln Trail. The agreement calls for the City to pay the developer 25 percent of the sales tax collected from stores located in the development. Total rebate is not to exceed \$323,307 and expires June 2033.

Pursuant to Ordinance Number 08-23, the City authorized a sales tax rebate program with Mueller Furniture, LLC, the developer of 51 Commerce Lane. The agreement calls for the City to pay the developer 25 percent of the sales tax collected from stores located in the development. Total rebate is not to exceed \$550,000 and expires June 2033.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 8. TAX ABATEMENTS (CONT'D)

Pursuant to Ordinance Number 1620-2013 and later amended by Ordinance 1779-2017, the City authorized a sales tax rebate program with Fairview Heights 881 Fee, LLC, the developer of Fairview City Centre. The agreement calls for the City to pay the developer 25 percent of the sales tax collected from stores located in the development. Total rebate is not to exceed \$6,700,000 and expires December 31, 2038. The developer met the requirements of the agreement as of January 1, 2019. The City made a current payment of \$260,230, and a current year payment is payable in the amount of \$109,460 as of April 30, 2024. Cash representing the amount of rebate due under terms of this agreement has been set aside and restrictions have been placed on the accounts. At April 30, 2024, the amount of cash restricted for current and future payments under this agreement was \$109,460.

Pursuant to Ordinance Number 1259-2005 authorizing a pledge of limited incremental sales tax revenues and the creation of business district tax with the developer (Shoppes of St. Clair Square, LLC), the City is responsible to pay the developer 100 percent of all sales tax revenue within the development. The City is entitled to receive annually for a maximum of 20 years, of which the increase in the aggregate amount of sales, and similar taxes paid to the City arising from sales within the redevelopment project area over and above the amount of such taxes paid to the City during the calendar year preceding the agreement, minus any amounts paid under the TIF revenue. The business district tax the City imposed is 1/2 percent sales tax on all retailers and servicemen operating within the Business District Area. The City agrees to reimburse the developer for verified reimbursable redevelopment project costs in an amount not to exceed \$5,000,000 plus insurance costs. The developer shall delineate the portion that shall be TIF notes, business district tax notes, and/or limited incremental sales tax notes. The developer has requested \$1,316,000 as business district tax notes for a term of 23 years. The remaining balance of \$3,684,000 is pledged by TIF revenues and limited incremental sales tax revenues. The City made payments under this agreement of \$58,838 in fiscal year 2024 and a current year payment in the amount of \$28,13 is payable as of April 30, 2024. The balance owed is not presented in the accompanying financial statements because they are considered to be commitments and will not be a liability unless certain events occur in the future.

NOTE 9. TAX INCREMENT FINANCING DISTRICTS

Pursuant to Ordinance 1259-2005 approving the redevelopment plan authorizing reimbursement of development costs under the "TIF Act" with the developer (Shoppes of St. Clair, LLC). The agreement calls for the City to pay the developer TIF revenues which represent the amount attributable to the increase in the current equalized assessed valuation. The TIF note in conjunction with the limited incremental sales tax note is for \$3,684,000 and will be for a term of 23 years from issuance. The City made payments under this agreement of \$-0- in fiscal year 2024. Cash representing the amount of taxes due under the terms of this agreement has been set aside and restrictions have been placed on the accounts. At April 30, 2024, the amount of cash restricted was \$1,231,144. The City signed an Intergovernmental Cooperation Agreement with the other Taxing Districts located within the TIF area. In an effort to replace tax revenues lost by the Taxing Districts and facilitate the redevelopment of the TIF area and the Business District in accordance with the TIF plan, the proposed business district plan, the TIF Act, and the Business District Act, the City hereby pledges and agrees to pay from the limited incremental sales tax revenues to the Taxing Districts an amount equal to 66.67 percent of the Business District tax revenues, but not more than a maximum amount equal to 75 percent of the TIF revenues. The distribution percentage share for each Taxing District is based on their respective portion of the real estate tax rate at the time of the agreement to the total of all the Taxing Districts. The City made payments under this agreement of \$36,085.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 9. TAX INCREMENT FINANCING DISTRICTS (CONT'D)

Pursuant to Ordinances 1379-07, 1380-07 and 1381-07, approving the Tax Increment Redevelopment Plan and Project for the Lincoln Trail Redevelopment Project Area authorizing reimbursement of development costs under the "TIF Act" with the developers. The agreement calls for the City to pay the developers TIF revenues which represent the amount attributable to the increase in the current equalized assessed valuation. The City signed an Intergovernmental Cooperation Agreement with some of the taxing districts located within the TIF area. The Taxing Districts desire to undertake capital improvements that qualify as redevelopment project costs and have said costs paid, in whole or in part, from funds from the TIF area. The City had a balance payable to Taxing Districts under this agreement of \$57,719. Cash representing the amount of taxes due under terms of this agreement have been set aside and restrictions have been placed on the accounts. At April 30, 2024, the amount of cash restricted for current and future payments under this agreement was \$2,317,313.

The City has entered into a redevelopment plan with a local business as part of the Tax Increment Financing redevelopment agreements to rebate a total of \$300,000 to the local business. For the fiscal year ended April 30, 2024, the City rebated property taxes totaling \$300,000 under this agreement, with a remaining balance of \$-0-.

The City has entered into a redevelopment plan with a local business as part of the Tax Increment Financing redevelopment agreements to rebate a total of \$75,000 to the local business. For the fiscal year ended April 30, 2024, the City rebated property taxes totaling \$75,000 under this agreement, with a remaining balance of \$-0-.

The City has entered into a redevelopment plan with a local business as part of the Tax Increment Financing redevelopment agreements to rebate a total of \$55,000 to the local business. For the fiscal year ended April 30, 2024, the City rebated property taxes totaling \$55,000 under this agreement, with a remaining balance of \$-0-.

NOTE 10. RESTRICTED CASH

The City, pursuant to ordinances establishing sales tax rebate agreements and tax increment financing agreements, was required to establish bank accounts to be used to hold the income generated by these agreements between payment dates. The balance of \$6,676,825 represents amounts due and payable either currently or in the future based on the terms of these agreements. The funds are not available for use by the City until the rebates have been paid in full or the time period for payments has elapsed.

NOTE 11. RETIREMENT PLANS

A. Illinois Municipal Retirement Fund Defined Benefit Pension Plan

Plan Description - The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report can be obtained on-line at www.imrf.org.

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

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

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

Employees hired on or after January 1, 2011, are eligible for Tier II benefits. For Tier II employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings.

Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier II, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms - As of December 31, 2023, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries Currently Receiving Benefits	92
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	96
Active Plan Members	<u>82</u>
Total	<u><u>270</u></u>

Contributions - As set by statute, the City's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of their own employees. The City's annual contribution rate for calendar year 2023 was 5.37 percent. For the calendar year December 31, 2023, the City contributed \$231,095 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

Net Pension (Asset) - The City's net pension (asset) was measured as of December 31, 2023. The total pension (asset) used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension (asset) at December 31, 2023:

The Actuarial Cost Method used was Entry Age Normal.

The Asset Valuation Method used was Market Value of Assets.

The Inflation Rate was assumed to be 2.25 percent.

Salary Increases were expected to be 2.85 percent to 13.75 percent, including inflation.

The Investment Rate of Return was assumed to be 7.25 percent.

Projected Retirement Age was from the experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation pursuant to an experience study from years 2020 to 2022.

The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from Pub-2010, amount-weighted, below-median income, general, retiree, male (adjusted 108 percent) and female (adjusted 106 percent) tables, and future mortality improvements projected using scale MP-2021.

For **Disabled Retirees**, the IMRF-specified tables for Mortality was developed from Pub-2010, amount-weighted, below-median income, general, disabled retiree, male and female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

For **Active Members**, the IMRF-specified tables for Mortality was developed from Pub-2010, amount-weighted, below-median income, general, employee, male and female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

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

ASSET CLASS	PORTFOLIO TARGET PERCENTAGE	LONG-TERM EXPECTED REAL RATE OF RETURN
Domestic Equity	35 %	6.35 %
International Equity	18	8.00
Fixed Income	25	4.85
Real Estate	10	7.20
Alternative Investments	11	7.2-12.35
Cash Equivalents	1	3.80
Total	<u>100 %</u>	

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25 percent, the municipal bond rate is 3.77 percent, and the resulting single discount rate is 7.25 percent.

Changes in Net Pension (Asset) :

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY (ASSET) (A)-(B)
Balance at December 31, 2022	\$ 33,373,820	\$ 30,967,005	\$ 2,406,815
Changes for the Year:			
Service Cost	386,127	-	386,127
Interest on the Total Pension Liability	2,355,079	-	2,355,079
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	478,186	-	478,186
Changes of Assumptions	(45,163)	-	(45,163)
Contributions - Employer	-	231,095	(231,095)
Contributions - Employees	-	225,814	(225,814)
Net Investment Income	-	3,446,691	(3,446,691)
Benefit Payments, Including Refunds			
of Employee Contributions	(2,166,063)	(2,166,063)	-
Other (Net Transfer)	-	761,393	(761,393)
Net Changes	1,008,166	2,498,930	(1,490,764)
Balance at December 31, 2023	\$ 34,381,986	\$ 33,465,935	\$ 916,051

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using a single discount rate of 7.25 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher:

	1% DECREASE 6.25%	CURRENT SINGLE DISCOUNT RATE 7.25%	1% INCREASE 8.25%
Net Pension Liability (Asset)	<u>\$ 4,524,678</u>	<u>\$ 916,051</u>	<u>\$ (1,966,144)</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Relate to Pensions - For the year ended December 31, 2023, the City recognized pension expense of \$231,095. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DEFERRED AMOUNTS RELATED TO PENSIONS	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Deferred Amounts to Be Recognized in Pension Expense in Future Periods:		
Difference Between Expected and Actual Experience	\$ 475,639	\$ -
Changes of Assumption	-	30,223
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>4,492,430</u>	<u>2,793,619</u>
Total Deferred Amounts to Be Recognized in Pension Expense in Future Periods	<u>4,968,069</u>	<u>2,823,842</u>
Pension Contributions Made Subsequent to the Measurement Date	<u>86,172</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 5,054,241</u>	<u>\$ 2,823,842</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

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

YEAR ENDING DECEMBER 31,	NET DEFERRED INFLOWS OF RESOURCES
2024	\$ 513,082
2025	710,935
2026	1,253,569
2027	(247,187)
2028	-
Thereafter	-
Total	<u>\$ 2,230,399</u>

B. Police Officers' Pension

Plan Description

Plan Administration

The Plan is administered by a Board of Trustees comprised of:

- Two members appointed by the City,
- Two active members of the Police Department were elected by the Membership, and
- One retired member of the Police Department was elected by the Membership.

At April 30, 2024, the Police Pension membership consisted of:

Active Plan Members	37
Inactive Employees or Beneficiaries Currently Receiving Benefits	11
Inactive Employees Entitled to But Not Yet Receiving Benefits	<u>45</u>
Total	<u>93</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

Benefits Provided - The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement

Age: Tier I: Age 50 and 20 Years of Service.
Tier II: Age 55 with 10 Years of Service.
Benefit: 2.50 Percent of Average Final Compensation Times Credited Service.

Early Retirement

Age: Tier I: Age 60 and 8 Years of Service.
Tier II: Age 50 with 10 Years of Service.
Benefit: Determined as for Normal Retirement; Benefit for members hired after January 1, 2011, is reduced 6.00 percent for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination)

Tier I: Less than 8 Years: Refund of accumulated contributions without interest. 8 or more: Refund of contributions or accrued benefit payable at retirement age.
Tier II: Less than 10 Years: Refund of accumulated contributions without interest. 10 or more: Refund of contributions or accrued benefit payable at retirement age.

Disability

Eligibility: Total and permanent as determined by the Board of Trustees.
Benefit: Benefit accrued to date of disability. Maximum benefit for Service Incurred is 65 percent of AFC. For Non-Service Incurred benefit is 50 percent of salary.

Pre-Retirement Death Benefits

Service Incurred: 100 Percent of Salary.
Non-Vested: Refund of Required Contribution Account.

Cost-of-Living Adjustments

Tier I: Retirees - 3.00 percent per year upon attaining age 55. For retirements prior to age 55, 1/12 of 3.00 percent per month benefit commences prior to reaching age 55. Disabled Retirees annual increase of 3.00 percent of the original benefit amount upon attaining age 60. For disablements prior to age 60, 3.00 percent of original benefit per year benefit commenced prior to age 60.
Tier II: An annual increase equal to the lesser of 3.00 percent per year or 1/2 the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1 of the original pension after attaining age 60.

Contributions - Remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past service liability over a period ending in 2041.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

Investments

Investment Policy - The following was the Board's adopted asset allocation policy as of April 30, 2024:

ASSET CLASS	TARGET ALLOCATION
Cash	8 %
US Short Term Investment Grade Bonds	9
US Investment Grade Bonds	21
US Large-Cap Value Stocks	17
US Large-Cap Growth Stocks	14
US Mid-Cap Core Stocks	8
US Small-Cap Core Stocks	7
International Equities	11
Emerging Markets	5
Total	<u>100 %</u>

Rate of Return - For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.74 percent.

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

Net Pension Liability of the Employer - The components of the net pension liability of the employer on April 30, 2024, were as follows:

Total Pension Liability	\$ 60,307,862
Plan Fiduciary Net Position	<u>(39,712,596)</u>
Employer's Net Pension Liability	<u>\$ 20,595,266</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>65.85%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of May 1, 2024, using the following actuarial assumptions:

Inflation	2.50 percent
Salary Increases	Service Based
Investment Rate of Return	6.50 percent

Mortality Rate: PubS-2010 employee mortality projected five years past the valuation date with Scale MP-2020. Inactive lives: PubS-2010 healthy retiree mortality, projected five years past the valuation date with Scale MP-2021. Beneficiaries: PubS-2010 survivor mortality projected five years past the valuation date with Scale MP-2021. Disabled lives: PubS-2010 disabled mortality, projected five years past the valuation date with Scale MP-2021. Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

The demographic assumptions used in the May 1, 2024; valuation was based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance dated November 6, 2024.

The *Long-Term Expected Rate of Return on Pension Plan* investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of April 30, 2024, are summarized in the following table:

ASSET CLASS	LONG-TERM EXPECTED REAL RATE OF RETURN
Cash	0.55 %
US Short Term Investment Grade Bonds	0.95
US Investment Grade Bonds	1.35
US Large-Cap Value Stocks	5.85
US Large-Cap Growth Stocks	5.95
US Mid-Cap Core Stocks	6.15
US Small-Cap Core Stocks	5.35
International Equities	4.75
Emerging Markets	6.15

Discount Rate - The discount rate used to measure the total pension liability was 6.50 percent.

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

For purpose of this valuation, the expected rate of return on pension plan investments is 6.50 percent; the municipal bond rate is 4.42 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index); and the resulting single discount rate is 6.50 percent.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

Changes in Net Pension Liability:

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY
Balances at April 30, 2023	\$ 58,187,134	\$ 35,231,885	\$ 22,955,249
Changes For a Year:			
Service Cost	1,072,868	-	1,072,868
Interest	3,756,190	-	3,756,190
Differences Between Expected and Actual			
Experience	(58,434)	-	(58,434)
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	2,604,000	(2,604,000)
Contributions - Employee	-	421,765	(421,765)
Contributions - Buy Back	295,037	295,037	-
Net Investment Income	-	4,124,699	(4,124,699)
Benefit Payments, Including Refunds of			
Employee Contributions	(2,944,933)	(2,944,933)	-
Administrative Expenses	-	(19,857)	19,857
Net Changes	2,120,728	4,480,711	(2,359,983)
Balances at April 30, 2024	<u>\$ 60,307,862</u>	<u>\$ 39,712,596</u>	<u>\$ 20,595,266</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

	1% DECREASE (5.50%)	CURRENT DISCOUNT RATE (6.50%)	1% INCREASE (7.50%)
Employer's Net Pension Liability	<u>\$ 29,286,121</u>	<u>\$ 20,595,266</u>	<u>\$ 13,524,282</u>

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2024, the employer will recognize pension expense of \$2,927,364. On April 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11. RETIREMENT PLANS (CONT'D)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference Between Expected and Actual Experience	\$ 1,717,102	\$ 227,811
Changes of Assumptions	279,698	32,332
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	346,686	-
Total	<u>\$ 2,343,486</u>	<u>\$ 260,143</u>

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

YEAR ENDED APRIL 30,	
2025	\$ 313,862
2026	1,398,574
2027	254,979
2028	(94,186)
2029	218,462
Thereafter	(8,348)
	<u>\$ 2,083,343</u>

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS

Plan Description - In addition to providing the pension benefits described, the City provides post-employment health care insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The activity of the plan is reported in the City's Employee Health Benefits Fund.

Benefits Provided - The City provides post-employment health care insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the IMRF. All health care benefits are provided through the City's self-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. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer, and the retiree is removed from this plan and has the option of participating in a supplemental plan that is not subsidized by the City.

At April 30, 2024, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Inactive	
Participants Entitled to But Not Yet Receiving Benefits	14
Disabled Participants	3
Active Participants	<u>100</u>
Total	<u>117</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

Contributions - The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute approximately \$1,042 per month for single coverage or \$3,021 for family coverage of the actuarially determined premium to the plan if the retiree is not Medicare eligible. The City contributes the remainder to cover the cost of providing the benefits to the retirees via the self-insured plan (pay as you go). Since the City is self-insured, this amount fluctuates on an annual basis. For the fiscal year ended April 30, 2024, retirees contributed \$57,158, active employees contributed \$129,478, and the City contributed \$2,542,754.

Net OPEB Liability - The components of the net OPEB liability of the plan at April 30, 2024, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	\$ 3,593,351
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u><u>\$ 3,593,351</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
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See the schedule of post-retirement benefits liability and related ratios in the required supplementary information for additional information related to the funded status of the plan.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of April 30, 2024, using the following actuarial assumptions:

Salary Increases	3.50 percent
Investment Rate of Return	4.12 percent
20-year AA Municipal Bond Rate	4.12 percent
Mortality	RP-2014 Healthy Employee Table with MP 2021 projection
Healthcare Inflation	6.75 percent, grading down until 4.5 percent is reached

Changes in Net OPEB Liability - Changes in net OPEB liability calculated under GASB Statement No. 75 are as follows:

	TOTAL OPEB LIABILITY	PLAN FIDUCIARY NET POSITION	NET OPEB LIABILITY (ASSET)
Balance, May 1, 2023	<u>\$ 3,490,781</u>	<u>\$ -</u>	<u>\$ 3,490,781</u>
Changes for the Year:			
Service Cost	250,005		250,005
Interest Cost	128,472		128,472
Differences Between Expected and Actual	-		-
Assumption Changes	(109,857)		(109,857)
Contributions - Employer		166,050	(166,050)
Benefit Payments	<u>(166,050)</u>	<u>(166,050)</u>	<u>-</u>
Net Changes	<u>102,570</u>	<u>-</u>	<u>102,570</u>
Balance, April 30, 2024	<u><u>\$ 3,593,351</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,593,351</u></u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

Discount Rate - The discount rate used to measure the total OPEB liability was 4.12 percent. Since the plan is unfunded, this is based on a current 20 Year Yield to Maturity of AA rated bonds.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the plan, calculated using the discount rate of 4.12 percent, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	DISCOUNT RATE	NET OPEB LIABILITY (ASSET)
1% Decrease	3.12%	\$3,912,971
Current Discount Rate	4.12%	3,593,351
1% Increase	5.12%	3,297,495

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the plan, as well as what the plan's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher:

	DISCOUNT RATE	NET OPEB LIABILITY (ASSET)
1% Decrease	5.75%	\$ 3,164,770
Current Discount Rate	6.75%	3,593,351
1% Increase	7.75%	4,102,260

Annual OPEB Costs and Net OPEB Obligation - The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last four fiscal years were as follows:

FISCAL YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATION
4/30/24	\$ 144,604	114.83 %	\$ 3,593,351
4/30/23	358,607	72.26	3,490,781
4/30/22	600,822	38.15	6,077,816
4/30/21	613,323	38.15	6,461,729
4/30/20	551,228	37.32	5,892,449
4/30/19	486,673	39.33	5,156,391
4/30/18	440,239	50.40	2,377,107
4/30/17	443,965	46.20	2,158,547

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

The Net OPEB Obligation (NOPEBO) as of April 30, 2024, was calculated as follows:

Annual Required Contribution	\$ 166,050
Interest on Net OPEB Obligation	128,472
Adjustment to Annual Required Contribution	<u>(25,902)</u>
Annual OPEB Cost	268,620
Contributions Made	<u>166,050</u>
Increase (Decrease) in Net OPEB Obligation	102,570
Net OPEB Obligation, Beginning of Year	<u>3,490,781</u>
Net OPEB Obligation, End of Year	<u><u>\$ 3,593,351</u></u>

The above table is derived from an actuarial study performed on a bi-annual basis.

Funded Status and Funding Progress: The funded status of the plan as of April 30, 2024, was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,593,351
Actuarial Value of Plan Assets	0.0%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 3,593,351
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Members)	\$ 8,254,681
UAAL as a Percentage of Covered Payroll	43.53%

Actuarial Methods - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the April 30, 2024, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included 4.12 percent investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 6.75 percent reduced each year to arrive at an ultimate healthcare cost trend rate of 4.5 percent. Both rates include an inflation assumption. The actuarial value of assets was \$-0-. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

Deferred Outflows and Deferred Inflows of Resources Related to OPEB - On April 30, 2024, the employer reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>DEFERRED INFLOWS OF RESOURCES</u>
Differences Between Expected	\$ -	\$ 1,424,056
Actual Assumption Changes	<u>768,416</u>	<u>1,989,267</u>
Total	<u>\$ 768,416</u>	<u>\$ 3,413,323</u>

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

<u>YEAR ENDED APRIL 30,</u>	
2025	\$ (233,873)
2026	(233,873)
2027	(233,873)
2028	(233,873)
2029	(233,873)
Thereafter	<u>(1,475,542)</u>
Total	<u>\$ (2,644,907)</u>

NOTE 13. CONTINGENT LIABILITIES

A. Litigation

Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the City. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

In the opinion of management, all other such matters are adequately covered by insurance, or if not covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the City, if disposed of unfavorably.

B. Federal and State Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 13. CONTINGENT LIABILITIES (CONT'D)

C. State Motor Fuel Tax Fund

This fund is under the direct supervision of state authorities and is subject to audit and review by them. Therefore, this report does not constitute final approval. Under current procedures, the allotments of the City are being received from the State of Illinois each month. These allotments, however, may be expended only for specific expenditures that have been approved by the Department of Transportation, State of Illinois.

D. Capital Improvements

The City has entered into construction contracts for road and bridge improvements. The City is in the preliminary design and planning phases for various other capital improvements.

NOTE 14. DEFERRED COMPENSATION PLAN

The City has two deferred compensation plans set up in accordance with the Internal Revenue Code Section 457. The plans are administered by independent plan administrators through administrative service agreements. Employees defer a portion of their salary until future years.

Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The City's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The City approved plan amendments such that plan assets are held in trust, with the City serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purposes. The City's beneficial ownership of plan assets will be held for the future exclusive benefit of the plan for the exclusive benefit of participants and beneficiaries and as such the total of these investments are not included in this statement.

It is the opinion of the City's legal counsel that the City, as trustee, has no liability for plan losses, but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters for which the City purchases commercial insurance or participates in a risk management association, which is a statewide association of local governments that share costs and risk by membership with no direct assessment based on specific annual claims of participants. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years. The City is responsible for remitting its required contributions each year and reduces risk of loss through these payments. Management believes such coverage is sufficient to preclude any significant unissued losses to the City.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 16. COMMITMENTS

On August 23, 2011, the City entered into an Intergovernmental agreement with Caseyville Township to pay a portion of the costs incurred by the Township resulting from providing sanitary sewer services to Weinel Hills. The agreement calls for the City to pay the Township a maximum of \$85,000 per year, in two lump sums of \$42,500 for 20 years, once said sewer services have begun under the agreement. Sewer services have started and a total of \$62,023 was made in fiscal year 2024.

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events through the date of December 11, 2024. Which is the date the financial statements were available to be issued. From this evaluation, no events were identified that met the criteria to be classified as a subsequent event.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	BASIS	
REVENUE:				
Permits				
Building Permits	\$ 85,000	\$ 85,000	\$ 98,967	\$ 13,967
Plumbing Permits	4,250	4,250	5,050	800
Electric Permits	5,000	5,000	12,107	7,107
Demo, Satellite, and Grade	6,725	6,725	775	(5,950)
Sign Permits	3,150	3,150	4,856	1,706
Building Maintenance Permits	-	-	-	-
Occupancy Permit	99,450	99,450	72,861	(26,589)
Total Permits	203,575	203,575	194,616	(8,959)
Income Tax				
Income Tax	2,745,611	2,745,611	2,735,015	(10,596)
Utility Tax	1,000,000	1,000,000	1,150,002	150,002
Telecommunications Tax	210,000	210,000	180,483	(29,517)
Interest	110,548	110,548	326,244	215,696
Total Income Taxes	4,066,159	4,066,159	4,391,744	325,585
Miscellaneous Revenue				
Liquor Licenses	60,000	60,000	52,282	(7,718)
Miscellaneous	-	-	17,698	17,698
Total Miscellaneous Revenue	60,000	60,000	69,980	9,980
Other Taxes				
Food and Beverage Tax	625,000	625,000	644,578	19,578
Hotel and Motel Collection Tax	370,000	370,000	398,316	28,316
Video Gaming Tax	325,000	325,000	349,519	24,519
Total Other Taxes	1,320,000	1,320,000	1,392,413	72,413
Use Taxes				
Sales Tax	8,250,451	8,250,451	8,328,297	77,846
Home Rule Tax	4,798,512	4,798,512	4,563,856	(234,656)
Use Tax	70,000	70,000	638,134	568,134
Cannabis Tax	675,250	675,250	570,671	(104,579)
Road and Bridge Allotments	62,580	62,580	47,312	(15,268)
Total Use Taxes	\$ 13,856,793	\$ 13,856,793	\$ 14,148,270	\$ 291,477

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Grants				
Franchises	\$ 325,000	\$ 325,000	\$ 285,988	\$ (39,012)
Special Grants	250,000	250,000	448,271	198,271
Library Grant	-	-	-	-
E.S.D.A. Grant	8,000	8,000	-	(8,000)
Total Grants	583,000	583,000	734,259	151,259
Charges for Service				
School Resource Officer Duty	100,000	100,000	83,239	(16,761)
Police Reports	7,250	7,250	7,385	135
Use of Copy/Fax Equipment	250	250	1,885	1,635
Total Charges for Services	107,500	107,500	92,509	(14,991)
Police Revenue				
Police Fines	90,000	90,000	92,645	2,645
Residential Rental License Fee	100,000	100,000	82,600	(17,400)
Police Outside Employment	120,000	120,000	95,273	(24,727)
Licenses - Other Than Liquor	50,000	50,000	46,076	(3,924)
Towing Fees	95,250	95,250	103,250	8,000
Fugitive Failure to Appear Fee	4,000	4,000	3,161	(839)
Bail Bond Fee	6,000	6,000	2,720	(3,280)
Sex Offender Registration	3,000	3,000	3,200	200
Donations	-	-	6,996	6,996
Total Police Revenue	468,250	468,250	435,921	(32,329)
Other Sources				
Zoning Permits	5,000	5,000	1,800	(3,200)
Waste Haulers' Fee	-	-	2,000	2,000
Users' Fees - Parks	35,000	35,000	23,160	(11,840)
Sharecrop, Rents, Other	65,000	65,000	22,458	(42,542)
Interfund Transfer	-	-	-	-
Total Other Sources	105,000	105,000	49,418	(55,582)
Total Revenue	\$ 20,770,277	\$ 20,770,277	\$ 21,509,130	\$ 738,853

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	BASIS	
EXPENDITURES:				
Executive Department				
Semi-Monthly Salaries	\$ 185,458	\$ 185,158	\$ 145,846	\$ 39,312
Elected and Appointed Officials	9,600	9,600	9,600	-
Christmas Bonus	615	615	400	215
Unemployment Insurance	750	750	213	537
Social Security	12,094	12,094	9,249	2,845
Medicare	2,828	2,828	2,163	665
Retirement Funds	16,732	16,732	7,643	9,089
Health and Life Insurance	77,784	77,784	52,019	25,765
OPEB Employer Contribution	3,901	3,901	1,656	2,245
Education	950	950	50	900
Legal Fees	200	200	-	200
Travel and Meeting Expense	2,450	2,450	1,440	1,010
Bonds and Notary Fees	50	50	45	5
Membership Dues	2,080	2,380	2,335	45
Advertising and Public Notice	5,000	5,000	2,650	2,350
Public Relations	-	-	-	-
Equipment Rental	1,275	1,275	1,026	249
Technical and Outside Services	2,500	2,500	755	1,745
Insurance Liability	500,000	500,000	289,814	210,186
Insurance Deductible	10,000	10,000	5,897	4,103
Postage	2,000	2,000	1,992	8
Office Furniture and Equipment	-	-	-	-
Petty Cash	-	-	-	-
Subscriptions - Books	100	100	-	100
Election Expenses	200	200	142	58
Supplies	12,000	12,000	3,656	8,344
Total Executive Department	\$ 848,567	\$ 848,567	\$ 538,591	\$ 309,976

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	BASIS	
Mayor's Department				
Elected and Appointed Officials	\$ 117,600	\$ 117,600	\$ 117,600	\$ -
Social Security	7,300	7,300	7,291	9
Medicare	1,750	1,750	1,705	45
Boards and Committees	850	850	215	635
Elected Official Expense	500	500	470	30
Legal Fees	223,000	223,000	210,333	12,667
Travel and Meeting Expense	18,500	18,250	14,694	3,556
Membership Dues	500	500	400	100
Public Relations	2,750	3,000	2,950	50
Technical and Outside Services	800	800	755	45
Office Furniture and Equipment	500	500	-	500
Supplies	-	-	-	-
Transfer to Library Fund	586,419	586,419	558,305	28,114
Total Mayor's Department	960,469	960,469	914,718	45,751
Finance Department				
Semi-Monthly Salaries	251,880	260,880	260,147	733
Elected and Appointed Officials	12	12	12	-
Overtime Comp	-	-	-	-
Christmas Bonus	615	615	600	15
Unemployment Insurance	500	500	231	269
Social Security	15,617	16,017	15,987	30
Medicare	5,038	5,038	3,739	1,299
Retirement Funds	22,669	15,269	12,624	2,645
Health and Life Insurance	51,801	51,801	48,377	3,424
OPEB Employer Contribution	5,038	5,038	3,541	1,497
Audit Fees	72,000	79,000	78,450	550
Travel and Meeting Expense	500	500	79	421
Membership Dues	-	-	-	-
Bad Debt Expense	-	-	-	-
Technical and Outside Services	3,500	3,500	905	2,595
IT Software	42,000	33,000	21,954	11,046
Supplies	3,500	3,500	1,165	2,335
Total Finance Department	\$ 474,670	\$ 474,670	\$ 447,811	\$ 26,859

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	BASIS	
Police Department				
Semi-Monthly Salaries	\$ 4,928,392	\$ 4,750,392	\$ 4,746,810	\$ 3,582
Overtime Compensation	260,000	258,500	255,332	3,168
Shift Premium	9,500	11,000	10,509	491
Allowances	4,320	2,610	1,620	990
Christmas Bonus	11,500	9,300	9,150	150
Unemployment Insurance	10,000	10,000	7,232	2,768
Social Security	34,200	30,700	29,523	1,177
Medicare	78,033	74,433	72,257	2,176
9-1-1 Consolidation	846,857	713,857	698,517	15,340
Retirement Funds	48,264	48,264	20,205	28,059
Health and Life Insurance	1,325,852	1,155,852	1,153,038	2,814
OPEB Employer Contribution	85,000	88,500	88,401	99
Boards and Committees	17,000	20,600	20,583	17
Educational Expense	37,500	25,500	24,908	592
Travel and Meeting Expense	13,500	13,710	13,705	5
Bonds and Notary Fees	3,000	3,000	1,527	1,473
Membership Dues	4,580	4,580	4,142	438
Public Relations	9,600	11,800	11,771	29
Buildings Rental	5,000	5,000	5,000	-
Equipment Rental	29,660	29,660	27,580	2,080
Telephone Utility	-	1,500	1,445	55
Technical and Outside Services	41,150	81,150	80,708	442
Bad Debt Expense	-	-	-	-
Uniform Cleaning	8,000	8,000	7,410	590
Postage	5,500	5,500	5,500	-
Petty Cash	200	200	149	51
Uniform Purchase	31,150	81,150	80,634	516
Subscriptions - Books	-	-	-	-
IT Software	87,300	47,300	46,070	1,230
Maintenance to Equipment	65,910	65,910	64,557	1,353
Minor Equipment	10,000	115,000	114,527	473
Supplies	27,500	31,500	33,870	(2,370)
Transfer to Police Pension	2,272,500	2,606,500	2,604,000	2,500
Total Police Department	\$ 10,310,968	\$ 10,310,968	\$ 10,240,680	\$ 70,288

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Administration				
Semi-Monthly Salaries	\$ 458,094	\$ 450,454	\$ 415,952	\$ 34,502
Overtime Compensation	-	-	-	-
Allowances	3,300	3,300	275	3,025
Christmas Bonus	25,050	30,050	30,031	19
Unemployment Insurance	1,500	1,500	575	925
Social Security	29,955	29,955	27,200	2,755
Medicare	7,006	7,006	6,361	645
Retirement Funds	43,483	43,483	36,639	6,844
Health and Life Insurance	123,860	110,860	100,390	10,470
OPEB Employer Contribution	8,455	8,455	7,806	649
Survey and Engineer Fees	-	-	-	-
Educational Expense	-	-	-	-
Legal Fees	-	1,500	1,305	195
Travel and Meeting Expense	12,300	12,300	7,953	4,347
Bond, Notary Fees	-	-	-	-
Membership Dues	2,060	2,060	417	1,643
Safety Program	-	-	-	-
Advertising and Public Notices	1,250	1,250	-	1,250
Public Relations	750	1,850	1,819	31
Equipment Rental	78,500	78,500	63,375	15,125
Telephone Utility	102,500	102,500	97,418	5,082
Technical and Outside Services	138,300	138,300	114,537	23,763
Insurance Liability	450,000	450,000	174,970	275,030
Bad Debt Expense	-	-	-	-
Postage	-	-	-	-
Office Furniture and Equipment	1,500	1,500	787	713
Subscriptions-Books	1,440	1,440	292	1,148
Renovation or Remodeling	-	-	-	-
Computers	9,500	9,500	4,529	4,971
IT Hardware	78,250	78,250	70,199	8,051
IT Software	150,000	163,000	162,937	63
Maintenance to Equip	-	-	-	-
Supplies	800	840	832	8
Total Administration	\$ 1,727,853	\$ 1,727,853	\$ 1,326,599	\$ 401,254

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS</u>	
Public Works - Engineering				
Semi-Monthly Salaries	\$ 672,715	\$ 672,715	\$ 663,139	\$ 9,576
Overtime Compensation	18,000	10,000	5,722	4,278
Shift Premium	-	-	-	-
Christmas Bonus	2,600	2,600	2,300	300
Unemployment Insurance	6,100	6,100	1,635	4,465
Social Security	63,058	63,058	59,417	3,641
Medicare	14,747	14,747	13,896	851
Retirement Funds	91,535	91,535	46,268	45,267
Health and Life Insurance	270,782	278,782	278,291	491
OPEB Employer Contribution	17,799	17,799	15,797	2,002
Survey and Engineer Fees	10,000	10,000	7,554	2,446
Educational Expense	3,000	3,000	118	2,882
Travel and Meeting Expense	5,000	5,000	-	5,000
Bonds and Notary Fees	-	-	-	-
Membership Dues	2,000	2,000	872	1,128
Public Relations	1,000	1,000	-	1,000
Equipment Rental	36,000	36,000	33,441	2,559
Electric Utility	10,000	10,000	-	10,000
Technical and Outside Services	124,000	124,000	79,253	44,747
Petty Cash	100	100	-	100
Uniform Purchase	8,000	8,000	6,329	1,671
Minor Equipment	4,000	4,000	769	3,231
Supplies	69,000	69,000	18,701	50,299
Total Public Works - Engineering	<u>\$ 1,429,436</u>	<u>\$ 1,429,436</u>	<u>\$ 1,233,502</u>	<u>\$ 195,934</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS</u>	
Public Works - Maintenance				
Semi-Monthly Salaries	\$ 285,400	\$ 270,400	\$ 228,673	\$ 41,727
Overtime Compensation	5,000	5,000	1,198	3,802
Shift Premium	300	300	-	300
Christmas Bonus	850	850	600	250
Unemployment Insurance	800	800	347	453
Social Security	18,023	18,023	13,990	4,033
Medicare	4,215	4,215	3,272	943
Retirement Funds	26,163	26,163	11,775	14,388
Health and Life Insurance	90,717	90,717	65,047	25,670
OPEB Employer Contribution	5,814	5,814	4,031	1,783
Educational Expense	4,000	4,000	553	3,447
Travel and Meeting Expense	500	500	37	463
Membership Dues	200	200	-	200
Equipment Rental	200	200	-	200
Technical and Outside Services	14,000	14,000	12,864	1,136
Uniform Rental	4,000	4,000	1,401	2,599
Vehicle Operations Costs	270,000	255,500	218,370	37,130
Uniform Purchase	1,500	1,500	2,304	(804)
Subscriptions - Books	500	500	-	500
Maintenance to Equipment	1,000	1,000	869	131
Maintenance to Rolling Stock	56,000	56,000	18,168	37,832
Minor Equipment	13,450	27,950	8,831	19,119
Supplies	114,500	129,500	128,680	820
Total Public Works - Maintenance	\$ 917,132	\$ 917,132	\$ 721,010	\$ 196,122

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>BUDGETARY</u> <u>BASIS</u>	<u>VARIANCE</u> <u>WITH</u> <u>FINAL</u> <u>BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Parks Department				
Semi-Monthly Salaries	\$ 954,539	\$ 954,089	\$ 945,401	\$ 8,688
Overtime Compensation	8,000	8,060	7,793	267
Shift Premium	300	300	115	185
Christmas Bonus	2,200	2,300	2,300	-
Unemployment Insurance	8,765	8,765	2,182	6,583
Social Security	65,871	65,871	57,565	8,306
Medicare	15,405	15,405	13,463	1,942
Retirement Funds	85,909	85,909	46,704	39,205
Health and Life Insurance	363,282	363,282	302,139	61,143
OPEB Employer Contribution	19,257	19,257	18,347	910
Educational Expense	7,000	7,000	1,292	5,708
Travel and Meeting Expense	3,000	3,300	3,291	9
Membership Dues	645	645	585	60
Safety Program	1,000	1,000	999	1
Public Relations	1,500	1,550	1,546	4
Equipment Rental	5,000	5,000	4,995	5
Sewer Utility	5,000	6,400	6,383	17
Water Utility	12,000	12,000	10,808	1,192
Sanitation Service	18,500	16,300	6,226	10,074
Technical and Outside Services	10,425	11,225	11,207	18
Bad Debt Expense	-	-	-	-
Office Furniture and Equipment	-	-	-	-
Uniform Purchase	6,000	6,000	3,860	2,140
Minor Equipment	1,000	1,000	665	335
Renovation or Remodeling	-	-	-	-
Supplies	57,100	57,100	57,056	44
Transfer to Rec Fund	-	-	-	-
Total Parks Department	<u>\$ 1,651,698</u>	<u>\$ 1,651,758</u>	<u>\$ 1,504,922</u>	<u>\$ 146,836</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>BUDGETARY</u> <u>BASIS</u>	<u>VARIANCE</u> <u>WITH</u> <u>FINAL</u> <u>BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Municipal Complex				
Semi-Monthly Salaries	\$ 214,223	\$ 216,223	\$ 216,124	\$ 99
Overtime Compensation	5,000	3,000	2,477	523
Shift Premium	300	300	-	300
Christmas Bonus	1,200	1,200	800	400
Unemployment Insurance	2,000	2,000	569	1,431
Social Security	13,685	13,685	13,542	143
Medicare	3,200	3,200	3,167	33
Retirement Funds	19,865	19,865	11,491	8,374
Health and Life Insurance	125,508	125,508	93,214	32,294
OPEB Employer Contribution	4,414	4,414	3,843	571
Educational Expense	2,000	2,000	-	2,000
Travel and Meeting Expense	-	-	-	-
Membership Dues	-	-	-	-
Public Relations	-	-	-	-
Equipment Rental	500	700	677	23
Electric Utility	210,000	217,500	217,067	433
Sewer Utility	7,500	7,500	4,155	3,345
Water Utility	30,000	30,000	27,398	2,602
Gas Utility	40,150	32,450	8,140	24,310
Technical and Outside Services	72,000	72,000	67,152	4,848
Office Furniture and Equipment	3,000	3,000	2,860	140
Renovation or Remodeling	20,000	20,000	14,045	5,955
Uniform Purchase	2,000	2,000	1,366	634
Maintenance to Equipment	14,000	14,000	11,946	2,054
Supplies	45,000	45,000	41,834	3,166
Total Municipal Complex	<u>\$ 835,545</u>	<u>\$ 835,545</u>	<u>\$ 741,867</u>	<u>\$ 93,678</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	BASIS	
Land Use and Development				
Semi-Monthly Salaries	\$ 574,951	\$ 589,951	\$ 589,432	\$ 519
Elected and Appointed Officials	29,000	29,000	27,752	1,248
Overtime Compensation	5,000	5,500	5,498	2
Shift Premium	100	100	-	100
Allowances	2,000	2,000	1,800	200
Christmas Bonus	2,000	2,000	1,350	650
Unemployment Insurance	3,500	3,500	1,696	1,804
Social Security	38,009	38,009	37,187	822
Medicare	8,889	8,889	8,697	192
Retirement Funds	55,175	55,175	29,960	25,215
Health and Life Insurance	192,251	192,251	184,576	7,675
OPEB Employer Contribution	12,221	12,221	10,573	1,648
Boards and Committees	1,600	1,600	221	1,379
Educational Expense	3,250	3,250	-	3,250
Legal Fees	3,000	3,000	-	3,000
Travel and Meeting Expense	2,000	3,000	2,953	47
Membership Dues	1,075	1,075	1,010	65
Safety Program	-	-	-	-
Advertising and Public Notice	2,000	2,350	2,337	13
Equipment Rental	-	-	70	(70)
Technical and Outside Services	25,750	27,150	27,099	51
Demolition Service	75,000	55,200	9,736	45,464
Bad Debt Expense (Recovery)	-	-	30,221	(30,221)
Office Furniture and Equipment	1,000	1,000	-	1,000
Petty Cash	-	-	-	-
Renovation or Remodeling	-	-	-	-
Uniform Purchase	2,000	3,100	3,017	83
Subscriptions - Books	1,500	1,500	1,258	242
IT Software	-	-	-	-
G.I.S. Expenses	4,500	4,950	4,906	44
Supplies	7,750	7,750	5,308	2,442
Transfer to TIF NO. 1	32,000	32,000	32,981	(981)
Transfer to TIF NO. 2	35,000	35,000	33,520	1,480
Transfer to TIF NO. 3	40,000	40,000	42,490	(2,490)
Transfer to TIF NO. 4	4,000	4,000	5,266	(1,266)
Transfer to TIF NO. 5	600	600	-	600
Total Land Use and Development	\$ 1,165,121	\$ 1,165,121	\$ 1,100,914	\$ 64,207

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	BASIS	
Library Department				
Semi-Monthly Salaries	\$ 29,884	\$ 30,984	\$ 30,955	\$ 29
Shift Premium	140	140	-	140
Christmas Bonus	700	700	-	700
Unemployment Insurance	3,000	3,000	1,709	1,291
Social Security	1,905	1,955	1,951	4
Medicare	446	496	456	40
Retirement Funds	2,765	2,765	1,519	1,246
Health and Life Insurance	85,441	72,641	67,454	5,187
OPEB Employer Contribution	614	9,614	9,257	357
Electric Utility	30,000	32,600	32,579	21
Sewer Utility	900	900	575	325
Water Utility	8,000	8,000	6,394	1,606
Technical and Outside Services	-	-	-	-
Supplies	2,100	2,100	2,041	59
Total Library Department	165,895	165,895	154,890	11,005
Emergency Services and Disaster Agency				
Elected and Appointed Officials	11,500	10,500	10,477	23
Social Security	380	380	243	137
Medicare	75	75	57	18
Retirement Funds	600	600	195	405
Educational Expenses	500	500	153	347
Travel and Meeting Expense	1,000	400	211	189
Membership Dues	130	130	-	130
Public Relations	250	250	-	250
Telephone Utility	1,650	4,050	4,010	40
Technical and Outside Services	17,200	17,200	17,125	75
Postage	75	75	-	75
Maintenance to Equipment	8,000	1,700	1,623	77
Supplies	1,500	7,000	6,951	49
Total Emergency Services and Disaster Agency	42,860	42,860	41,045	1,815
Total Expenditures (Carried Forward)	\$ 20,530,214	\$ 20,530,274	\$ 18,966,549	\$ 1,563,725

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Total Expenditures (Brought Forward)	\$ 20,530,214	\$ 20,530,274	\$ 18,966,549	\$ 1,563,725
Net Change in Fund Balance	<u>\$ 240,063</u>	<u>\$ 240,003</u>	2,542,581	<u>\$ 2,302,578</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			(369,568)	
Effect of Unrecorded Liabilities			456,444	
Beginning Fund Balance			<u>15,392,701</u>	
Ending Fund Balance			<u>\$ 18,022,158</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
HOME RULE FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Motor Fuel Tax Allotment	\$ 2,520,000	\$ 2,520,000	\$ 2,457,461	\$ (62,539)
Interest	5,000	5,000	510,474	505,474
Special Grants	-	-	1,000,000	1,000,000
Sale of Property	-	-	23,947	23,947
Transfer from TIF	-	-	-	-
Miscellaneous Items	-	-	11,877	11,877
Total Revenue	<u>2,525,000</u>	<u>2,525,000</u>	<u>4,003,759</u>	<u>1,478,759</u>
EXPENDITURES:				
Police Department				
Tech and Outside Services	-	23,000	22,070	930
Equipment and Rolling Stock	385,000	426,595	426,369	226
Equipment and Accessories	-	-	-	-
Buildings and Structures	-	-	-	-
Streets and Alleys	40,000	15,300	7,276	8,024
Other Capital Improvements	-	700	640	60
Total Police Department	<u>425,000</u>	<u>465,595</u>	<u>456,355</u>	<u>9,240</u>
ESDA				
Building and Structures	-	-	-	-
Equipment and Rolling Stock	-	-	207,532	(207,532)
Total ESDA	<u>-</u>	<u>-</u>	<u>207,532</u>	<u>(207,532)</u>
Public Works - Engineering				
Easements	5,000	5,000	-	5,000
Equipment and Rolling Stock	75,000	46,000	-	46,000
Survey/Engineering - Capital	15,000	15,000	-	15,000
Buildings and Structures	90,000	-	-	-
Streets and Alleys	1,200,000	1,216,500	1,216,240	260
Storm Drainage	600,000	600,000	599,454	546
Other Debt Service	64,000	76,500	-	76,500
Other Capital Improvements	-	-	62,023	(62,023)
Total Public Works - Engineering	<u>\$ 2,049,000</u>	<u>\$ 1,959,000</u>	<u>\$ 1,877,717</u>	<u>\$ 81,283</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
HOME RULE FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Parks Department				
Survey/Engineering - Capital	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Buildings and Structures	480,000	480,000	213,054	266,946
Equipment and Rolling Stock	-	-	-	-
Streets and Alleys	-	-	-	-
Other Capital Improvements	18,000	18,000	18,000	-
Total Parks Department	573,000	573,000	231,054	341,946
Public Works Building Maintenance				
Survey/Engineer - Capital	-	-	-	-
Buildings and Structures	-	90,000	76,882	13,118
Other Capital Improvements	-	-	-	-
Total Municipal Complex Department	-	90,000	76,882	13,118
Land Use and Development				
Demolition Service	68,000	68,000	4,723	63,277
Equipment and Rolling Stock	11,000	12,000	11,999	1
Survey/Engineering - Capital	75,000	69,500	18,732	50,768
Buildings and Structures	-	4,500	4,348	152
Total Land Use and Development	154,000	154,000	39,802	114,198
Total Expenditures	3,201,000	3,241,595	2,889,342	352,253
Net Change in Fund Balance	\$ (676,000)	\$ (716,595)	1,114,417	\$ 1,831,012
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			94,519	
Effect of Unrecorded Liabilities			128,358	
Beginning Fund Balance			6,230,948	
Ending Fund Balance			\$ 7,568,242	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
RECREATIONAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Memberships	\$ 1,641,000	\$ 1,641,000	\$ 1,485,790	\$ (155,210)
Aquatics	17,000	17,000	24,431	7,431
Fitness	32,000	32,000	18,735	(13,265)
Athletics	20,000	20,000	6,643	(13,357)
Facility	68,000	68,000	-	(68,000)
Donations	-	-	45,000	45,000
Special Grants	-	-	-	-
Vending Machine	-	-	4,824	4,824
Interfund Transfer	-	-	-	-
Total Revenues	<u>1,778,000</u>	<u>1,778,000</u>	<u>1,585,423</u>	<u>(192,577)</u>
EXPENDITURES:				
Membership				
Semi-Monthly Salaries	780,261	755,811	605,300	150,511
Overtime	-	75	73	2
Bonuses	1,600	2,000	1,200	800
Unemployment Insurance	6,633	6,703	4,091	2,612
Social Security	48,475	46,460	37,175	9,285
Medicare	11,337	11,457	8,695	2,762
Retirement	14,770	14,970	11,886	3,084
Health Insurance	53,100	58,300	57,940	360
OPEB	13,682	13,832	10,410	3,422
Educational Expense	19,950	19,950	11,995	7,955
Travel/Meeting	2,750	2,750	1,266	1,484
Membership Dues	580	580	265	315
Safety Program	500	500	-	500
Electric Utility	300,000	292,500	172,112	120,388
Sewer Utility	5,000	5,800	5,778	22
Water Utility	18,000	23,600	23,515	85
Sanitary Service	-	-	-	-
Tech and Outside Service	329,010	344,560	293,041	51,519
Postage	11,500	11,500	6,924	4,576
Uniform Purchase	3,950	3,950	1,127	2,823
Minor Equipment	-	-	-	-
Supplies	152,000	157,800	104,142	53,658
Public Relations	-	-	-	-
Buildings and Structures	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,773,098</u>	<u>1,773,098</u>	<u>1,356,935</u>	<u>416,163</u>
Net Change in Fund Balance	<u>\$ 4,902</u>	<u>\$ 4,902</u>	228,488	<u>\$ 223,586</u>
Reconciliation of Budgetary Basis to Government				
Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			-	-
Effect of Unrecorded Liabilities			(1,972)	(1,972)
Beginning Fund Balance			(38,831)	(38,831)
Ending Fund Balance			<u>\$ 187,685</u>	<u>\$ 187,685</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
FOOD AND BEVERAGE
FOR THE YEAR ENDED APRIL 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUE:				
Food and Beverage Taxes	\$ 1,875,000	\$ 1,875,000	\$ 1,933,735	\$ 58,735
Use Taxes	-	-	181,582	181,582
Interest	58,000	58,000	168,599	110,599
Miscellaneous	-	-	-	-
Total revenue	<u>1,933,000</u>	<u>1,933,000</u>	<u>2,283,916</u>	<u>350,916</u>
EXPENDITURES:				
Intergovernmental Agreements	-	-	-	-
Audit Fees	2,500	2,500	-	2,500
Tech and Outside Service	1,000	1,000	636	364
Debt Service - Principle	550,000	550,000	485,000	65,000
Debt Service - Interest	<u>660,000</u>	<u>660,000</u>	<u>592,500</u>	<u>67,500</u>
Total Expenditures	<u>1,213,500</u>	<u>1,213,500</u>	<u>1,078,136</u>	<u>135,364</u>
Net Change in Fund Balance	<u>\$ 719,500</u>	<u>\$ 719,500</u>	1,205,780	<u>\$ 486,280</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			(23,798)	
Effect of Unrecorded Liabilities			-	
Beginning Fund Balance			<u>3,651,861</u>	
Ending Fund Balance			<u>\$ 4,833,843</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
TAX REBATES FUND
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE:				
Sales Tax	\$ 650,000	\$ 650,000	\$ -	\$ (650,000)
Home Rule Sales Tax	300,000	300,000	-	(300,000)
Business District Sales Tax	85,000	85,000	54,125	(30,875)
Interest	23,000	23,000	66,603	43,603
Interfund Transfers	-	-	-	-
Total Revenue	<u>1,058,000</u>	<u>1,058,000</u>	<u>120,728</u>	<u>(937,272)</u>
EXPENDITURES:				
Sales Tax Rebate	950,000	950,000	317,409	632,591
Intergovernmental Agreements	<u>60,000</u>	<u>60,000</u>	<u>39,227</u>	<u>20,773</u>
Total Expenditures	<u>1,010,000</u>	<u>1,010,000</u>	<u>356,636</u>	<u>653,364</u>
Net Change in Fund Balance	<u>\$ 48,000</u>	<u>\$ 48,000</u>	(235,908)	<u>\$ (283,908)</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			601,970	
Effect of Unrecorded Liabilities			66,534	
Beginning Fund Balance			<u>239,946</u>	
Ending Fund Balance			<u>\$ 672,542</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
 TIF NO. 1 BUNKUM ROAD
 FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	BASIS	
REVENUE:				
TIF Revenue	\$ 320,000	\$ 320,000	\$ 331,039	\$ 11,039
Interfund Transfers	32,000	32,000	32,981	981
Interest	71,000	71,000	137,819	66,819
Total Revenue	<u>423,000</u>	<u>423,000</u>	<u>501,839</u>	<u>78,839</u>
EXPENDITURES:				
Audit Fees	2,500	2,750	2,750	-
Legal Fees	5,000	5,000	948	4,052
Land	750,000	750,000	-	750,000
Survey/Engineering	100,000	100,000	91,812	8,188
TIF Expenditures	100,000	98,712	705	98,007
Right of Way	-	-	-	-
Total Expenditures	<u>957,500</u>	<u>956,462</u>	<u>96,215</u>	<u>860,247</u>
Net Change in Fund Balance	<u>\$ (534,500)</u>	<u>\$ (533,462)</u>	405,624	<u>\$ (939,086)</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			-	
Effect of Unrecorded Liabilities			-	
Beginning Fund Balance			<u>2,289,135</u>	
Ending Fund Balance			<u>\$ 2,694,759</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
TIF NO. 2 SHOPPES OF ST. CLAIR
FOR THE YEAR ENDED APRIL 30, 2024

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	BASIS	
REVENUE:				
TIF Revenue	\$ 350,000	\$ 350,000	\$ 336,451	\$ (13,549)
Interfund Transfer	35,000	35,000	33,520	(1,480)
Interest	60,000	60,000	86,623	26,623
Total Revenue	<u>445,000</u>	<u>445,000</u>	<u>456,594</u>	<u>11,594</u>
EXPENDITURES:				
Audit Fees	2,500	2,750	2,750	-
TIF Expenditures	50,000	14,188	14,188	-
Survey/Engineering - Capital	15,000	25,500	25,487	13
Streets and Alleys	<u>1,500,000</u>	<u>1,531,100</u>	<u>1,531,011</u>	<u>89</u>
Total Expenditures	<u>1,567,500</u>	<u>1,573,538</u>	<u>1,573,436</u>	<u>102</u>
Net Change in Fund Balance	<u>\$ (1,122,500)</u>	<u>\$ (1,128,538)</u>	(1,116,842)	<u>\$ 11,696</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			-	
Effect of Unrecorded Liabilities			65,975	
Beginning Fund Balance			<u>2,372,011</u>	
Ending Fund Balance			<u>\$ 1,321,144</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
TIF NO. 3 LINCOLN TRAIL
FOR THE YEAR ENDED APRIL 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUE:				
TIF Revenue	\$ 400,000	\$ 400,000	\$ 426,482	\$ 26,482
Interfund Transfer	40,000	40,000	42,490	2,490
Special Grants	-	-	-	-
Interest	60,000	60,000	132,823	72,823
Total revenue	<u>500,000</u>	<u>500,000</u>	<u>601,795</u>	<u>101,795</u>
EXPENDITURES:				
Intergovernmental Agreements	60,000	60,000	52,503	7,497
Audit Fees	-	3,000	2,750	250
Advertising & Public Notices	-	-	-	-
Minor Equipment	-	-	-	-
Contingencies	-	-	-	-
Easements	5,000	5,000	-	5,000
Land	-	-	-	-
Streets and Alleys	2,210,000	1,754,500	82,824	1,671,676
Survey & Engineering Fees	-	-	-	-
Survey Engineering - Capital	110,000	110,000	2,078	107,922
Legal Fees	-	-	-	-
Demolition Services	-	2,500	2,187	313
TIF Expenditures	<u>200,000</u>	<u>650,000</u>	<u>592,894</u>	<u>57,106</u>
Total Expenditures	<u>2,585,000</u>	<u>2,585,000</u>	<u>735,236</u>	<u>1,849,764</u>
Net Change in Fund Balance	<u>\$ (2,085,000)</u>	<u>\$ (2,085,000)</u>	(133,441)	<u>\$ 1,951,559</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			15,220	
Effect of Unrecorded Liabilities			(52,469)	
Beginning Fund Balance			<u>2,430,284</u>	
Ending Fund Balance			<u>\$ 2,259,594</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO BUDGETARY COMPARISON SCHEDULES
APRIL 30, 2024

NOTE 1. BUDGETARY CONTROL

The City Council is required to adopt an annual budget and appropriations ordinance for the City. The budget is presented to the City Council for review and public hearings are held to address priorities and the allocation of resources. The budgets for the operating funds are prepared on the cash and expenditures basis. Revenues are budgeted in the year receipts are expected and expenditures are budgeted in the year that the applicable purchase orders are expected to be paid. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

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

1. Prior to April 1 the Budget Director submits to the City Council, a proposed operating budget for the fiscal year commencing the following May 1. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by sources. Expenditures are budgeted by account and class as follows: personnel services, other services and charges, supplies, capital outlay, transfers, and debt service. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval.

Revisions to the budget were made throughout the year. Budget revisions at this level are subject to final review by the City Council.

2. Prior to May 1, the budget is legally enacted through passage of an ordinance.
3. The Budget Director is authorized to transfer budgeted amounts between departments with approval by the City Council and any amendments that alter the total expenditures of any fund must be approved by the City Council.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue funds.
5. The budget figures shown in the financial statements represent the final authorized amounts as revised during the year.

The City amended its budget during the year.

The City operated within the legal confines of the budget during the fiscal year ended April 30, 2024.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
POLICE PENSION TRUST FUND -
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - CURRENT YEAR
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2015)
APRIL 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY:										
Service Cost	\$ 1,072,868	\$ 1,030,383	\$ 962,839	\$ 954,130	\$ 958,205	\$ 859,960	\$ 917,006	\$ 963,518	\$ 839,355	\$ 865,338
Interest on the Total Pension Liability	3,756,190	3,530,229	3,379,723	3,284,706	3,088,283	2,808,093	2,701,593	2,562,213	2,532,522	2,218,469
Experience	(58,434)	1,587,669	420,323	(414,689)	884,375	631,328	386,736	404,930	(2,591,212)	(128,421)
Change of Assumptions	-	-	(56,582)	-	-	1,957,887	(436,393)	-	1,132,453	2,609,255
Changes of Benefit Terms	-	-	-	-	289,771	-	-	-	-	-
Contributions - Buy Back	295,037	-	-	-	34,872	-	-	-	69,871	-
Benefit Payments	(2,944,933)	(2,483,959)	(2,432,794)	(2,309,309)	(2,149,749)	(1,940,052)	(1,806,815)	(1,672,870)	(1,627,869)	(1,400,257)
Net Change in Total Pension Liability	2,120,728	3,664,322	2,273,509	1,514,838	3,105,757	4,317,216	1,762,127	2,257,791	355,120	4,164,384
Total Pension Liability, Beginning of Period	58,187,134	54,522,812	52,249,303	50,734,465	47,628,708	43,311,492	41,549,365	39,291,574	38,936,454	34,772,070
Total Pension Liability, End of Period (a)	60,307,862	58,187,134	54,522,812	52,249,303	50,734,465	47,628,708	43,311,492	41,549,365	39,291,574	38,936,454
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	2,604,000	2,604,000	1,963,898	1,299,996	1,299,996	1,299,996	1,299,996	1,336,663	1,300,000	1,260,000
Member Contributions	421,765	506,676	399,581	378,252	368,116	342,772	357,669	353,941	308,698	599,979
Contributions - Buy Back	295,037	-	-	-	34,872	-	-	-	69,871	-
Net Investment Income	4,124,699	216,686	(2,667,759)	9,123,697	(551,516)	1,569,517	1,806,326	2,467,647	(253,744)	1,549,494
Benefit Payments	(2,944,933)	(2,483,959)	(2,432,794)	(2,309,309)	(2,149,749)	(1,940,052)	(1,806,815)	(1,672,870)	(1,627,869)	(1,400,257)
Administrative Expense	(19,857)	(95,248)	(43,775)	(31,689)	(40,595)	(37,335)	(30,695)	(27,338)	(19,457)	-
Other (Net Transfer)	-	-	-	-	-	-	-	-	-	(20,957)
Net Change in Plan Fiduciary Net Position	4,480,711	748,155	(2,780,849)	8,460,947	(1,038,876)	1,234,898	1,626,481	2,458,043	(222,501)	1,988,259
Plan Fiduciary Net Position - Beginning	35,231,885	34,483,730	37,264,579	28,803,631	29,842,506	28,607,608	26,982,582	24,524,539	24,747,040	22,758,781
Adjustment to Beginning of Year	-	-	-	1	1	-	(1,455)	-	-	-
Plan Fiduciary Net Position - Ending (b)	39,712,596	35,231,885	34,483,730	37,264,579	28,803,631	29,842,506	28,607,608	26,982,582	24,524,539	24,747,040
Net Pension Liability - Ending (a)-(b)	\$20,595,266	\$22,955,249	\$20,039,082	\$14,984,724	\$21,930,834	\$17,786,202	\$14,703,884	\$14,566,783	\$14,767,035	\$14,189,414
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.85%	60.55%	63.25%	71.32%	56.77%	62.66%	66.05%	64.94%	62.42%	63.56%
Covered Valuation Payroll	\$ 4,255,954	\$ 5,112,775	\$ 4,032,099	\$ 3,890,000	\$ 3,890,460	\$ 3,815,612	\$ 3,511,857	\$ 3,469,400	\$ 3,475,703	\$ 3,234,164
Net Pension Liability as a Percentage of Covered Valuation Payroll	483.92%	448.98%	496.99%	385.21%	563.71%	466.14%	418.69%	419.86%	424.86%	438.74%

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND -
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - CURRENT YEAR
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM CALENDAR YEAR 2014)
APRIL 30, 2024

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service Cost	\$ 386,127	\$ 364,451	\$ 359,507	\$ 441,957	\$ 429,718	\$ 379,746	\$ 424,597	\$ 427,355	\$ 452,292	\$ 446,254
Interest on the Total Pension Liability	2,355,079	2,276,827	2,271,122	2,235,989	2,177,295	2,089,633	2,086,136	1,983,146	1,915,308	1,756,883
Difference Between Expected and Actual Experience	478,186	516,127	(609,806)	(77,666)	(22,815)	508,361	(32,548)	412,657	(111,131)	225,545
Change of Assumptions	(45,163)	-	-	(204,884)	-	814,375	(874,741)	(67,179)	32,279	874,212
Benefit Payments	(2,166,063)	(2,011,752)	(1,877,448)	(1,861,711)	(1,699,774)	(1,594,662)	(1,474,127)	(1,430,063)	(1,240,272)	(1,078,710)
Net Change in Total Pension Liability	1,008,166	1,145,653	143,375	533,685	884,424	2,197,453	129,317	1,325,916	1,048,476	2,224,184
Total Pension Liability, Beginning of Period	33,373,820	32,228,167	32,084,792	31,551,107	30,666,683	28,469,230	28,339,913	27,013,997	25,965,521	23,741,337
Total Pension Liability, End of Period (a)	34,381,986	33,373,820	32,228,167	32,084,792	31,551,107	30,666,683	28,469,230	28,339,913	27,013,997	25,965,521
PLAN FIDUCIARY NET POSITION										
Employer Contributions	231,095	340,825	407,527	453,987	426,797	497,620	442,475	480,680	496,412	507,379
Employee Contributions	225,814	189,077	177,863	181,592	203,273	186,706	176,531	186,042	189,470	199,290
Pension Plan Net Investment Income	3,446,691	(4,832,770)	5,787,200	4,371,167	5,034,762	(1,591,521)	4,472,559	1,619,400	119,149	1,398,908
Benefit Payments	(2,166,063)	(2,011,752)	(1,877,448)	(1,861,711)	(1,699,774)	(1,594,662)	(1,474,127)	(1,430,063)	(1,240,272)	(1,078,710)
Other	761,393	(149,268)	(915,359)	245,627	93,252	853,146	(426,425)	179,542	152,432	(38,765)
Net Change in Plan Fiduciary Net Position	2,498,930	(6,463,888)	3,579,783	3,390,662	4,058,310	(1,648,711)	3,191,013	1,035,601	(282,809)	988,102
Plan Fiduciary Net Position - Beginning	30,967,005	37,430,893	33,851,110	30,460,448	26,402,138	28,050,849	24,859,836	23,824,235	24,107,044	23,118,942
Plan Fiduciary Net Position - Ending (b)	33,465,935	30,967,005	37,430,893	33,851,110	30,460,448	26,402,138	28,050,849	24,859,836	23,824,235	24,107,044
Net Pension (Asset) Liability - (a)-(b)	\$ 916,051	\$ 2,406,815	\$ (5,202,726)	\$ (1,766,318)	\$ 1,090,659	\$ 4,264,545	\$ 418,381	\$ 3,480,077	\$ 3,189,762	\$ 1,858,477
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.34%	92.79%	116.14%	105.51%	96.54%	86.09%	98.53%	87.72%	88.19%	92.84%
Covered Valuation Payroll	\$ 4,663,738	\$ 4,189,708	\$ 3,941,261	\$ 4,035,886	\$ 4,506,843	\$ 4,137,704	\$ 3,928,514	\$ 4,056,371	\$ 4,210,446	\$ 4,193,206
Net Pension Liability as a Percentage of Covered Valuation Payroll	19.64%	57.45%	-132.01%	-43.77%	24.20%	103.07%	10.65%	85.79%	75.76%	44.32%

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
POLICE PENSION TRUST FUND -
MULTIYEAR SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2015)
APRIL 30, 2024

FISCAL YEAR ENDING APRIL 30,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED VALUATION PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL
2024	\$ 2,857,042	\$ 2,604,000	\$ 253,042	\$ 4,255,954	61.18 %
2023	2,581,902	2,604,000	(22,098)	5,112,775	50.93
2022	2,457,238	1,963,898	493,340	4,032,099	48.71
2021	2,481,608	1,299,996	1,181,612	3,890,000	33.42
2020	2,234,042	1,299,996	934,046	3,890,460	33.41
2019	1,872,369	1,299,996	572,373	3,815,612	34.07
2018	1,894,338	1,299,996	594,342	3,511,857	37.02
2017	1,866,410	1,336,663	529,747	3,469,400	38.53
2016	1,803,573	1,300,000	503,573	3,475,703	37.40
2015	1,803,573	1,260,000	543,573	3,234,164	38.96

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO SCHEDULE OF CONTRIBUTIONS - POLICE PENSION
APRIL 30, 2024

Valuation Date: Actuarially determined contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Ends in fiscal year 2041
Asset Valuation Method	5-year smoothed market, no corridor
Salary Increases	Graded rates based on service from 11 percent at -0- years to 3.5 percent at 30 years plus 2.50 percent inflation allowance.
Payroll Growth	N/A (level dollar amortization)
Investment Rate of Return	6.50 percent per year, compounded annually
Cost of Living Adjustments	Tier I: 3.00 percent per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00 percent for each full month since benefit commencement upon reaching age 55. Tier II: 1.25 percent per year after the later of attainment of age 60 or first anniversary of retirement.
Actuarial Asset Basis	The actuarial value of assets recognizes future gains and losses based on a 5-year smoothed market method as prescribed by Statute. In a 5-year smoothed market method, the current market value of assets is reduced (increased) for the current year and each of the three succeeding years, by a portion of the gain/(loss) in market value during the prior year. Such gain/(loss) is determined as the excess/(deficit) of the current market value of assets over the market value of assets as of the prior year, increased to reflect interest at the actuarial rate and adjusted to reflect contributions and benefit payments during the prior year. The portion of such gain/(loss) by which the current market value of assets is reduced (increased) shall be 80 percent in the current year, 60 percent in the first succeeding year, 40 percent in the second succeeding year and 20 percent in the third succeeding year. Additionally, in accordance with government accounting standards, the actuarial value of assets is adjusted to remove any contributions receivable on the reporting date.
Mortality	Active Lives: PubS-2010 Employee mortality, unadjusted, with Scale MP-2021. 10 percent of active deaths are assumed to be in the line of duty. Inactive Lives: PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.15 for male retirees and unadjusted for female retirees with Scale MP-2021. Beneficiaries: PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.15 for female beneficiaries with Scale MP-2021. Disabled Lives: PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and unadjusted for female disabled members with Scale MP-2021. The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO SCHEDULE OF CONTRIBUTIONS - POLICE PENSION
APRIL 30, 2024

Termination Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

<u>AGE</u>	<u>RATE OF WITHDRAWAL</u>	
20	14.00	%
25	10.40	
30	5.60	
35	3.10	
40	1.90	
45	1.50	
50	1.50	
56+	0.00	

It is assumed that terminated police officers will not be rehired.

Disability Rates Incidence of disability amongst police officers eligible for disability benefits:

<u>AGE</u>	<u>RATE</u>	
20	0.000	%
25	0.029	
30	0.133	
35	0.247	
40	0.399	
45	0.561	
50	0.675	
55	0.855	
60+	1.093	

Retirement Age 60 percent of disabilities amongst active police officers are assumed to be in the performance of duty.

Tier I		
<u>AGE</u>	<u>RATE OF RETIREMENT</u>	
50-54	20	%
55-62	25	
63	33	
64	40	
65-69	55	
70+	100	
Tier II		
<u>AGE</u>	<u>RATE OF RETIREMENT</u>	
50-54	5	%
55	40	
56-62	25	
63	33	
64	40	
65-69	55	
70+	100	

Marital Status 80 percent of police officers are assumed to be married.

Spouse's Age Males are assumed to be three years older than females.

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
 ILLINOIS MUNICIPAL RETIREMENT FUND -
MULTIYEAR SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS
APRIL 30, 2024

(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2014)

CALENDAR YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED VALUATION PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION
2023	\$ 213,133	\$ 231,095	\$ (17,962)	\$ 4,663,738	4.96 %
2022	325,959	340,825	(14,866)	4,189,708	8.13
2021	407,526	407,527	(1)	3,941,261	10.34
2020	454,037	453,987	50	4,035,886	11.25
2019	426,798	426,797	1	4,506,843	9.47
2018	490,318	497,620	(7,302)	4,137,704	12.03
2017	443,136	442,475	661	3,928,514	11.26
2016	480,680	480,680	-	4,056,371	11.85
2015	496,412	496,412	-	4,210,446	11.79
2014	507,378	507,378	-	4,193,206	12.10

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
 NOTES TO SCHEDULE OF CONTRIBUTIONS - IMRF
APRIL 30, 2024

Valuation Date: Actuarially determined contributions are calculated as of December 31 each year, which is 12 months prior to the beginning of the year in which contributions are reported.

Summary of Actuarial Methods and Assumptions Used in Calculation of the 2023 Contribution Rate

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 20-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years, two employers were financed over 18 years; one employer was financed over 21 years; four employers were financed over 25 years and one employer was financed over 26 years).
Asset Valuation Method	5-year smoothed market, 20 percent corridor
Wage Growth	2.75 percent
Price Inflation	2.25 percent
Salary Increases	2.75 percent to 13.75 percent including inflation
Investment Rate of Return	7.25 percent
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106 percent) and Female (adjusted 105 percent) 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.
Other Information:	There were no benefit changes during the year.

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
MULTIYEAR SCHEDULE OF POST RETIREMENT BENEFITS

GASB 75 HISTORICAL NET OPEB LIABILITY

LAST 10 CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2019)

Calendar year ending April 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL OPEB LIABILITY										
Discount Rate	4.12%	3.77%	3.42%	2.12%	2.91%	3.79%	0.00%	0.00%	0.00%	0.00%
Service Cost	\$ 250,005	\$ 380,410	\$ 462,729	\$ 378,397	\$ 315,019	\$ 293,513	\$ -	\$ -	\$ -	\$ -
Interest Cost	128,472	203,430	134,335	168,066	191,529	186,350	-	-	-	-
Plan Amendments	-	-	-	-	-	-	-	-	-	-
Actuarial Losses/(Gains)	-	(1,313,643)	-	(484,369)	-	-	-	-	-	-
Assumption Changes	(109,857)	(1,598,105)	(730,613)	741,171	435,246	78,265	-	-	-	-
Benefit Payments	(166,050)	(259,127)	(250,364)	(233,985)	(205,736)	(191,382)	-	-	-	-
Net Change in Total OPEB Liability	102,570	(2,587,035)	(383,913)	569,280	736,058	366,746	-	-	-	-
Total OPEB Liability - Beginning	3,490,781	6,077,816	6,461,729	5,892,449	5,156,391	4,789,645	-	-	-	-
Total OPEB Liability - Ending (a)	3,593,351	3,490,781	6,077,816	6,461,729	5,892,449	5,156,391	-	-	-	-
PLAN FIDUCIARY NET POSITION										
Employer Contributions	166,050	259,127	250,364	233,985	205,736	191,382	-	-	-	-
Employee Contributions	-	-	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments	(166,050)	(259,127)	(250,364)	(233,985)	(205,736)	(191,382)	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-	-	-	-	-	-	-	-
Net OPEB Liability/(Asset) -Ending (a)-(b)	<u>\$3,593,351</u>	<u>\$3,490,781</u>	<u>\$6,077,816</u>	<u>\$6,461,729</u>	<u>\$5,892,449</u>	<u>\$5,156,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability										
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Valuation Payroll	<u>\$8,254,681</u>	<u>\$7,975,537</u>	<u>\$7,397,767</u>	<u>\$7,147,601</u>	<u>\$7,819,509</u>	<u>\$7,555,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability as a Percentage of Covered Valuation Payroll										
	43.53%	43.77%	82.16%	90.40%	75.36%	68.25%	0.00%	0.00%	0.00%	0.00%

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
MULTIYEAR SCHEDULE OF EMPLOYER PAID CONTRIBUTIONS -
POST RETIREMENT BENEFITS

LAST 10 CALENDAR YEARS

<u>YEAR ENDING APRIL 30,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u>	<u>COVERED VALUATION PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL</u>
2024	\$ 166,050	\$ 166,050	\$ -	\$ 8,254,681	2.01%
2023	259,127	259,127	-	7,975,537	3.25%
2022	250,364	250,364	-	7,397,767	3.38%
2021	233,985	233,985	-	7,147,601	3.27%
2020	205,736	205,736	-	7,819,509	2.63%
2019	191,382	191,382	-	7,555,081	2.53%

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO THE SCHEDULE OF POST RETIREMENT BENEFITS -
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS -
POST RETIREMENT BENEFITS

USED IN THE CALCULATION OF THE 2024 TOTAL OPEB LIABILITY

Methods and Assumptions Used to Determine the 2024 Total OPEB Liability:

Actuarial Cost Method The Actuarial Cost Method used in this valuation is the Entry Age Normal Actuarial Cost Method. Under this Method, a Normal Cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay.

Discount (Interest) Rate A discount rate of 3.77 percent was used as of May 1, 2023, and 4.12 percent as of April 30, 2024.

Salary Increase Salaries are assumed to increase at the rate of 3.5 percent per annum.

Monthly Health Plan Premium Costs (Blended)	Coverage	Traditional	Medical with HSA Plan
	Employee Only	\$ 930.22	\$ 784.21
	Employee/Spouse	1,934.91	1,631.21
	Employee/Child	1,767.44	1,490.01
	Employee/Family	2,697.68	2,274.25

*For valuation calculations, blended rates are adjusted to reflect the individual participant age through actuarial rate factors. The factors used are from the Society of Actuaries June 2013 report: "Health Care Costs - From Birth to Death".

Retiree Contributions Retirees contribute 100 percent of the average employer group cost. Disabled officers eligible for PSEBA benefits are 100 percent paid by the City.

Mortality Probabilities of death for participants were according to Pub-S base rates projected generationally using scale MP-2021 for Police. For all others the Pub G base rates projected generationally using scale MP-2021 was used.

Disability Sample rates by age are:

<u>Age</u>	<u>Police</u>	<u>Other Departments</u>	
		<u>Male</u>	<u>Female</u>
25	0.0003	0.0000	0.0000
35	0.0026	0.0001	0.0000
45	0.0059	0.0003	0.0001
55	0.0090	0.0007	0.0003
65	0.0115	0.0009	0.0006

60 percent of police disabilities are assumed to occur in the line of duty.

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO THE SCHEDULE OF POST RETIREMENT BENEFITS -
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS -
POST RETIREMENT BENEFITS

USED IN THE CALCULATION OF THE 2024 TOTAL OPEB LIABILITY

Methods and Assumptions Used to Determine the 2024 Total OPEB Liability Continued:

Withdrawal Representative withdrawal rates by age are:

<u>AGE</u>	<u>POLICE</u>
25	0.104%
35	0.031
45	0.015
55	0.015

Other Departments

<u>SERVICE</u>	<u>MALE</u>	<u>FEMALE</u>
0	0.245%	0.285%
1	0.195	0.222
2	0.150	0.178
3	0.130	0.145
4	0.103	0.118
5	0.088	0.103
6	0.073	0.085
7	0.070	0.080

<u>AGE</u>	<u>8 OR MORE YEARS OF SERVICE</u>
25	0.000% 8.000%
35	0.035 0.058
45	0.023 0.036
55	0.015 0.025

Retirement Representative rates of retirement are:

<u>POLICE</u>			<u>POLICE</u>		
<u>AGE</u>	<u>TIER I</u>	<u>TIER II</u>	<u>AGE</u>	<u>TIER I</u>	<u>TIER II</u>
50	0.15%	0.05%	60	0.25%	0.25%
51	0.15	0.05	61	0.25	0.25
52	0.20	0.05	62	0.25	0.25
53	0.20	0.05	63	0.25	0.25
54	0.20	0.05	64	0.25	0.25
55	0.25	0.40	65	1.00	1.00
56	0.25	0.25			
57	0.25	0.25			
58	0.25	0.25			
59	0.25	0.25			

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO THE SCHEDULE OF POST RETIREMENT BENEFITS -
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS -
POST RETIREMENT BENEFITS

USED IN THE CALCULATION OF THE 2024 TOTAL OPEB LIABILITY

Methods and Assumptions Used to Determine the 2024 Total OPEB Liability Continued:

Retirement

Other Departments:

AGE	TIER I				TIER II			
	REDUCED EARLY		NORMAL RETIREMENT		REDUCED EARLY		NORMAL RETIREMENT	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
55	0.071%	0.060%	0.370%	0.260%				
56	0.071	0.06	0.28	0.20				
57	0.071	0.06	0.21	0.17				
58	0.071	0.06	0.21	0.17				
59	0.071	0.06	0.23	0.19				
60			0.13	0.11				
61			0.13	0.10				
62			0.21	0.18	0.15%	0.13%	0.75%	0.75%
63			0.19	0.18	0.15	0.13	0.75	0.75
64			0.18	0.17	0.15	0.13	0.75	0.75
65			0.25	0.26	0.15	0.13	0.75	0.75
66			0.31	0.28	0.15	0.13	0.75	0.75
67			0.26	0.26			0.75	0.75
68			0.24	0.22			0.75	0.75
69			0.22	0.23			0.75	0.75
70			0.22	0.23			0.75	0.75
71			0.22	0.21			0.75	0.75
72			0.19	0.21			0.75	0.75
73			0.20	0.23			0.75	0.75
74			0.21	0.21			0.75	0.75
75			0.21	0.22			0.75	0.75
76			0.21	0.22			0.75	0.75
77			0.21	0.22			0.75	0.75
78			0.21	0.22			0.75	0.75
79			0.21	0.22			0.75	0.75
80			1.00	1.00			1.00	1.00

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO THE SCHEDULE OF POST RETIREMENT BENEFITS -
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS -
POST RETIREMENT BENEFITS

USED IN THE CALCULATION OF THE 2024 TOTAL OPEB LIABILITY

Methods and Assumptions Used to Determine the 2024 Total OPEB Liability Continued:

Participation 100 percent of employees currently enrolled in medical plans were assumed to participate in the retiree plan.

Spouse Information 50 percent of employees were assumed to have participating spouses. Females were assumed to be three years younger than males.

Health Care Cost Inflation Rates	<u>PERIOD</u>	<u>RATES</u>
	2024	6.50%
	2025	6.25%
	2026	6.00%
	2027	5.75%
	2028	5.50%
	2029	5.25%
	2030	5.00%
	2031 and after	4.50%

See independent auditor's report and notes to financial statements.

SUPPLEMENTARY INFORMATION

CITY OF FAIRVIEW HEIGHTS, ILLINIOS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

ASSETS

	<u>POLICE ESCROW</u>	<u>LOCAL POLICE ESCROW</u>	<u>LIBRARY</u>	<u>HOTEL AND MOTEL TAX</u>	<u>STATE MOTOR FUEL TAX</u>	<u>OPEB</u>	<u>WEST TIF NO. 4</u>	<u>TIF NO. 5 LUDWIG DRIVE</u>	<u>TIF NO. 6 IL RTE 159</u>	<u>TOTALS</u>
ASSETS:										
Cash and Cash Equivalents	\$ 373,886	\$ 335,875	\$ 216,633	\$ 1,142,822	\$ 1,806,617	\$ 958,567	\$ -	\$ -	\$ -	\$4,834,400
Certificates of Deposit	-	-	278,560	214,254	375,669	-	-	-	-	868,483
Receivables	-	-	-	117,380	60,084	-	69,068	5,321	-	251,853
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	178,770	28,270	-	207,040
Total Assets	<u>\$ 373,886</u>	<u>\$ 335,875</u>	<u>\$ 495,193</u>	<u>\$ 1,474,456</u>	<u>\$ 2,242,370</u>	<u>\$ 958,567</u>	<u>\$ 247,838</u>	<u>\$ 33,591</u>	<u>\$ -</u>	<u>\$6,161,776</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

LIABILITIES:										
Accounts Payable	\$ -	\$ -	\$ 1,188	\$ -	\$ 6,634	\$ -	\$ -	\$ -	\$ 3,711	\$ 11,533
Accrued Payroll	-	-	16,669	-	-	-	-	-	-	16,669
Due to Other Funds	-	-	-	-	-	-	-	127,093	1,025	128,118
Total Liabilities	-	-	17,857	-	6,634	-	-	127,093	4,736	156,320
DEFERRED INFLOWS OF RESOURCES:										
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	69,068	5,321	-	74,389
Total Deferred Inflows of Resources	-	-	-	-	-	-	69,068	5,321	-	74,389
FUND BALANCE:										
Restricted for:										
Infrastructure	-	-	-	-	2,235,736	-	-	-	-	2,235,736
Special Revenue Funds	-	-	-	-	-	-	178,770	-	-	178,770
Assigned:										
Special Revenue Funds	373,886	335,875	477,336	1,474,456	-	958,567	-	-	-	3,620,120
Unassigned:										
Special Revenue Funds	-	-	-	-	-	-	-	(98,823)	(4,736)	(103,559)
Total Fund Balance (Deficit)	<u>373,886</u>	<u>335,875</u>	<u>477,336</u>	<u>1,474,456</u>	<u>2,235,736</u>	<u>958,567</u>	<u>178,770</u>	<u>(98,823)</u>	<u>(4,736)</u>	<u>5,931,067</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 373,886</u>	<u>\$ 335,875</u>	<u>\$ 495,193</u>	<u>\$ 1,474,456</u>	<u>\$ 2,242,370</u>	<u>\$ 958,567</u>	<u>\$ 247,838</u>	<u>\$ 33,591</u>	<u>\$ -</u>	<u>\$6,161,776</u>

See notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) -
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

	POLICE ESCROW	LOCAL POLICE ESCROW	LIBRARY	HOTEL AND MOTEL TAX	STATE MOTOR FUEL TAX	OPEB	WEST TIF #4	TIF #5 LUDWIG DRIVE	TIF #6 IL RTE 159	TOTALS
REVENUES:										
Motor Fuel Tax	\$ -	\$ -	\$ -	\$ -	\$ 848,018	\$ -	\$ -	\$ -	\$ -	\$ 848,018
Hotel and Motel Taxes	-	-	-	522,470	-	-	-	-	-	522,470
Property Taxes	-	-	-	-	-	-	52,858	-	-	52,858
Food and Beverage Tax	-	-	-	-	-	-	-	-	-	-
Use Tax	-	-	-	-	-	-	-	-	-	-
Fines and Fees	100,258	50,180	58,548	-	-	-	-	-	-	208,986
Donations	-	-	1,781	-	-	-	-	-	-	1,781
Interest Income	19,049	17,695	10,544	145,833	99,845	11,047	526	-	-	304,539
OPEB Insurance Contributions	-	-	-	-	-	172,574	-	-	-	172,574
Miscellaneous	-	-	93	-	-	-	-	-	-	93
Total Revenues	<u>119,307</u>	<u>67,875</u>	<u>70,966</u>	<u>668,303</u>	<u>947,863</u>	<u>183,621</u>	<u>53,384</u>	<u>-</u>	<u>-</u>	<u>2,111,319</u>
EXPENDITURES:										
General Government										
Administration Department	-	-	-	146,172	-	-	-	-	-	146,172
Clerk's Department	-	-	-	-	-	27,809	-	-	-	27,809
Public Safety										
Police	55,378	6,581	-	-	-	-	-	-	-	61,959
Streets and Public Works										
Public Works Maintenance	-	-	-	-	1,072,077	-	-	-	-	1,072,077
Tax Increment Financing	-	-	-	-	-	-	2,750	1,200	1,200	5,150
Culture and Recreation										
Parks	-	-	-	43,069	-	-	-	-	-	43,069
Tourism	-	-	-	145,778	-	-	-	-	-	145,778
Library	-	-	627,694	-	-	-	-	-	-	627,694
Debt Service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Capital Outlay	<u>30,056</u>	<u>30,850</u>	<u>-</u>	<u>-</u>	<u>19,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,487</u>
Total Expenditures	<u>85,434</u>	<u>37,431</u>	<u>627,694</u>	<u>335,019</u>	<u>1,091,658</u>	<u>27,809</u>	<u>2,750</u>	<u>1,200</u>	<u>1,200</u>	<u>2,210,195</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>33,873</u>	<u>30,444</u>	<u>(556,728)</u>	<u>333,284</u>	<u>(143,795)</u>	<u>155,812</u>	<u>50,634</u>	<u>(1,200)</u>	<u>(1,200)</u>	<u>(98,876)</u>
OTHER FINANCING SOURCES:										
Transfer In	-	-	558,305	-	-	-	5,266	-	-	563,571
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>558,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,266</u>	<u>-</u>	<u>-</u>	<u>563,571</u>
Net Change in Fund Balance	33,873	30,444	1,577	333,284	(143,795)	155,812	55,900	(1,200)	(1,200)	464,695
Fund Balance (Deficit), Beginning of Year	<u>340,013</u>	<u>305,431</u>	<u>475,759</u>	<u>1,141,172</u>	<u>2,379,531</u>	<u>802,755</u>	<u>122,870</u>	<u>(97,623)</u>	<u>(3,536)</u>	<u>5,466,372</u>
Funds Balance (Deficit), End of Year	<u>\$ 373,886</u>	<u>\$ 335,875</u>	<u>\$ 477,336</u>	<u>\$ 1,474,456</u>	<u>\$ 2,235,736</u>	<u>\$ 958,567</u>	<u>\$ 178,770</u>	<u>\$ (98,823)</u>	<u>\$ (4,736)</u>	<u>\$ 5,931,067</u>

See notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINIOS
COMBINING BALANCE SHEET - ALL GENERAL FUND ACCOUNTS
APRIL 30, 2024

ASSETS

	GENERAL	PARKS PROGRAMS	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
ASSETS:						
Cash and Cash Equivalents	\$ 13,198,913	\$ 219,436	\$ 666,237	\$ 16,184	\$ 920,243	\$ 15,021,013
Certificates of Deposit	-	-	-	-	-	-
Prepaid Insurance	293,352	-	-	-	-	293,352
Receivables	3,033,748	-	-	-	-	3,033,748
Due From Other Funds	160,452	-	-	-	-	160,452
Restricted Cash and Cash Equivalents	78,725	-	-	-	-	78,725
Total Assets	<u>\$ 16,765,190</u>	<u>\$ 219,436</u>	<u>\$ 666,237</u>	<u>\$ 16,184</u>	<u>\$ 920,243</u>	<u>\$ 18,587,290</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

LIABILITIES:						
Accounts Payable	\$ 98,225	\$ -	\$ -	\$ -	\$ -	\$ 98,225
Accrued Payroll	379,298	-	-	-	-	379,298
Due to Other Funds	-	-	69,476	-	-	69,476
Total Liabilities	<u>477,523</u>	<u>-</u>	<u>69,476</u>	<u>-</u>	<u>-</u>	<u>546,999</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	<u>18,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,133</u>
Total Deferred Inflows of Resources	<u>18,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,133</u>
FUND BALANCE:						
Nonspendable	293,352	-	-	-	-	293,352
Restricted for:						
Rebate and Financing Agreements	78,725	-	-	-	-	78,725
Unassigned						
General Funds	<u>15,897,457</u>	<u>219,436</u>	<u>596,761</u>	<u>16,184</u>	<u>920,243</u>	<u>17,650,081</u>
Total Fund Balance	<u>16,269,534</u>	<u>219,436</u>	<u>596,761</u>	<u>16,184</u>	<u>920,243</u>	<u>18,022,158</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 16,765,190</u>	<u>\$ 219,436</u>	<u>\$ 666,237</u>	<u>\$ 16,184</u>	<u>\$ 920,243</u>	<u>\$ 18,587,290</u>

See notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED APRIL 30, 2024

	GENERAL	PARKS PROGRAM	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
REVENUES:						
Sales Taxes	\$ 8,629,104	\$ -	\$ -	\$ -	\$ -	\$ 8,629,104
Food and Beverage Taxes	644,578	-	-	-	-	644,578
Home Rule Taxes	4,563,856	-	-	-	-	4,563,856
Income Taxes	2,780,219	-	-	-	-	2,780,219
Property Taxes	47,312	-	-	-	-	47,312
Use Taxes	630,105	-	-	-	-	630,105
Cannabis Taxes	556,437	-	-	-	-	556,437
Hotel and Motel Taxes	398,316	-	-	-	-	398,316
Utility/Franchise Taxes	1,535,834	-	-	-	-	1,535,834
Video Game Taxes	349,566	-	-	-	-	349,566
Licenses and Permits	377,374	-	-	-	-	377,374
Grant	889,846	-	-	-	-	889,846
Fines and Fees	239,006	-	-	-	-	239,006
Donations	-	-	-	6,996	-	6,996
Interest Income	306,739	6,476	44	810	13,398	327,467
Miscellaneous	279,874	-	-	-	-	279,874
Total Revenues	<u>22,228,166</u>	<u>6,476</u>	<u>44</u>	<u>7,806</u>	<u>13,398</u>	<u>22,255,890</u>
EXPENDITURES:						
Current						
General Government						
Mayor's Department	356,413	-	-	-	-	356,413
Clerk's Department	529,322	-	-	-	-	529,322
Finance Department	448,982	-	-	-	-	448,982
Administration Department	1,309,194	-	-	-	-	1,309,194
Municipal Complex	742,665	-	-	-	-	742,665
Public Safety						
Police	10,898,268	-	-	2,600	-	10,900,868
Emergency Services and Disaster Agency	41,045	-	-	-	-	41,045
Streets and Public Works						
Engineering/Streets	1,232,549	-	-	-	-	1,232,549
Public Works Maintenance	692,876	-	-	-	-	692,876
Land use and Development	1,001,663	-	-	-	-	1,001,663
Culture and Recreation						
Parks	1,509,289	-	-	-	-	1,509,289
Library	154,505	-	-	-	-	154,505
Capital Outlay	34,500	-	-	-	-	34,500
Total Expenditures	<u>18,951,271</u>	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>-</u>	<u>18,953,871</u>
Excess (Deficiency) of Revenues Over Expenditures (Carried Forward)						
	<u>\$ 3,276,895</u>	<u>\$ 6,476</u>	<u>\$ 44</u>	<u>\$ 5,206</u>	<u>\$ 13,398</u>	<u>\$ 3,302,019</u>

See notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED APRIL 30, 2024

	GENERAL	PARKS PROGRAM	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
Excess (Deficiency) of Revenues Over Expenditures (Brought Forward)	\$ 3,276,895	\$ 6,476	\$ 44	\$ 5,206	\$ 13,398	\$ 3,302,019
OTHER FINANCING SOURCES (USES):						
Transfers Out	(672,562)	-	-	-	-	(672,562)
Transfers In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(672,562)	-	-	-	-	(672,562)
Net Change in Fund Balances	2,604,333	6,476	44	5,206	13,398	2,629,457
Fund Balances, Beginning of Year	13,665,201	212,960	596,717	10,978	906,845	15,392,701
Fund Balances, End of Year	\$ 16,269,534	\$ 219,436	\$ 596,761	\$ 16,184	\$ 920,243	\$ 18,022,158

See notes to financial statements.

COMPLIANCE AUDIT



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and the City Council
City of Fairview Heights, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fairview Heights, Illinois (the "City") as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Fairview Height's basic financial statements and have issued our report thereon dated December 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Fairview Height's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Fairview Height's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Fairview Height's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described below, that we consider to be significant deficiencies.

2024-001: The City does not have personnel or staff with sufficient training or expertise to ensure that the City's financial statements are prepared in accordance with generally accepted accounting principles and include all required disclosures.

2024-002: The City does not have personnel or staff with sufficient training or expertise to ensure that the proper accounting entries are made for depreciation and fixed asset recording.

To the Honorable Mayor and the City Council
City of Fairview Heights, Illinois

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Fairview Height's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Fairview Height's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Fairview Height's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City of Fairview Height's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Scheffel Boyle

SCHEFFEL BOYLE
Belleville, Illinois

December 11, 2024

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Fairview Heights, Illinois.
2. There were two significant deficiencies disclosed during the audit of the financial statements and they are reported below. No material weaknesses were reported.
3. There were no instances of noncompliance material to the financial statements of the City of Fairview Heights.

Findings related to the financial statements which are required to be reported in accordance with GAGAS:

Finding No. 2024-1

Condition: The City relies upon its external auditors to assist in the preparation of the City's financial statements and all required disclosures in accordance with generally accepted accounting principles.

Criteria: The City should be able to prepare its own financial statements and all required disclosures in accordance with generally accepted accounting principles.

Cause: This occurs due to the fact that the City does not have on staff someone with the expertise to prepare the financial statements and all required disclosures in accordance with generally accepted accounting principles.

Effect: Inaccurate or incomplete financial statements could be issued to the public and other third parties due to this lack of expertise.

Recommendation: The City should consider the costs and benefits of hiring staff with expertise or contracting with an outside Certified Public Accounting firm to ensure the City's annual financial statements are prepared in accordance with generally accepted accounting principles and all the required disclosures.

Management's Response: The City will consider the economic feasibility of retaining an employee or an outside Certified Public Accountant to prepare the statements and note disclosures.

Finding No. 2024-2

Condition: The City does not maintain a depreciation schedule or record fixed assets.

Criteria: The City should prepare a depreciation schedule and make the necessary journal entries to record capital activity.

Cause: This occurs due to the fact that the City does not have a fixed asset software and they do not have on staff someone with sufficient training or expertise to ensure that the proper accounting entries are made for depreciation and fixed asset recording.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Effect: With no capital activity recorded, inaccurate, or incomplete financial statements could be issued to the public and other third parties.

Recommendation: The City should consider the costs and benefits of obtaining fixed asset software and as well as hiring staff with expertise to ensure the City's financial statements encompass the fixed asset recording.

Management's Response: The City will consider the economic feasibility of obtaining fixed asset software and retaining an employee to prepare the necessary adjustments related to fixed asset recordkeeping.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2023

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Fairview Heights, Illinois.
2. There were two significant deficiencies disclosed during the audit of the financial statements and they are reported below. No material weaknesses were reported.
3. There was one instance of noncompliance material to the financial statements of the City of Fairview Heights, Illinois was disclosed during the audit and is reported below.

Findings related to the financial statements which are required to be reported in accordance with GAGAS:

Finding No. 2023-1

Condition: The City relies upon its external auditors to assist in the preparation of the City's financial statements and all required disclosures in accordance with generally accepted accounting principles.

Criteria: The City should be able to prepare its own financial statements and all required disclosures in accordance with generally accepted accounting principles.

Cause: This occurs due to the fact that the City does not have on staff someone with the expertise to prepare the financial statements and all required disclosures in accordance with generally accepted accounting principles.

Effect: Inaccurate or incomplete financial statements could be issued to the public and other third parties due to this lack of expertise.

Recommendation: The City should consider the costs and benefits of hiring staff with expertise or contracting with an outside Certified Public Accounting firm to ensure the City's annual financial statements are prepared in accordance with generally accepted accounting principles and all the required disclosures.

Management's Response: The City will consider the economic feasibility of retaining an employee or an outside Certified Public Accountant to prepare the statements and note disclosures.

Finding No. 2023-2

Condition: The City does not maintain a depreciation schedule or record fixed assets.

Criteria: The City should prepare a depreciation schedule and make the necessary journal entries to record capital activity.

Cause: This occurs due to the fact that the City does not have a fixed asset software and they do not have on staff someone with sufficient training or expertise to ensure that the proper accounting entries are made for depreciation and fixed asset recording.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Effect: With no capital activity recorded, inaccurate, or incomplete financial statements could be issued to the public and other third parties.

Recommendation: The City should consider the costs and benefits of obtaining fixed asset software and as well as hiring staff with expertise to ensure the City's financial statements encompass the fixed asset recording.

Management's Response: The City will consider the economic feasibility of obtaining fixed asset software and retaining an employee to prepare the necessary adjustments related to fixed asset recordkeeping.

Finding No. 2023-3

Condition: The City submitted expenditures on their annual Project and Expenditure (P & E) report that did not agree to the actual expenditures for the fiscal year.

Criteria: The City should report the same amount of expenditures on their annual Project and Expenditure (P & E) report as actual expenditures incurred and included in the financial statements.

Cause: This occurred due to an oversight by management.

Effect: Inaccurate or incomplete financial reporting to granting agencies could result in the City becoming ineligible to receive federal funds.

Recommendation: The City should report the same amount of expenditures on the annual Project and Expenditure (P & E) report as actual expenditures incurred and reported in the financial statements.

Management's Response: The finding for this audit was due to a one-time contribution of the American Rescue Plan Act (ARPA) funds. It is not anticipated that such a contribution will happen again. However, the City will ensure expenditures on the annual Project and Expenditure (P & E) report will agree to the amount of expenditures reported in the financial statements.