CITY OF FAIRVIEW HEIGHTS, ILLINOIS

UNIT CODE 088-060-30

REPORT AND ANNUAL
FINANCIAL STATEMENTS

APRIL 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

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, 2021, 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.

Other Matters

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 49 to 82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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.

The combining and individual non-major fund financial statements and the combining general fund accounts are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021, on our consideration of the City of Fairview Heights, Illinois's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Fairview Heights, Illinois's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Fairview Heights, Illinois's internal control over financial reporting and compliance.

Scheffel Boyle

SCHEFFEL BOYLE
Belleville, Illinois

November 10, 2021

FINANCIAL SECTION

EXHIBIT "A"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2021

ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 8,518,296	
Certificates of Deposit	403,848	
Prepaid Insurance	463,047	
Due from Fiduciary Fund	172,651	
Receivables	5,900,147	
Restricted Cash and Cash Equivalents	6,505,185	
Total Current Assets		$ 21,963,174
NONCURRENT ASSETS:		
Capital Assets, Net	83,359,078	
Total Noncurrent Assets		83,359,078
Total Assets		105,322,252
DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions and OPEB	6,899,494	
Total Deferred Outflows of Resources		6,899,494
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	949,515	
Accrued Payroll	335,140	
Accrued Interest Payable	129,281	
Bonds Payable, Current	488,668	
Total Current Liabilities		1,902,604
NONCURRENT LIABILITIES:		
Compensated Absences, Noncurrent	657,284	
Other Postemployment Benefit Obligation	6,461,729	
Bonds Payable, Noncurrent	16,453,759	
Net Pension Liability	13,218,406	
Total Noncurrent Liabilities		36,791,178
Total Liabilities		38,693,782
DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Tax	1,104,731	
Related to Pensions and OPEB	11,577,729	
Total Deferred Inflows of Resources		12,682,460
NET POSITION		
Net Investment in Capital Assets	66,416,651	
Restricted Net Position	10,676,380	
Unrestricted Net Position	(16,247,527)	
Total Net Position		$ 60,845,504

See accompanying notes to financial statements.

EXHIBIT "B"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2021

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
FUNCTIONS/PROGRAMS:					
Governmental Activities					
General Government					
Executive Department	$ 2,709,055	$ 241,024	$ -	$ -	$ (2,468,031)
Municipal Complex	592,495	70,603	-	-	(521,892)
Public Safety					
Police	8,203,929	435,821	899,192	-	(6,868,916)
Emergency Services and Disaster Agency	51,294	-	-	-	(51,294)
Street and Public Works					
Motor Fuel Tax	-	-	1,212,471	-	(1,212,471)
Engineering/Streets	2,523,197	-	-	-	(2,523,197)
Public Works Maintenance	967,537	-	-	-	(967,537)
Land Use and Development	621,476	197,425	-	-	(424,051)
Sales Tax Rebates	1,054,072	-	-	-	(1,054,072)
Tax Increment Financing	99,501	-	-	-	(99,501)
Culture and Recreation					
Parks	1,057,517	13,290	-	-	(1,044,227)
Library	596,242	46,206	915	-	(549,121)
Tourism	77,751	-	-	-	(77,751)
Recreation	1,357,174	572,393	-	-	(784,781)
Interest on Long-Term Debt	637,264	-	-	-	(637,264)
Total Governmental Activities	$ 20,548,504	$ 1,576,762	$ 2,112,578	$ -	$ (16,859,164)
GENERAL REVENUES:					
Taxes					
Sales Tax					6,951,815
Home Rule Tax					5,660,923
Food and Beverage Tax					1,748,224
Hotel and Motel Tax					485,959
State Income Tax					2,072,482
Use Tax					866,166
Property Tax					1,073,165
Franchise Tax					706,319
Business District Tax					42,196
Video Game Tax					130,541
Investment Earnings					33,866
Miscellaneous					30,733
Total General Revenues					19,802,389
Change in Net Position					2,943,225
Net Position, Beginning of Year					57,902,279
Net Position, End of Year					$ 60,845,504

See accompanying notes to financial statements.

EXHIBIT "C"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2021

ASSETS	GENERAL	HOME RULE	RECREATION CENTER	TAX REBATES	TIF #1 BUNKUM ROAD	TIF #2 SHOPPES OF ST. CLAIR	TIF #3 LINCOLN TRAIL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and Cash Equivalents	$ 1,675,728	$ 1,441,312	812,051	$ -	$ -	$ -	$ -	$ 4,589,205	$ 8,518,296
Certificates of Deposit	-	-	-	-	-	-	-	403,848	403,848
Prepaid Insurance	463,047	-	-	-	-	-	-	-	463,047
Receivables	2,608,166	1,476,543	-	329,187	319,626	334,997	436,473	395,155	5,900,147
Due from Other Funds	2,429,637	-	-	-	3,075	5,916	14,625	88,251	2,541,504
Due from Fiduciary Fund	172,651	-	-	-	-	-	-	-	172,651
Restricted Cash and Cash Equivalents	154,703	116,019	-	-	2,204,199	1,684,961	2,241,760	103,543	6,505,185
Total Assets	$ 7,503,932	$ 3,033,874	812,051	$ 329,187	$ 2,526,900	$ 2,025,874	$ 2,692,858	$ 5,580,002	$ 24,504,678
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES:									
Accounts Payable	$ 246,976	$ 115,022	29,719	$ 538,497	$ -	$ -	$ -	$ 19,301	$ 949,515
Accrued Payroll	309,031	-	15,382	-	-	-	-	10,727	335,140
Due to Other Funds	81,703	506,932	927,022	-	-	-	427,503	598,344	2,541,504
Total Liabilities	637,710	621,954	972,123	538,497	-	-	427,503	628,372	3,826,159
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Property Taxes	17,004	-	-	-	319,626	334,997	404,626	28,478	1,104,731
Total Deferred Inflows of Resources	17,004	-	-	-	319,626	334,997	404,626	28,478	1,104,731
FUND BALANCES:									
Nonspendable	463,047	-	-	-	-	-	-	-	463,047
Restricted for:									
Rebate and Financing Agreements	154,703	116,019	-	-	-	-	-	-	270,722
Infrastructure	-	-	-	-	-	-	-	1,824,362	1,824,362
Special Revenue Funds	-	2,295,901		-	2,207,274	1,690,877	1,860,729	63,468	8,118,249
Assigned	-	-	-	-	-	-	-	3,140,210	3,140,210
Unassigned:									
General Funds	6,231,468	-	-	-	-	-	-	-	6,231,468
Special Revenue Funds	-	-	(160,072)	(209,310)	-	-	-	(104,888)	(474,270)
Total Fund Balances	6,849,218	2,411,920	(160,072)	(209,310)	2,207,274	1,690,877	1,860,729	4,923,152	19,573,788
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,503,932	$ 3,033,874	812,051	$ 329,187	$ 2,526,900	$ 2,025,874	$ 2,692,858	$ 5,580,002	$ 24,504,678

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, 2021

Total Fund Balance - Total Governmental Funds		$ 19,573,788
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of $135,923,401 net of accumulated depreciation of $52,564,323 are not financial resources, and therefore, are not reported in the funds.		83,359,078
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, 2021, were:		
Compensated Absences	$ (657,284)	
Accrued Interest on Bonds Payable	(129,281)	
Other Post Employment Benefit Obligation	(6,461,729)	
Net Pension Liability	(13,218,406)	
Bonds Payable	(16,942,427)	
		(37,409,127)
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)		6,899,494
Deferred Inflows of Resources (related to pensions and OPEB)		(11,577,729)
Net Position of Governmental Activities		$ 60,845,504

See accompanying notes to financial statements.

EXHIBIT "E"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2021

	GENERAL	HOME RULE	RECREATION CENTER	TAX REBATES	TIF #1 BUNKUM ROAD	TIF #2 SHOPPES OF ST. CLAIR	TIF #3 LINCOLN TRAIL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:									
Sales Taxes	$ 6,536,137	$ -	$ -	$ 415,678	$ -	$ -	$ -	$ -	$ 6,951,815
Food and Beverage Taxes	500,000	-	-	-	-	-	-	1,248,224	1,748,224
Home Rule Taxes	2,533,097	2,741,279	-	386,547	-	-	-	-	5,660,923
Income Taxes	2,072,482	-	-	-	-	-	-	-	2,072,482
Property Taxes	29,249	-	-	-	310,556	322,077	378,320	32,963	1,073,165
Use Taxes	866,166	-	-	-	-	-	-	-	866,166
Hotel and Motel Taxes	-	-	-	-	-	-	-	485,959	485,959
Utility/Franchise Taxes	706,319	-	-	-	-	-	-	-	706,319
Video Game Taxes	130,541	-	-	-	-	-	-	-	130,541
Motor Fuel Taxes	-	-	-	-	-	-	-	1,212,471	1,212,471
Business District Taxes	-	-	-	42,196	-	-	-	-	42,196
Licenses and Permits	295,549	-	-	-	-	-	-	-	295,549
Grant	898,992	-	-	-	-	-	-	-	898,992
Fines and Fees	215,185	-	572,393	-	-	-	-	198,493	986,071
Rental	70,603	-	-	-	-	-	-	-	70,603
Donations	200	-	-	-	-	-	-	915	1,115
Interest Income	4,066	4,222	-	338	5,506	4,018	5,568	10,148	33,866
OPEB Insurance Contributions	-	-	-	-	-	-	-	142,840	142,840
Miscellaneous	109,782	-	-	-	-	-	-	2,650	112,432
Total Revenues	14,968,368	2,745,501	572,393	844,759	316,062	326,095	383,888	3,334,663	23,491,729
EXPENDITURES:									
Current									
General Government									
Mayor's Department	356,406	-	-	-	-	-	-	-	356,406
Clerk's Department	608,587	-	-	-	-	-	-	39,960	648,547
Finance Department	364,819	-	-	-	-	-	-	-	364,819
Administration Department	1,434,190	-	-	-	-	-	-	-	1,434,190
Municipal Complex	550,210	-	-	-	-	-	-	-	550,210
Public Safety									
Police	7,682,109	-	-	-	-	-	-	68,396	7,750,505
Emergency Services and									-
Disaster Agency	46,376	-	-	-	-	-	-	-	46,376
Streets and Public Works									
Engineering/Streets	1,089,786	37,596	-	-	-	-	-	-	1,127,382
Public Works Maintenance	530,837	-	-	-	-	-	-	472,957	1,003,794
Land Use and Development	706,719	-	-	-	-	-	-	-	706,719
Sales Tax Rebates	-	-	-	1,054,072	-	-	-	-	1,054,072
Tax Increment Financing	-	-	-	-	4,025	2,275	91,440	1,761	99,501
Culture and Recreation									
Parks	1,117,714	-	-	-	-	-	-	-	1,117,714
Library	92,502	-	-	-	-	-	-	504,216	596,718
Tourism	-	-	-	-	-	-	-	1,708	1,708
Recreation Center	-	-	902,526	-	-	-	-	-	902,526
Debt Service									
Principal	-	-	-	-	-	-	-	740,000	740,000
Interest	-	-	-	-	-	-	-	643,119	643,119
Capital Outlay	42,624	167,195	89,172	-	-	-	-	59,240	358,231
Total Expenditures	14,622,879	204,791	991,698	1,054,072	4,025	2,275	91,440	2,531,357	19,502,537
Excess (Deficiency) of Revenues Over Expenditures	345,489	2,540,710	(419,305)	(209,313)	312,037	323,820	292,448	803,306	3,989,192
OTHER FINANCING SOURCES (USES):									
Transfers Out	(1,790,716)	-	-	-	-	-	-	-	(1,790,716)
Transfers In	1,299,996	-	-	-	31,056	32,206	37,829	389,629	1,790,716
Total Other Financing Sources (Uses)	(490,720)	-	-	-	31,056	32,206	37,829	389,629	-
Net Change in Fund Balances	(145,231)	2,540,710	(419,305)	(209,313)	343,093	356,026	330,277	1,192,935	3,989,192
Fund Balances, Beginning of Year	6,994,449	(128,790)	259,233	3	1,864,181	1,334,851	1,530,452	3,730,217	15,584,596
Fund Balances (Deficit), End of Year	$ 6,849,218	$ 2,411,920	$ (160,072)	$ (209,310)	$ 2,207,274	$ 1,690,877	$ 1,860,729	$ 4,923,152	$ 19,573,788

See accompanying notes to financial statements.

EXHIBIT "F"

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, 2021

Net Change in Fund Balances - Total Governmental Funds		$ 3,989,192
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 depreciation expense of $2,707,610 exceeded capital outlay of $358,231 in the current period.		(2,349,379)
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.		740,000
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	$ (35,054)	
Pension Income (Expense)	943,281	
Decrease in Accrued Interest	5,855	
Increase in Other Postemployment Benefit	(379,338)	
		534,744
Change in Net Position of Governmental Activities		$ 2,943,225

See accompanying notes to financial statements.

EXHIBIT "G"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
APRIL 30, 2021

ASSETS	PENSION TRUST FUND
Pooled Cash and Cash Equivalents	$ 3,517,080
Total Cash	3,517,080
Interest and Dividends Receivable	49,553
Investments, at Fair Value	
Common Stock	5,340,845
Mutual Funds	18,002,430
Government Securities/Fixed Income	10,527,323
Total Investments	33,870,598
Total Assets	$ 37,437,231
LIABILITIES	
Due to General Fund	172,651
Total Liabilities	$ 172,651
NET POSITION	
Held in Trust for Pension Benefits	$ 37,264,580

See accompanying notes to financial statements.

EXHIBIT "H"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
POLICE PENSION TRUST FUND
FOR THE YEAR ENDED APRIL 30, 2021

	PENSION TRUST FUND
ADDITIONS:	
Contributions	
Employer	$ 1,299,996
Plan Members	378,252
Total Contributions	1,678,248
Miscellaneous Income	698
Investment Income (Loss)	
Net Appreciation in Fair Value of Investments	8,627,831
Interest	231,565
Dividends	386,156
	9,245,552
Less: Investment Expense	122,553
Total Investment Income	9,122,999
Total Additions	10,801,945
DEDUCTIONS:	
Retirement Benefits	1,881,728
Disability	359,569
Refund of contribution	68,011
Administrative Expenses	31,688
Total Deductions	2,340,996
Change in Net Position	8,460,949
Beginning of Year	28,803,631
End of Year	$ 37,264,580

See accompanying notes to financial statements.

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)
- 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.

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.

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

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 fund 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:

FUND	BRIEF DESCRIPTION
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.
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 district.
TIF #3 Lincoln Trail	A fund established by the City to account for activities related to Lincoln Trail's tax increment financing district.

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 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.

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:

ASSET CLASS	ESTIMATED USEFUL LIVES
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:

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 or 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.

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 purpose 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 the authority.

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

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.

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

The 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

Effective May 1, 2020, the City adopted the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations (AROs)*, GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*

GASB Statement No. 83, *Certain Asset Retirement Obligations (AROs)*, establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in GASB Statement No. 83. The City has determined that asset retirement obligations are not significant to these financial statements.

GASB Statement No. 84, *Fiduciary Activities*, establishes standards of accounting and financial reporting for fiduciary activities. The statement establishes criteria for identifying fiduciary activities, focusing on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. The implementation of GASB Statement No. 84 had no impact on the financial statements of the City for the year ended April 30, 2021.

The objective of GASB Statement No. 88 is to improve the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The implementation of GASB Statement No. 88 resulted in changes to the long-term debt disclosure.

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS

As of April 30, 2021, the City had the following cash and investments:

Statement of Net Position	
Cash and Cash Equivalents	$ 8,518,296
Restricted Cash	6,504,041
Certificates of Deposits	403,848
	15,426,185
Fiduciary Fund	
Cash	3,517,080
Investments	33,870,598
	37,387,678
	$ 52,813,863

As of April 30, 2021, cash and investments consisted of the following:

INVESTMENTS	COST
Cash on Hand	$ 396
Deposits with Financial Institutions	18,942,869
Government Securities	7,148,254
Corporate Securities	3,379,069
Mutual Funds	18,002,430
Stocks	5,340,845
Total	$ 52,813,863

As of April 30, 2021, the Library Fund, a blended component unit of the City, had the following certificates of deposit:

INVESTMENTS	MATURITY	COST
Providence Bank - Certificate of Deposit	5/9/2021	$ 30,938
Providence Bank - Certificate of Deposit	7/9/2021	111,827
Providence Bank - Certificate of Deposit	11/1/2021	31,269
First Mid Bank & Trust- Certificate of Deposit	8/7/2022	116,609
First Mid Bank & Trust - Certificate of Deposit	3/25/2024	113,205
		$ 403,848

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 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 deposit of funds as provided by law.

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

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

At April 30, 2021, the book balance of the City's cash and investments was $15,426,185 and the bank balance was $15,415,738. Of the bank balance, $3,711,445 was covered by federal depository insurance and $11,704,293 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 trust and $-0- was uncollateralized.

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.

	REMAINING MATURITY				
INVESTMENT TYPE	12 MONTHS OR LESS	13 TO 24 MONTHS	25 TO 60 MONTHS	MORE THAN 60 MONTHS	TOTAL
Policemen's Pension					
U.S. Treasury Notes	$ 369,821	$ 2,609,445	$ 1,882,243	$ 1,458,450	$ 6,319,959
Federal Agency Securities	-	245,044	-	583,251	828,295
Corporate Securities	142,954	203,147	1,912,017	1,120,951	3,379,069
Mutual Funds	18,002,430	-	-	-	18,002,430
Stocks	5,340,845	-	-	-	5,340,845
Total	$ 23,856,050	$ 3,057,636	$ 3,794,260	$ 3,162,652	$ 33,870,598

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, 2021, for each investment type.

		RATINGS AS OF YEAR END				
INVESTMENT TYPE	TOTALS	EXEMPT FROM DISCLOSURE	AAA	AA	A	BBB
U.S. Treasury Notes	$ 6,319,959	$ 6,319,959	$ -	$ -	$ -	$ -
Federal Agency Securities	828,295	-	-	828,295	-	-
Corporate Securities	3,379,069	-	-	224,088	977,010	2,177,971
Mutual Funds	18,002,430	18,002,430	-	-	-	-
Stocks	5,340,845	5,340,845	-	-	-	-
Total	$ 33,870,598	$ 29,663,234	$ -	$ 1,052,383	$ 977,010	$ 2,177,971

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.

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

Asset allocation guidelines for the plan are as follows:

	MINIMUM	MAXIMUM
Equities	20 %	65 %
Fixed Income (Greater than One Year)	33	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	$ 5,340,845	$ 2,942,093
U.S. Treasury Notes	6,319,959	6,252,749
Federal Agencies	828,295	809,293
Corporate Bonds	3,379,069	3,302,638
Mutual Funds	18,002,430	13,757,373
	$ 33,870,598	$ 27,064,146

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, 2021.

NOTE 3. FAIR VALUE MEASUREMENT

Certificates of Deposit that are participating 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 measured at fair value on a recurring basis as of April 30, 2021:

	LEVEL 1	LEVEL 2	LEVELING NOT REQUIRED	TOTAL
Investments by Fair Value Level:				
U.S. Treasury Notes	$ 6,319,959	$ -	$ -	$ 6,319,959
Federal Agency Securities	-	828,295	-	828,295
Corporate Securities	-	3,379,069	-	3,379,069
Mutual Funds	18,002,430	-	-	18,002,430
Stocks	5,340,845	-	-	5,340,845
Total	$ 29,663,234	$ 4,207,364	$ -	$ 33,870,598

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, Corporate Securities, and Municipal 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. 2019 property taxes were payable in two installments; July 1, 2020 and September 1, 2020. 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 the 2019 and prior tax levies.

NOTE 5. CAPITAL ASSETS

Changes in Capital Assets

The following provides a summary of changes in capital assets:

	BALANCE AT MAY 1, 2020	ADDITIONS	RETIREMENTS	BALANCE AT APRIL 30, 2021
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 10,050,948	$ -	$ -	$ 10,050,948
Construction in Progress	399,509	-	-	399,509
Total Capital Assets Not Being Depreciated	10,450,457	-	-	10,450,457
Other Capital Assets				
Buildings	35,467,020	-	-	35,467,020
Other Improvements	3,985,439	167,670	-	4,153,109
Machinery and Equipment	10,509,512	109,967	(78,432)	10,541,047
Infrastructure	75,231,174	80,594	-	75,311,768
Total Other Capital Assets at Historical Costs	125,193,145	358,231	(78,432)	125,472,944
Sub-Total	$ 135,643,602	$ 358,231	$ (78,432)	$ 135,923,401
Less Accumulated Depreciation for				
Buildings	8,651,120	869,422	-	9,520,542
Other Improvements	2,822,011	132,581	-	2,954,592
Machinery and Equipment	8,923,799	346,340	(78,432)	9,191,707
Infrastructure	29,538,215	1,359,267	-	30,897,482
Total Accumulated Depreciation	49,935,145	2,707,610	(78,432)	52,564,323
Governmental Activities Capital Assets, Net	$ 85,708,457	$ (2,349,379)	$ -	$ 83,359,078

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	$ 41,451
Municipal Complex	89,465
Police Safety	
Police	258,008
EDSA	8,721
Street and Public Works	
Engineering/Streets	1,573,295
Public Works Maintenance	4,875
Culture and Recreation	
Parks	107,968
Recreation Center	501,180
Library	46,604
Tourism	76,043
Total Depreciation for Governmental Activities	$ 2,707,610

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, 2021:

DESCRIPTION AND PURPOSE	BALANCE MAY 1, 2020	ISSUED	RETIRED	BALANCE APRIL 30, 2021	DUE WITHIN ONE YEAR
Governmental Activities					
Compensated Absences	$ 622,226	$ 563,756	$ 528,698	$ 657,284	$ -
Direct Placement General Obligation Bonds	17,035,000	-	740,000	16,295,000	460,000
Bond Premiums	676,095	-	28,668	647,427	28,668
Total	$ 18,333,321	$ 563,756	$ 1,297,366	$ 17,599,711	$ 488,668

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

The City has direct placement general obligation debt service requirements at April 30, 2021, on bond issues as follows:

1. A general obligation bond issue of $2,630,000 dated January 1, 2011, provides for the serial retirement of the principal at varying rates over the life of the issue with final payment on January 1, 2021. Interest is payable on these bonds on January 1 and July 1 of each year at rates varying from 2 percent to 3.125 percent per annum with an average interest rate of 2.59 percent. The proceeds of this issue were used to advance refund $2,525,000 of General Obligation Bonds Series 2001 dated March 15, 2001. The full balance of this debt was paid off during the year ended April 30, 2021.

2. 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 to for the construction of the Recreation Center.

3. 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 to 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, 2021:

PAYABLE DURING THE YEAR ENDED	DIRECT PLACEMENT GENERAL OBLIGATION BOND SERIES DTD 11/9/17		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2022	$ 579,625	$ 240,000	$ 339,625
April 30, 2023	582,425	250,000	332,425
April 30, 2024	579,925	255,000	324,925
April 30, 2025	582,275	265,000	317,275
April 30, 2026	581,675	275,000	306,675
April 30, 2027 - 2031	2,927,775	1,570,000	1,357,775
April 30, 2032 - 2036	2,931,925	1,920,000	1,011,925
April 30, 2037 - 2041	2,939,350	2,360,000	579,350
April 30, 2042 - 2044	1,766,900	1,650,000	116,900
	$ 13,471,875	$ 8,785,000	$ 4,686,875

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

PAYABLE DURING THE YEAR ENDED	DIRECT PLACEMENT GENERAL OBLIGATION BOND SERIES DTD 2/27/18 TOTAL	PRINCIPAL	INTEREST
April 30, 2022	$ 500,926	$ 220,000	$ 280,926
April 30, 2023	499,326	225,000	274,326
April 30, 2024	497,576	230,000	267,576
April 30, 2025	500,676	240,000	260,676
April 30, 2026	498,476	245,000	253,476
April 30, 2027 - 2031	2,494,040	1,350,000	1,144,040
April 30, 2032 - 2036	2,488,726	1,625,000	863,726
April 30, 2037 - 2041	2,488,776	1,985,000	503,776
April 30, 2042 - 2044	1,494,156	1,390,000	104,156
	$ 11,462,678	$ 7,510,000	$ 3,952,678

PAYABLE DURING THE YEAR ENDED	TOTAL	ALL BONDS PRINCIPAL	INTEREST
April 30, 2022	$ 1,080,551	$ 460,000	$ 620,551
April 30, 2023	1,081,751	475,000	606,751
April 30, 2024	1,077,501	485,000	592,501
April 30, 2025	1,082,951	505,000	577,951
April 30, 2026	1,080,151	520,000	560,151
April 30, 2027 - 2031	5,421,815	2,920,000	2,501,815
April 30, 2032 - 2036	5,420,651	3,545,000	1,875,651
April 30, 2037 - 2041	5,428,126	4,345,000	1,083,126
April 30, 2042 - 2044	3,261,056	3,040,000	221,056
	$ 24,934,553	$ 16,295,000	$ 8,639,553

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/payables 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	
General Fund	Federal Police Escrow	$ 199
General Fund	Local Police Escrow	49,624
General Fund	Motor Fuel Tax	7,574
Recreation Center	General Fund	927,022
General Fund	TIF No. 1	3,075
General Fund	TIF No. 2	5,916
General Fund	TIF No. 3	14,625
General Fund	TIF No. 4	665
General Fund	TIF No. 5	24
TIF No. 3	General Fund	427,503
TIF No. 4	General Fund	14,490
TIF No. 5	General Fund	127,093
TIF No. 6	General Fund	1,025
Hotel/Motel	General Fund	424,417
Federal Police Escrow	Local Police Escrow	30,165
Federal Police Escrow	General Fund	1,154
Home Rule Fund	General Fund	506,933
		$ 2,541,504

DUE FROM	DUE TO	AMOUNT
Governmental Activities/Major		
Fiduciary Funds	Governmental Funds	
Police Pension Fund	General Fund/Police Pension Fund	$ 172,651

The following is a summary of transfers during the year ended April 30, 2021:

TRANSFER FROM	TRANSFER TO	AMOUNT
General Fund	Library	$ 386,333
General Fund	Police Pension	1,299,996
General Fund	TIF No. 1 Bunkum Road	31,056
General Fund	TIF No. 2 Shoppes of St. Clair	32,206
General Fund	TIF No. 3 Lincoln Trail	37,829
General Fund	TIF No. 4 FH West	3,191
General Fund	TIF No. 5 Ludwig	105
		$ 1,790,716

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

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 transfer to the Police Pension Fund was used to transfer revenue to the Police Pension Fund to cover the City's retirement contribution.

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.

The General Fund transfer to TIF No. 5 Ludwig as required by Illinois TIF Section 11-74.4-3 was used to reimburse TIF No. 5 Ludwig the additional 10 percent contribution for the current year and all prior years.

NOTE 8. TAX ABATEMENTS

Pursuant to Ordinance Number 1037-2001, and as subsequently amended, approving the Lincoln Place Phase II Businesses District Plan, the City authorized a sales tax rebate program with the developer (The Koman Group). The agreement calls for the City to pay the developer 80 percent of the sales tax collected from stores located in the development. The City pursuant to Ordinance 1079-2002 provided for the issuance of a developer note in the amount of $5,045,000 plus interest at 6.5 percent payable annually on April 28 for 20 years from the date of the note. The note was dated February 5, 2002, with the first installment to be paid April 2002. The City made a current payment of $749,823. 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, 2021, the amount of cash restricted for current and future payments under this agreement was $158,659. The developer (The Koman Group) sold the notes listed here underlying the sales tax rebate agreements to the Southwestern Illinois Development Authority (SWIDA) during the April 30, 2003, year. SWIDA issued bonds supported by the payment of the notes. The only change relating to the City based on this sale was a change in the location for the payments. The City's payments and all subsequent payments will be made to UMB Bank, NA, as trustee for the bond holder. 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.

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. Current year payment is payable in the amount of $220,861 as of April 30, 2021. 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, 2021, the amount of cash restricted for current and future payments under this agreement was $112,063.

NOTE 8. TAX ABATEMENTS (CONT'D)

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 $51,904 in fiscal year 2021 and a current year payment in the amount of $21,102 is payable as of April 30, 2021. 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 2021. 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, 2021, the amount of cash restricted was $1,684,962. 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 $24,874, and no amount is payable as of April 30, 2021.

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 $-0-. 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, 2021, the amount of cash restricted for current and future payments under this agreement was $2,241,760.

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

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, 2021, the City rebated property taxes totaling $25,000 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, 2021, the City rebated property taxes totaling $-0- under this agreement with a remaining balance of $25,000.

NOTE 10. LEASE REVENUE

The City has a lease agreement with Crown Castle International Corp. for rental of a parcel of property on which an antenna and equipment base is stationed. The terms of the agreement are based on five year increments. After each five year period, the next term will be automatically renewed for five years unless canceled by either party. Rent under this agreement will be paid monthly at a rate of $1,114 per month and increase at each renewal date as set forth in the contract.

The City has a lease agreement with AT&T Mobility for rental of a parcel of property on which communications equipment will be stationed. The terms of this agreement are based on five year increments. After each five year period, the next term will be automatically renewed for five years unless canceled by either party. Rent under this agreement will be paid in monthly increments of $829 and increase at each renewal date as set forth in the contract.

The City has a lease agreement with the Fountains at Fairview Heights L.L.C. for rental of a conference/convention center located in the Fountains of Fairview Development. This is a lease for 20 years and rent under this agreement is $1 due and payable on the first day of each year.

The City has a lease agreement with SIMAPC to lease office space on the second floor of the Fairview Heights municipal complex. This is a lease for three years and rent under this agreement is $1,350 per month.

The City has a lease agreement with the Fairview Heights Area Food Pantry, Inc. to lease an area in the north wing basement of the community room of the municipal building. This lease is renewed year to year and rent under this agreement is $1 due and payable on the first day of each year.

Minimal rentals on leases for the next five years are as follows:

5/1/21 - 4/30/22	$ 71,381
5/1/22 - 4/30/23	55,181
5/1/23 - 4/30/24	55,181
5/1/24 - 4/30/25	55,181
5/1/25 - 4/30/26	55,181

Several of the leases included in the balances shown in the previous schedule include rental amounts that are determined annually based on formulas prescribed in the individual lease agreements. The minimum future rentals for these leases were determined using the rates in effect at fiscal year-end.

NOTE 11. OPERATING LEASES

The City has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For the year ended April 30, 2021, rentals approximated $51,564 for such leases. These leases primarily support governmental activities.

Minimum rentals on leases for future years are as follows:

5/1/21 - 4/30/22	$ 23,122
5/1/22 - 4/30/23	21,076
5/1/23 - 4/30/24	8,910
5/1/24 - 4/30/25	1,920

NOTE 12. 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 $6,505,185 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 13. 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 may 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).

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.

NOTE 13. RETIREMENT PLANS (CONT'D)

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, 2020, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries Currently Receiving Benefits	88
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	93
Active Plan Members	72
Total	253

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 its own employees. The City's annual contribution rate for calendar year 2020 was 11.25 percent. For the calendar year December 31, 2020, the City contributed $453,987 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.

Net Pension Liability - The City's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

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 2020 valuation pursuant to an experience study from years 2017 to 2019.

NOTE 13. RETIREMENT PLANS (CONT'D)

The IMRF-specific rates for ***Mortality*** (for non-disabled retirees) were developed from 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 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-2020.

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-2020.

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

ASSET CLASS	PORTFOLIO TARGET PERCENTAGE	LONG-TERM EXPECTED REAL RATE OF RETURN
Domestic Equity	37 %	5.00 %
International Equity	18	6.00
Fixed Income	28	1.30
Real Estate	9	6.20
Alternative Investments	7	2.85-6.95
Cash Equivalents	1	0.70
Total	100 %	

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 2.00 percent, and the resulting single discount rate is 7.25 percent.

NOTE 13. RETIREMENT PLANS (CONT'D)

Changes in Net Pension Liability :

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY(ASSET) (A)-(B)
Balance at December 31, 2019	$ 31,551,107	$ 30,460,448	$ 1,090,659
Changes for the Year:			
Service Cost	441,957	-	441,957
Interest on the Total Pension Liability	2,235,989	-	2,235,989
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(77,666)	-	(77,666)
Changes of Assumptions	(204,884)	-	(204,884)
Contributions - Employer	-	453,987	(453,987)
Contributions - Employees	-	181,592	(181,592)
Net Investment Income	-	4,371,167	(4,371,167)
Benefit Payments, Including Refunds of Employee Contributions	(1,861,711)	(1,861,711)	-
Other (Net Transfer)	-	245,627	(245,627)
Net Changes	533,685	3,390,662	(2,856,977)
Balance at December 31, 2020	$ 32,084,792	$ 33,851,110	$ (1,766,318)

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)	$ 1,668,181	$ (1,766,318)	$ (4,492,297)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Relate to Pensions - For the year ended December 31, 2020, the City recognized pension benefit of $605,285. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 13. RETIREMENT PLANS (CONT'D)

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	$ 16,271	$ 64,096
Changes of Assumption	26,068	144,904
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,477,276	4,183,488
Total Deferred Amounts to Be Recognized in Pension Expense in Future Periods	1,519,615	4,392,488
Pension Contributions Made Subsequent to the Measurement Date	134,013	-
Total Deferred Amounts Related to Pensions	$ 1,653,628	$ 4,392,488

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
2021	$ (776,643)
2022	(417,289)
2023	(1,105,264)
2024	(439,664)
2025	-
Thereafter	-
Total	$ (2,738,860)

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 elected by the Membership and one retired member of the Police Department elected by the Membership.

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

Active plan members	44
Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	6
Total	84

NOTE 13. 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. Minimum 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.

Investments

Investment Policy - The following was the Board's adopted asset allocation policy as of April 30, 2021:

NOTE 13. RETIREMENT PLANS (CONT'D)

ASSET CLASS	TARGET ALLOCATION
Cash	4 %
US Short Term Investment Grade Bonds	8
US Investment Grade Bonds	22
US Large-Cap Value Stocks	16
US Large-Cap Growth Stocks	16
US Mid-Cap Core Stocks	8
US Small-Cap Core Stocks	8
International Equities	12
Emerging Markets	6
Total	100 %

Rate of Return **-** For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 31.65 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, 2021, were as follows:

Total Pension Liability	$ 52,249,303
Plan Fiduciary Net Position	(37,264,579)
Employer's Net Pension Liability	$ 14,984,724
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.32%

Actuarial Assumptions **-** The total pension liability was determined by an actuarial valuation as of May 1, 2021, 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-2020. Beneficiaries: PubS-2010 survivor mortality, projected five years past the valuation date with Scale MP-2020. Disabled lives: PubS-2010 disabled mortality, projected five years past the valuation date with Scale MP-2020. Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements.

NOTE 13. RETIREMENT PLANS (CONT'D)

The demographic assumptions used in the May 1, 2021, valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance dated October 20, 2021.

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, 2021, are summarized in the following table:

ASSET CLASS	LONG-TERM EXPECTED REAL RATE OF RETURN
Cash	0.60 %
US Short Term Investment Grade Bonds	0.60
US Investment Grade Bonds	1.00
US Large-Cap Value Stocks	5.30
US Large-Cap Growth Stocks	5.50
US Mid-Cap Core Stocks	5.80
US Small-Cap Core Stocks	5.10
International Equities	4.40
Emerging Markets	6.00

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 1.83 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.

NOTE 13. RETIREMENT PLANS (CONT'D)

Changes in Net Pension Liability:

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY
Balances at April 30, 2020	$ 50,734,465	$ 28,803,632	$ 21,930,833
Changes For a Year:			
Service Cost	954,130	-	954,130
Interest	3,284,706	-	3,284,706
Differences Between Expected and Actual Experience	(414,689)	-	(414,689)
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	1,299,996	(1,299,996)
Contributions - Employee	-	378,252	(378,252)
Contributions - Buy Back	-	-	-
Net Investment Income	-	9,123,697	(9,123,697)
Benefit Payments, Including Refunds of Employee Contributions	(2,309,309)	(2,309,309)	-
Administrative Expenses	-	(31,689)	31,689
Net Changes	1,514,838	8,460,947	(6,946,109)
Balances at April 30, 2021	$ 52,249,303	$ 37,264,579	$ 14,984,724

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	$ 22,626,974	$ 14,984,724	$ 8,761,257

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, 2021, the employer will recognize pension expense of $1,230,793. On April 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 13. RETIREMENT PLANS (CONT'D)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference Between Expected and Actual Experience	$ 1,273,893	$ 725,619
Changes of Assumptions	1,280,571	187,026
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,596,904	5,830,061
Total	$ 4,151,368	$ 6,742,706

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,	
2022	$ (636,008)
2023	(415,953)
2024	(529,620)
2025	(1,017,614)
2026	67,098
Thereafter	(59,241)
	$ (2,591,338)

NOTE 14. 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, 2021, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Inactive Participants Entitled to but Not Yet Receiving Benefits	12
Disabled Participants	5
Active Participants	97
Total	114

NOTE 14. 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 $886 per month for single coverage or $2,570 for family coverage of the actuarially determined premium to the plan if the retiree is non-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, 2021, retirees contributed $76,143, active employees contributed $248,070, and the City contributed $2,054,016.

Net OPEB Liability - The components of the net OPEB liability of the plan at April 30, 2021, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	$ 6,461,729
Plan Fiducary Net Position	-
Net OPEB Liability	$ 6,461,729
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%

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, 2021, using the following actuarial assumptions:

Salary Increases	3.50 percent
Investment Rate of Return	2.12 percent
20-year AA Municipal Bond Rate	2.91 percent
Mortality	RP-2014 Healthy Employee Table with MP 2020 projection
Healthcare Inflation	7.0 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 FIDICIARY NET POSITION	NET OPEB LIABILITY (ASSET)
Balance, May 1, 2020	$ 5,892,449	$ -	$ 5,892,449
Changes for the Year:			
Service Cost	378,397		378,397
Interest Cost	168,066		168,066
Differences Between Expected and Actual	(484,369)		(484,369)
Assumption Changes	741,171		741,171
Contributions - Employer		233,985	(233,985)
Benefit Payments	(233,985)	(233,985)	-
Net Changes	569,280	-	569,280
Balance, April 30, 2021	$ 6,461,729	$ -	$ 6,461,729

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

Discount Rate - The discount rate used to measure the total OPEB liability was 2.12 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 2.12 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	1.12%	$ 7,042,338
Current Discount Rate	2.12%	6,461,729
1% Increase	3.12%	5,921,337

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	6.00%	$5,652,080
Current Discount Rate	7.00%	6,461,729
1% Increase	8.00%	7,430,676

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 CONRIBUTED	NET OPEB OBLIGATION
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

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

The Net OPEB Obligation (NOPEBO) as of April 30, 2021, was calculated as follows:

Annual Required Contribution	$ 233,985
Interest on Net OPEB Obligation	168,066
Adjustment to Annual Required Contribution	401,214
Annual OPEB Cost	803,265
Contributions Made	233,985
Increase (Decrease) in Net OPEB Obligation	569,280
Net OPEB Obligation, Beginning of Year	5,892,449
Net OPEB Obligation, End of Year	$ 6,461,729

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, 2021, was as follows:

Actuarial Accrued Liability (AAL)	$ 6,461,729
Actuarial Value of Plan Assets	0.0%
Unfunded Actuarial Accrued Liability (UAAL)	$ 6,461,729
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Members)	$ 7,147,601
UAAL as a Percentage of Covered Payroll	90.40%

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, 2021, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included 2.12 percent investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 7.0 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.

Deferred Outflows and Deferred Inflows of Resources Related to OPEB - On April 30, 2021, the employer reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences Between Expected	$ -	$ 442,535
Actual Assumption Changes	1,094,498	-
Total	$ 1,094,498	$ 442,535

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

YEAR ENDED APRIL 30,	
2022	$ 66,860
2023	66,860
2024	66,860
2025	66,860
2026	66,860
Thereafter	317,663
Total	$ 651,963

NOTE 15. 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.

NOTE 15. 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 16. 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 17. 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.

NOTE 18. 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 2021.

NOTE 19. CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The resulting restrictions on travel and quarantines imposed have had a negative impact on the U.S. economy and business activity globally, the full impact of which is not yet known and may result in an adverse impact to the City's assets and operating results.

NOTE 20. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events through the date of November 10, 2021. From this evaluation, the following events were identified that met the criteria to be classified as a subsequent event subsequent to disclosure.

As part of the American Rescue Plan Act (ARPA), the City of Fairview Heights is eligible to receive $2,216,298 from the Coronavirus Local Fiscal Recovery (CLFR) Fund allotment for non-entitlement units of local government. The City of Fairview Heights has requested the funds, that will be paid in two annual installments, and is currently determining the best use of these funds as permitted. On September 2, 2021, $1,108,149 of the funds were received.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE "1"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE:				
Permits				
Building Permits	$ 75,000	$ 75,000	$ 40,153	$ (34,847)
Plumbing Permits	750	750	321	(429)
Electric Permits	3,500	3,500	4,710	1,210
Demo, Satellite, and Grade	1,000	1,000	60	(940)
Sign Permits	5,000	5,000	2,131	(2,869)
Building Maintenance Permits	50,000	50,000	47,636	(2,364)
Total Permits	135,250	135,250	95,011	(40,239)
Income Tax				
Income Tax	1,700,000	1,700,000	1,957,317	257,317
Utility Tax	-	-	375,852	375,852
Telecommunications Tax	-	-	17,440	17,440
Interest	35,000	15,000	4,066	(10,934)
Total Income Taxes	1,735,000	1,715,000	2,354,675	639,675
Miscellaneous Revenue				
Liquor Licenses	60,000	60,000	54,993	(5,007)
Miscellaneous	-	-	28,081	28,081
Total Miscellaneous Revenue	60,000	60,000	83,074	23,074
Other Taxes				
Food and Beverage Tax	1,000,000	500,000	500,000	-
Hotel and Motel Collection Tax	450,000	-	-	-
Video Gaming Tax	140,000	120,000	114,394	(5,606)
Total Other Taxes	1,590,000	620,000	614,394	(5,606)
Use Taxes				
Sales Tax	7,500,000	6,500,000	5,877,393	(622,607)
Home Rule Tax	4,406,792	3,406,792	2,533,097	(873,695)
Use Tax	500,000	500,000	777,325	277,325
Road and Bridge Allotments	45,000	45,000	29,419	(15,581)
Total Use Taxes	$ 12,451,792	$ 10,451,792	$ 9,217,234	$ (1,234,558)

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, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Grants				
Franchises	$ 300,000	$ 300,000	$ 228,388	$ (71,612)
Special Grants	50,000	50,000	898,992	848,992
Library Grant	-	-	-	-
E.S.D.A. Grant	8,000	8,000	-	(8,000)
Total Grants	358,000	358,000	1,127,380	769,380
Charges for Service				
School Resource Officer Duty	100,000	100,000	85,478	(14,522)
Police Reports	6,000	6,000	5,710	(290)
Use of Copy/Fax Equipment	250	250	61	(189)
Total Charges for Services	106,250	106,250	91,249	(15,001)
Police Revenue				
Police Fines	100,000	100,000	104,514	4,514
Residential Rental License Fee	100,000	100,000	82,775	(17,225)
Police Outside Employment	100,000	100,000	20,821	(79,179)
Licenses - Other Than Liquor	30,000	30,000	43,131	13,131
Towing Fees	150,000	150,000	81,175	(68,825)
Fugitive Failure to Appear Fee	8,000	8,000	3,858	(4,142)
Bail Bond Fee	15,000	15,000	4,577	(10,423)
Sex Offender Registration	3,200	3,200	3,200	-
Donations	-	-	200	200
Total Police Revenue	506,200	506,200	344,251	(161,949)
Other Sources				
Zoning Permits	-	-	664	664
Waste Haulers' Fee	-	-	-	-
Users' Fees - Parks	20,000	10,000	13,289	3,289
Rents, Leases, Sharecrop	85,000	85,000	70,603	(14,397)
Interfund Transfer	-	-	1,299,996	1,299,996
Total Other Sources	105,000	95,000	1,384,552	1,289,552
Total Revenue	$ 17,047,492	$ 14,047,492	$ 15,311,820	$ 1,264,328

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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES:				
Executive Department				
Semi-Monthly Salaries	$ 181,475	$ 153,470	$ 129,223	$ 24,247
Elected and Appointed Officials	9,600	9,600	9,600	-
Christmas Bonus	600	600	404	196
Unemployment Insurance	1,000	1,000	263	737
Social Security	12,194	10,737	8,653	2,084
Medicare	2,852	2,299	2,024	275
Retirement Funds	17,716	17,900	14,180	3,720
Health and Life Insurance	23,000	23,374	18,102	5,272
OPEB Employer Contribution	3,800	3,031	1,436	1,595
Education	-	-	-	-
Legal Fees	200	237	237	-
Travel and Meeting Expense	-	-	(675)	675
Bonds and Notary Fees	50	50	-	50
Membership Dues	2,030	2,030	2,275	(245)
Advertising and Public Notice	10,000	5,000	5,273	(273)
Public Relations	-	-	(27)	27
Equipment Rental	1,275	1,275	1,011	264
Technical and Outside Services	1,500	1,500	1,280	220
Insurance Liability	580,000	580,000	389,292	190,708
Insurance Deductible	20,000	20,000	19,408	592
Postage	10,000	8,000	26	7,974
Office Furniture and Equipment	-	-	-	-
Petty Cash	75	75	-	75
Subscriptions - Books	100	100	-	100
Election Expenses	200	200	-	200
Supplies	10,000	10,000	7,738	2,262
Total Executive Department	$ 887,667	$ 850,478	$ 609,723	$ 240,755

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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
Mayor's Department				
Elected and Appointed Officials	$ 117,600	$ 122,600	$ 122,600	$ -
Social Security	7,300	7,605	7,602	3
Medicare	1,750	1,750	1,778	(28)
Elected Official Expense	500	500	185	315
Legal Fees	232,500	227,195	224,074	3,121
Travel and Meeting Expense	-	-	(300)	300
Membership Dues	500	500	300	200
Public Relations	1,700	1,700	167	1,533
Technical and Outside Services	250	250	-	250
Office Furniture and Equipment	-	-	-	-
Supplies	-	-	-	-
Transfer to Library Fund	575,928	575,928	386,333	189,595
Total Mayor's Department	938,028	938,028	742,739	195,289
Finance Department				
Semi-Monthly Salaries	213,598	204,169	204,276	(107)
Elected and Appointed Officials	12	12	12	-
Overtime Comp	-	1,000	970	30
Christmas Bonus	600	600	606	(6)
Unemployment Insurance	900	900	441	459
Social Security	13,243	12,658	12,604	54
Medicare	3,098	3,098	2,948	150
Retirement Funds	24,030	22,970	22,485	485
Health and Life Insurance	41,000	42,000	37,418	4,582
OPEB Employer Contribution	3,600	3,600	2,853	747
Audit Fees	61,500	61,500	56,000	5,500
Travel and Meeting Expense	500	500	100	400
Membership Dues	275	-	-	-
Bad Debt Expense	-	-	-	-
Technical and Outside Services	1,000	1,000	350	650
IT Software	30,000	30,000	21,261	8,739
Supplies	3,500	3,500	849	2,651
Total Finance Department	$ 396,856	$ 387,507	$ 363,173	$ 24,334

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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
Police Department				
Semi-Monthly Salaries	$ 4,459,187	$ 4,234,209	$ 4,139,362	$ 94,847
Overtime Compensation	256,000	256,000	148,552	107,448
Shift Premium	9,500	9,500	8,182	1,318
Allowances	4,320	4,320	3,600	720
Christmas Bonus	11,500	11,500	9,552	1,948
Unemployment Insurance	17,000	17,000	10,639	6,361
Social Security	31,245	31,245	24,538	6,707
Medicare	68,737	68,737	62,200	6,537
9-1-1 Consolidation	692,296	818,796	812,771	6,025
Retirement Funds	47,724	47,724	1,230,712	(1,182,988)
Health and Life Insurance	975,000	1,079,950	942,217	137,733
OPEB Employer Contribution	85,000	85,000	76,198	8,802
Boards and Committees	10,000	10,000	1,191	8,809
Educational Expense	20,000	55,000	24,426	30,574
Travel and Meeting Expense	5,000	5,000	2,947	2,053
Bonds and Notary Fees	3,000	3,000	2,443	557
Membership Dues	3,500	3,500	2,904	596
Public Relations	4,000	2,000	1,939	61
Buildings Rental	5,000	5,000	5,000	-
Equipment Rental	31,750	31,750	22,658	9,092
Technical and Outside Services	20,000	20,000	21,886	(1,886)
Bad Debt Expense	-	-	-	-
Uniform Cleaning	4,800	4,800	4,374	426
Postage	3,500	3,500	6,235	(2,735)
Petty Cash	100	100	96	4
Uniform Purchase	22,000	22,000	17,467	4,533
Subscriptions - Books	-	-	-	-
IT Software	72,900	72,900	74,539	(1,639)
Maintenance to Equipment	65,850	65,850	42,696	23,154
Minor Equipment	10,000	10,000	4,403	5,597
Supplies	21,000	21,500	24,153	(2,653)
Transfer to Police Pension	1,500,000	1,500,000	1,299,996	200,004
Total Police Department	$ 8,459,909	$ 8,499,881	$ 9,027,876	$ (527,995)

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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
Administration				
Semi-Monthly Salaries	$ 407,243	$ 318,149	$ 314,103	$ 4,046
Overtime Compensation	3,500	-	-	-
Allowances	3,300	2,200	-	2,200
Christmas Bonus	26,050	26,050	808	25,242
Unemployment Insurance	2,500	2,500	845	1,655
Social Security	27,286	19,725	19,580	145
Medicare	6,381	4,613	4,579	34
Retirement Funds	38,566	35,792	34,475	1,317
Health and Life Insurance	119,000	122,790	90,514	32,276
OPEB Employer Contribution	7,779	7,779	5,402	2,377
Survey and Engineer Fees	-	-	-	-
Educational Expense	-	-	-	-
Legal Fees	-	-	-	-
Travel and Meeting Expense	-	600	(50)	650
Bond, Notary Fees	-	50	50	-
Membership Dues	1,545	1,495	988	507
Safety Program	-	-	-	-
Advertising and Public Notices	2,000	2,000	10	1,990
Public Relations	1,250	1,250	277	973
Equipment Rental	112,760	112,760	77,909	34,851
Telephone Utility	87,500	108,500	112,906	(4,406)
Technical and Outside Services	133,500	211,500	209,618	1,882
Insurance Liability	850,000	850,000	496,325	353,675
Bad Debt Expense	-	-	-	-
Postage	-	-	-	-
Office Furniture and Equipment	-	-	-	-
Renovation or Remodeling	-	-	-	-
Computers	11,000	11,000	3,228	7,772
IT Hardware	44,250	33,050	28,524	4,526
IT Software	62,100	62,100	46,691	15,409
Supplies	1,500	500	424	76
Total Administration	$ 1,949,010	$ 1,934,403	$ 1,447,206	$ 487,197

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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITVE
	ORIGINAL	FINAL	BASIS	(NEGATIVE)
Public Works - Engineering				
Semi-Monthly Salaries	$ 753,346	$ 631,714	$ 554,374	$ 77,340
Overtime Compensation	18,000	18,000	10,869	7,131
Shift Premium	-	-	-	-
Christmas Bonus	2,600	2,600	2,424	176
Unemployment Insurance	8,500	8,500	1,280	7,220
Social Security	67,051	57,051	52,199	4,852
Medicare	14,236	12,236	12,208	28
Retirement Funds	87,752	92,052	92,097	(45)
Health and Life Insurance	247,300	234,500	200,524	33,976
OPEB Employer Contribution	14,771	14,771	14,816	(45)
Survey and Engineer Fees	10,000	-	-	-
Educational Expense	5,000	5,000	3,458	1,542
Travel and Meeting Expense	-	-	-	-
Bonds and Notary Fees	200	-	-	-
Membership Dues	1,500	800	790	10
Public Relations	1,000	1,000	750	250
Equipment Rental	35,000	30,000	29,483	517
Electric Utility	10,000	-	-	-
Technical and Outside Services	140,500	40,500	40,484	16
Petty Cash	100	-	-	-
Uniform Purchase	6,000	6,000	3,403	2,597
Minor Equipment	4,000	-	1,202	(1,202)
Supplies	64,300	64,300	53,200	11,100
Total Public Works - Engineering	$ 1,491,156	$ 1,219,024	$ 1,073,561	$ 145,463

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, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Public Works - Maintenance				
Semi-Monthly Salaries	$ 260,043	$ 260,043	$ 209,346	$ 50,697
Overtime Compensation	5,000	5,000	1,511	3,489
Shift Premium	300	-	-	-
Christmas Bonus	800	800	606	194
Unemployment Insurance	1,500	1,500	301	1,199
Social Security	16,501	16,501	13,123	3,378
Medicare	3,859	3,859	3,069	790
Retirement Funds	31,538	30,000	23,296	6,704
Health and Life Insurance	74,000	82,941	69,764	13,177
OPEB Employer Contribution	4,250	4,250	3,698	552
Educational Expense	1,800	1,800	396	1,404
Travel and Meeting Expense	-	-	-	-
Membership Dues	200	200	180	20
Equipment Rental	200	-	-	-
Technical and Outside Services	12,000	12,000	8,344	3,656
Uniform Rental	4,000	4,000	1,923	2,077
Vehicle Operations Costs	190,000	190,000	128,539	61,461
Uniform Purchase	1,500	1,500	649	851
Subscriptions - Books	500	500	-	500
Maintenance to Equipment	2,500	1,000	-	1,000
Maintenance to Rolling Stock	29,500	29,500	11,794	17,706
Minor Equipment	16,000	12,450	4,866	7,584
Supplies	114,500	114,500	66,699	47,801
Total Public Works - Maintenance	$ 770,491	$ 772,344	$ 548,104	$ 224,240

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, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Parks Department				
Semi-Monthly Salaries	$ 843,212	$ 766,765	$ 668,778	$ 97,987
Overtime Compensation	8,000	8,000	2,957	5,043
Shift Premium	142	142	142	-
Christmas Bonus	2,200	2,200	2,228	(28)
Unemployment Insurance	3,000	3,000	1,108	1,892
Social Security	53,400	47,655	41,401	6,254
Medicare	12,489	11,145	9,683	1,462
Retirement Funds	81,564	81,564	73,064	8,500
Health and Life Insurance	218,000	260,095	216,810	43,285
OPEB Employer Contribution	12,730	12,730	12,726	4
Educational Expense	-	-	-	-
Travel and Meeting Expense	-	-	1,249	(1,249)
Membership Dues	345	345	-	345
Safety Program	1,500	1,500	811	689
Public Relations	8,000	-	(100)	100
Equipment Rental	1,000	1,000	178	822
Sewer Utility	5,000	5,000	2,563	2,437
Water Utility	12,000	12,000	8,626	3,374
Sanitation Service	24,500	10,000	7,551	2,449
Technical and Outside Services	6,750	5,750	8,864	(3,114)
Bad Debt Expense	-	-	-	-
Office Furniture and Equipment	-	-	-	-
Uniform Purchase	4,360	4,360	1,141	3,219
Minor Equipment	1,000	1,000	443	557
Renovation or Remodeling	-	-	-	-
Supplies	62,000	55,000	35,054	19,946
Transfer to Rec Fund	271,403	271,403	-	271,403
Total Parks Department	$ 1,632,595	$ 1,560,654	$ 1,095,277	$ 465,377

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, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Municipal Complex				
Semi-Monthly Salaries	$ 215,501	$ 215,501	$ 215,497	$ 4
Overtime Compensation	5,000	5,000	2,824	2,176
Shift Premium	300	300	145	155
Christmas Bonus	1,200	1,200	1,010	190
Unemployment Insurance	2,000	2,000	463	1,537
Social Security	13,287	13,287	13,233	54
Medicare	3,107	3,107	3,095	12
Retirement Funds	20,294	23,378	23,147	231
Health and Life Insurance	59,300	77,155	75,731	1,424
OPEB Employer Contribution	3,750	3,750	3,836	(86)
Educational Expense	1,000	1,000	-	1,000
Travel and Meeting Expense	-	-	-	-
Membership Dues	150	-	-	-
Public Relations	-	-	-	-
Equipment Rental	1,000	-	82	(82)
Electric Utility	160,000	160,000	118,054	41,946
Sewer Utility	7,500	7,500	3,854	3,646
Water Utility	27,000	27,000	25,057	1,943
Gas Utility	2,500	2,500	1,296	1,204
Technical and Outside Services	61,000	31,000	17,214	13,786
Office Furniture and Equipment	-	-	-	-
Renovation or Remodeling	-	-	-	-
Uniform Purchase	1,500	700	758	(58)
Maintenance to Equipment	10,500	10,500	7,613	2,887
Supplies	45,000	45,000	24,644	20,356
Total Municipal Complex	$ 640,889	$ 629,878	$ 537,553	$ 92,325

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, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Land Use and Development				
Semi-Monthly Salaries	$ 517,216	$ 490,256	$ 439,906	$ 50,350
Elected and Appointed Officials	29,000	29,000	27,752	1,248
Overtime Compensation	1,200	1,200	439	761
Shift Premium	100	100	-	100
Allowances	1,800	1,800	1,800	-
Christmas Bonus	2,000	2,000	1,720	280
Unemployment Insurance	3,500	3,500	933	2,567
Social Security	34,182	31,000	29,313	1,687
Medicare	7,994	7,294	6,855	439
Retirement Funds	52,210	55,000	48,313	6,687
Health and Life Insurance	122,000	122,000	107,385	14,615
OPEB Employer Contribution	9,617	9,617	7,466	2,151
Boards and Committees	1,000	1,000	-	1,000
Educational Expense	2,000	2,000	-	2,000
Legal Fees	9,700	9,700	9,696	4
Travel and Meeting Expense	-	-	(1,145)	1,145
Membership Dues	2,320	2,320	575	1,745
Advertising and Public Notice	1,000	1,000	204	796
Technical and Outside Services	23,750	(1,100)	(9,309)	8,209
Demolition Service	9,800	9,800	9,745	55
Bad Debt Expense	-	-	(94)	94
Office Furniture and Equipment	-	-	-	-
Petty Cash	60	60	-	60
Renovation or Remodeling	-	-	-	-
Uniform Purchase	1,500	1,500	608	892
Subscriptions - Books	1,000	1,000	-	1,000
IT Software	10,000	10,000	-	10,000
G.I.S. Expenses	9,000	9,000	5,500	3,500
Supplies	7,850	7,850	3,033	4,817
Transfer to TIF #1	32,000	32,000	31,056	944
Transfer to TIF #2	40,000	40,000	32,206	7,794
Transfer to TIF #3	35,000	35,000	37,829	(2,829)
Transfer to TIF #4	4,000	4,000	3,191	809
Transfer to TIF #5	600	600	105	495
Total Land Use and Development	$ 971,399	$ 918,497	$ 795,082	$ 123,415

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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITVE
	ORIGINAL	FINAL	BASIS	(NEGATIVE)
Library Department				
Semi-Monthly Salaries	$ 28,240	$ 28,240	$ 28,238	$ 2
Shift Premium	140	140	11	129
Christmas Bonus	2,200	2,200	364	1,836
Unemployment Insurance	3,000	3,000	1,182	1,818
Social Security	1,850	1,850	1,739	111
Medicare	433	433	407	26
Retirement Funds	2,826	3,094	3,092	2
Health and Life Insurance	58,660	47,660	28,282	19,378
OPEB Employer Contribution	6,122	6,122	6,115	7
Electric Utility	30,000	22,000	15,100	6,900
Sewer Utility	900	900	504	396
Water Utility	6,000	6,000	5,839	161
Technical and Outside Services	-	-	-	-
Supplies	2,100	2,100	807	1,293
Total Library Department	142,471	123,739	91,680	32,059
Emergency Services and Disaster Agency				
Elected and Appointed Officials	10,373	10,373	10,477	(104)
Social Security	240	240	237	3
Medicare	56	56	56	-
Retirement Funds	441	441	440	1
Educational Expenses	500	500	-	500
Travel and Meeting Expense	263	263	-	263
Membership Dues	130	130	-	130
Public Relations	250	250	-	250
Telephone Utility	1,650	1,650	855	795
Technical and Outside Services	13,550	13,550	26,720	(13,170)
Postage	-	-	6,315	(6,315)
Maintenance to Equipment	6,350	6,350	1,276	5,074
Supplies	1,300	1,300	-	1,300
Total Emergency Services and Disaster Agency	35,103	35,103	46,376	(11,273)
Total Expenditures (Carried Forward)	$ 18,315,574	$ 17,869,536	$ 16,378,350	$ 1,491,186

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, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Total Expenditures (Brought Forward)	$ 18,315,574	$ 17,869,536	$ 16,378,350	$ 1,491,186
Net Change in Fund Balance	$ (1,268,082)	$ (3,822,044)	(1,066,530)	$ 2,755,514
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			956,542	
Effect of Unrecorded Liabilities			(35,243)	
Beginning Fund Balance			6,994,449	
Ending Fund Balance			$ 6,849,218	

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

SCHEDULE "2"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
HOME RULE FUND
FOR THE YEAR ENDED APRIL 30, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Home Rule Tax Revenues	$ 2,000,000	$ 1,430,000	$ 2,096,792	$ 666,792
Interest	30,000	30,000	4,222	(25,778)
Special Grants	320,000	320,000	-	(320,000)
Sale of Property	-	-	-	-
Transfer from TIF	-	-	-	-
Total Revenue	2,350,000	1,780,000	2,101,014	321,014
EXPENDITURES:				
Police Department				
Tech and Outside Services	-	-	8	(8)
Equipment and Rolling Stock	-	16,000	49,551	(33,551)
Buildings and Structures	-	-	-	-
Streets and Alleys	-	20,000	-	20,000
Other Capital Improvements	-	-	19,790	(19,790)
Total Police Department	-	36,000	69,349	(33,349)
ESDA				
Building and Structures	-	-	-	-
Equipment and Rolling Stock	-	-	-	-
Total ESDA	-	-	-	-
Public Works - Engineering				
Easements	10,000	-	-	-
Equipment and Rolling Stock	-	-	-	-
Survey/Engineering - Capital	45,000	15,000	23,983	(8,983)
Buildings and Structures	-	-	15,583	(15,583)
Streets and Alleys	410,000	232,000	81,187	150,813
Storm Drainage	-	-	(8,538)	8,538
Other Debt Service	-	64,000	-	64,000
Other Capital Improvements	32,000	-	62,023	(62,023)
Total Public Works - Engineering	$ 497,000	$ 311,000	$ 174,238	$ 136,762

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, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Parks Department				
Survey/Engineering - Capital	$ -	$ -	$ -	$ -
Buildings and Structures	-	-	-	-
Equipment and Rolling Stock	-	5,000	29,220	(24,220)
Streets and Alleys	-	(5,000)	(24,500)	19,500
Total Parks Department	-	-	4,720	(4,720)
Public Works Building Maintenance				
Survey/Engineer - Capital	-	-	-	-
Buildings and Structures	-	-	3,515	(3,515)
Other Capital Improvements	-	-	-	-
Total Municipal Complex Department	-	-	3,515	(3,515)
Land Use and Development				
Demolition Service	-	-	-	-
Survey/Engineering - Capital	-	-	-	-
Buildings and Structures	-	-	-	-
Total Land Use and Development	-	-	-	-
Total Expenditures	497,000	347,000	251,822	95,178
Net Change in Fund Balance	$ 1,853,000	$ 1,433,000	1,849,192	$ 416,192
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			644,487	
Effect of Unrecorded Liabilities			47,031	
Beginning Fund Balance			(128,790)	
Ending Fund Balance			$ 2,411,920	

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, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Memberships	$ 1,283,615	$ 1,283,615	$ 550,649	$ (732,966)
Aquatics	22,200	22,200	11,503	(10,697)
Fitness	50,656	50,656	8,082	(42,574)
Athletics	50,000	50,000	(167)	(50,167)
Donations	50,000	50,000	-	(50,000)
Special Grants	-	-	-	-
Miscellaneous	3,600	3,600	2,326	(1,274)
Interfund Transfer	-	-	-	-
Total Revenues	1,460,071	1,460,071	572,393	(887,678)
EXPENDITURES:				
Membership				
Semi-Monthly Salaries	903,916	874,314	334,297	540,017
Overtime	-	-	-	-
Bonuses	1,200	1,350	300	1,050
Unemployment Insurance	-	1,831	1,891	(60)
Social Security	56,105	56,525	20,437	36,088
Medicare	13,124	13,124	4,780	8,344
Retirement	37,941	39,641	22,315	17,326
Health Insurance	119,999	119,999	85,757	34,242
OPEB	15,841	15,841	5,530	10,311
Training/Certifications	9,050	10,050	7,404	2,646
Travel/Meeting	2,200	2,200	75	2,125
Membership Dues	-	-	-	-
Safety Program	500	500	-	500
Electric Utility	170,000	170,000	143,429	26,571
Sewer Utility	5,000	5,000	4,178	822
Water Utility	15,000	15,000	10,887	4,113
Sanitary Service	3,500	3,500	670	2,830
Tech and Outside Service	255,200	255,200	168,818	86,382
Postage	5,000	5,000	1,500	3,500
Uniform Purchase	2,250	2,250	501	1,749
Minor Equipment	500	1,000	991	9
Supplies	116,150	116,150	140,394	(24,244)
Public Relations	-	-	-	-
Buildings and Structures	-	24,000	27,071	(3,071)
Total Expenditures	1,732,476	1,732,475	981,225	751,250
Net Change in Fund Balance	$ (272,405)	$ (272,404)	(408,832)	$ 1,299,269
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			-	
Effect of Unrecorded Liabilities			(10,473)	
Beginning Fund Balance			259,233	
Ending Fund Balance			$ (160,072)	

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

SCHEDULE "4"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
TAX REBATES FUND
FOR THE YEAR ENDED APRIL 30, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE:				
Sales Tax	$ 600,000	$ 600,000	$ 431,273	$ (168,727)
Home Rule Sales Tax	200,000	200,000	417,202	217,202
Business District Sales Tax	85,000	85,000	37,310	(47,690)
Interest	4,000	4,000	338	(3,662)
Interfund Transfers	-	-	-	-
Total Revenue	889,000	889,000	886,123	(2,877)
EXPENDITURES:				
Sales Tax Rebate	800,000	800,000	1,040,831	(240,831)
Intergovernmental Agreements	60,000	60,000	-	60,000
Total Expenditures	860,000	860,000	1,040,831	(180,831)
Net Change in Fund Balance	$ 29,000	$ 29,000	(154,708)	$ (183,708)
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			(13,241)	
Effect of Unrecorded Liabilities			(41,364)	
Beginning Fund Balance			3	
Ending Fund Balance			$ (209,310)	

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

SCHEDULE "5"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) - TIF NO. 1 BUNKUM ROAD
FOR THE YEAR ENDED APRIL 30, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE:				
TIF Revenue	$ 360,000	$ 360,000	$ 306,636	$ (53,364)
Interfund Transfers	36,000	36,000	31,056	(4,944)
Interest	26,000	26,000	5,506	(20,494)
Total Revenue	422,000	422,000	343,198	(78,802)
EXPENDITURES:				
Audit Fees	2,200	2,200	4,442	(2,242)
Legal Fees	5,000	5,000	-	5,000
Land	300,000	300,000	-	300,000
Survey/Engineering	45,000	45,000	1,750	43,250
TIF Expenditures	45,000	45,000	-	45,000
Right of Way	10,000	10,000	-	10,000
Total Expenditures	407,200	407,200	6,192	401,008
Net Change in Fund Balance	$ 14,800	$ 14,800	337,006	$ (322,206)
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			3,920	
Effect of Unrecorded Liabilities			2,167	
Beginning Fund Balance			1,864,181	
Ending Fund Balance			$ 2,207,274	

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

SCHEDULE "6"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) - TIF NO. 2 SHOPPES OF ST. CLAIR
FOR THE YEAR ENDED APRIL 30, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE:				
TIF Revenue	$ 415,000	$ 415,000	$ 309,136	$ (105,864)
Interfund Transfer	41,500	41,500	32,206	(9,294)
Interest	12,000	12,000	4,018	(7,982)
Total Revenue	468,500	468,500	345,360	(123,140)
EXPENDITURES:				
Audit Fees	2,200	2,200	2,275	(75)
TIF Expenditures	5,000	5,000	2,167	2,833
Total Expenditures	7,200	7,200	4,442	2,758
Net Change in Fund Balance	$ 461,300	$ 461,300	340,918	$ (120,382)
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			12,941	
Effect of Unrecorded Liabilities			2,167	
Beginning Fund Balance			1,334,851	
Ending Fund Balance			$ 1,690,877	

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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE:				
TIF Revenue	$ 360,000	$ 360,000	$ 353,002	$ (6,998)
Interfund Transfer	36,000	36,000	37,829	1,829
Special Grants	-	-	-	-
Interest	40,000	40,000	5,568	(34,432)
Total revenue	436,000	436,000	396,399	(39,601)
EXPENDITURES:				
Intergovernmental Agreements	45,000	45,000	98,197	(53,197)
Audit Fees	2,200	2,200	4,442	(2,242)
Minor Equipment	1,200	1,200	-	1,200
Contingencies	10,000	10,000	10,832	(832)
Easements	-	-	-	-
Land	-	-	-	-
Streets and Alleys	-	-	47,153	(47,153)
Survey Engineering - Capital	-	-	1,966	(1,966)
Legal Fees	5,000	5,000	-	5,000
Demolition Services	25,000	25,000	-	25,000
TIF Expenditures	-	-	25,000	(25,000)
Total Expenditures	88,400	88,400	187,590	(99,190)
Net Change in Fund Balance	$ 347,600	$ 347,600	208,809	$ (138,791)
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			25,318	
Effect of Unrecorded Liabilities			96,150	
Beginning Fund Balance			1,530,452	
Ending Fund Balance			$ 1,860,729	

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

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
APRIL 30, 2021

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, 2021, except the following:

Hotel Motel Tax Fund	$	7,887
Police Escrow Fund		64,427
Tax Rebates Fund		180,831
TIF #3 - Lincoln Trail		99,190

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

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, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
TOTAL PENSION LIABILITY:										
Service Cost	$ 954,130	$ 958,205	$ 859,960	$ 917,006	$ 963,518	$ 839,355	$ 865,338	$ -	$ -	$ -
Interest on the Total Pension Liability	3,284,706	3,088,283	2,808,093	2,701,593	2,562,213	2,532,522	2,218,469	-	-	-
Experience	(414,689)	884,375	631,328	386,736	404,930	(2,591,212)	(128,421)	-	-	-
Change of Assumptions	-	-	1,957,887	(436,393)	-	1,132,453	2,609,255	-	-	-
Changes of Benefit Terms	-	289,771	-	-	-	-	-	-	-	-
Contributions - Buy Back	-	34,872	-	-	-	69,871	-	-	-	-
Benefit Payments	(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	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	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)	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	1,299,996	1,299,996	1,299,996	1,299,996	1,336,663	1,300,000	1,260,000	-	-	-
Member Contributions	378,252	368,116	342,772	357,669	353,941	308,698	599,979	-	-	-
Contributions - Buy Back	-	34,872	-	-	-	69,871	-	-	-	-
Net Investment Income	9,123,697	(551,516)	1,569,517	1,806,326	2,467,647	(253,744)	1,549,494	-	-	-
Benefit Payments	(2,309,309)	(2,149,749)	(1,940,052)	(1,806,815)	(1,672,870)	(1,627,869)	(1,400,257)	-	-	-
Administrative Expense	(31,689)	(40,595)	(37,335)	(30,695)	(27,338)	(19,457)	-	-	-	-
Other (Net Transfer)	-	-	-	-	-	-	(20,957)	-	-	-
Net Change in Plan Fiduciary Net Position	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	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)	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)	$ 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	71.32%	56.77%	62.66%	66.05%	64.94%	62.42%	63.56%	0.00%	0.00%	0.00%
Covered Valuation Payroll	$ 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	385.21%	563.71%	466.14%	418.69%	419.86%	424.86%	438.74%	0.00%	0.00%	0.00%

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, 2021

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
TOTAL PENSION LIABILITY										
Service Cost	$ 441,957	$ 429,718	$ 379,746	$ 424,597	$ 427,355	$ 452,292	$ 446,254	$ -	$ -	$ -
Interest on the Total Pension Liability	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	(77,666)	(22,815)	508,361	(32,548)	412,657	(111,131)	225,545	-	-	-
Change of Assumptions	(204,884)	-	814,375	(874,741)	(67,179)	32,279	874,212	-	-	-
Benefit Payments	(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	533,685	884,424	2,197,453	129,317	1,325,916	1,048,476	2,224,184			
Total Pension Liability, Beginning of Period	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)	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	453,987	426,797	497,620	442,475	480,680	496,412	507,379	-	-	-
Employee Contributions	181,592	203,273	186,706	176,531	186,042	189,470	199,290	-	-	-
Pension Plan Net Investment Income	4,371,167	5,034,762	(1,591,521)	4,472,559	1,619,400	119,149	1,398,908	-	-	-
Benefit Payments	(1,861,711)	(1,699,774)	(1,594,662)	(1,474,127)	(1,430,063)	(1,240,272)	(1,078,710)	-	-	-
Other	245,627	93,252	853,146	(426,425)	179,542	152,432	(38,765)	-	-	-
Net Change in Plan Fiduciary Net Position	3,390,662	4,058,310	(1,648,711)	3,191,013	1,035,601	(282,809)	988,102			
Plan Fiduciary Net Position - Beginning	30,460,448	26,402,138	28,050,849	24,859,836	23,824,235	24,107,044	23,118,942	-	-	-
Plan Fiduciary Net Position - Ending (b)	33,851,110	30,460,448	26,402,138	28,050,849	24,859,836	23,824,235	24,107,044	-	-	-
Net Pension (Asset) Liability - (a)-(b)	$ (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	105.51%	96.54%	86.09%	98.53%	87.72%	88.19%	92.84%	0.00%	0.00%	0.00%
Covered Valuation Payroll	$ 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	-43.77%	24.20%	103.07%	10.65%	85.79%	75.76%	44.32%	0.00%	0.00%	0.00%

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

SCHEDULE "11"

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, 2021

FISCAL YEAR ENDING APRIL 30,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY	COVERED VALUATION PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL
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, 2021

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, projected 5 years past the valuation date with Scale MP-2020. 10 percent of active deaths are assumed to be in the line of duty.
	Inactive Lives: PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2020.
	Beneficiaries: PubS 2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2020.
	Disabled Lives: PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2020.
	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, 2021

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

AGE	RATE OF WITHDRAWAL	
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:

AGE	RATE	
20	0.000	%
25	0.030	
30	0.140	
35	0.260	
40	0.420	
45	0.590	
50	0.710	
55	0.900	
60+	1.150	

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

Tier I

AGE	RATE OF RETIREMENT	
50-51	15	%
52-54	20	
55-64	25	
65-69	40	
70+	100	

Tier II

AGE	RATE OF RETIREMENT	
50-54	5	%
55	40	
56-64	25	
65-69	40	
70+	100	

Marital Status — 80% 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, 2021

(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2014)

CALENDAR YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY	COVERED VALUATION PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION
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, 2021

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 2020 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): 23-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 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-year smoothed market, 20 percent corridor
Wage Growth	3.25 percent
Price Inflation	2.5 percent
Salary Increases	3.35 percent to 14.25 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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	There were no benefit changes during the year.

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

SCHEDULE "15"

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,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
TOTAL OPEB LIABILITY										
Discount Rate	2.12%	2.91%	3.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Service Cost	$ 378,397	$ 315,019	$ 293,513	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Cost	168,066	191,529	186,350	-	-	-	-	-	-	-
Plan Amendments	-	-	-	-	-	-	-	-	-	-
Actuarial Losses/(Gains)	(484,369)	-	-	-	-	-	-	-	-	-
Assumption Changes	741,171	435,246	78,265	-	-	-	-	-	-	-
Benefit Payments	(233,985)	(205,736)	(191,382)	-	-	-	-	-	-	-
Net Change in Total OPEB Liability	569,280	736,058	366,746	-	-	-	-	-	-	-
Total OPEB Liability - Beginning	5,892,449	5,156,391	4,789,645	-	-	-	-	-	-	-
Total OPEB Liability - Ending (a)	6,461,729	5,892,449	5,156,391	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION										
Employer Contributions	233,985	205,736	191,382	-	-	-	-	-	-	-
Employee Contributions	-	-	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments	(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)	$ 6,461,729	$ 5,892,449	$ 5,156,391	$ -	$ -	$ -	$ -	$ -	$ -	$ -
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	$ 7,147,601	$ 7,819,509	$ 7,555,081	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability as a Percentage of Covered Valuation Payroll	90.40%	75.36%	68.25%	0.00%	0.00%	0.00%	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

YEAR ENDING APRIL 30,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED VALUATION PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED VALUATON PAYROLL
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 2021 TOTAL OPEB LIABILITY

Methods and Assumptions Used to Determine the 2021 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. Under GASB 75, the initial unfunded liability at adoption is recognized immediately.

Discount (Interest) Rate

A discount rate of 2.91 percent was used as of May 1, 2020, and 2.12 percent as of April 30

Salary Increase

Salaries are assumed to increase at the rate of 3.5 percent per

Monthly Health Plan Premium Costs (Blended)

Coverage	Traditional	Medical with HSA Plan
Employee Only	$ 886.11	$ 747.02
Employee/Spouse	1,843.16	1,553.85
Employee/Child	1,683.63	1,419.35
Employee/Family	2,569.76	2,166.40

*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 RP2014 Blue Collar base rates projected to 2021 using scale MP2020 for Police. For all others the RP2014 base rates projected to 2021 using scale MP2020 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2021.

Disability

Sample rates by age are:

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

50 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 2021 TOTAL OPEB LIABILITY

Methods and Assumptions Used to Determine the 2021 Total OPEB Liability Continued:

Withdrawal Representative withdrawal rates by age are:

AGE	POLICE
25	0.104
35	0.031
45	0.015
55	0.015

Other Departments

SERVICE	MALE	FEMALE
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

AGE	8 OR MORE YEARS OF SERVICE	
25	0.000	0.080
35	0.035	0.058
45	0.023	0.036
55	0.015	0.025

Retirement Representative rates of retirement are:

	POLICE			POLICE	
AGE	TIER I	TIER II	AGE	TIER I	TIER II
50	0.15	0.05	58	0.25	0.25
51	0.15	0.05	59	0.25	0.25
52	0.20	0.05	60	0.25	0.25
53	0.20	0.05	61	0.25	0.25
54	0.20	0.05	62	0.25	0.25
55	0.25	0.40	63	0.25	0.25
56	0.25	0.25	64	0.25	0.25
57	0.25	0.25	65	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 2021 TOTAL OPEB LIABILITY

Methods and Assumptions Used to Determine the 2021 Total OPEB Liability Continued:

Retirement
Other Departments:

	TIER I				TIER II			
	REDUCED EARLY		NORMAL RETIREMENT		REDUCED EARLY		NORMAL RETIREMENT	
AGE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
55	0.071	0.06	0.37	0.26				
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 2021 TOTAL OPEB LIABILITY

Methods and Assumptions Used to Determine the 2021 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

PERIOD	RATES
2021	7.00%
2022	6.75%
2023	6.50%
2024	6.25%
2025	6.00%
2026	5.75%
2027	5.50%
2028	5.25%
2029	5.00%
2030 and after	4.50%

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

ADDITIONAL ANALYSIS

SCHEDULE "18"

CITY OF FAIRVIEW HEIGHTS, ILLINIOS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2021

ASSETS

	POLICE ESCROW	LOCAL POLICE ESCROW	LIBRARY	FOOD AND BEVERAGE	HOTEL AND MOTEL TAX	STATE MOTOR FUEL TAX	OPEB	WEST TIF #4	TIF #5 LUDWIG DRIVE	TIF #6 IL RTE 159	TOTALS
Cash and Cash Equivalents	$ 419,580	$ 176,718	$ 49,921	$ 1,266,932	$ 340,339	$ 1,765,723	$ 569,992	$ -	$ -	$ -	$ 4,589,205
Certificates of Deposit	-	-	403,848	-	-	-	-	-	-	-	403,848
Investments (at fair value)	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	228,238	82,179	56,260	-	26,577	1,901	-	395,155
Due From Other Funds	199	79,789	-	-	-	7,574	-	665	24	-	88,251
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	77,293	26,250	-	103,543
Total Assets	$ 419,779	$ 256,507	$ 453,769	$ 1,495,170	$ 422,518	$ 1,829,557	$ 569,992	$ 104,535	$ 28,175	$ -	$ 5,580,002

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

	POLICE ESCROW	LOCAL POLICE ESCROW	LIBRARY	FOOD AND BEVERAGE	HOTEL AND MOTEL TAX	STATE MOTOR FUEL TAX	OPEB	WEST TIF #4	TIF #5 LUDWIG DRIVE	TIF #6 IL RTE 159	TOTALS
LIABILITIES:											
Accounts Payable	$ -	$ -	$ 6,460	$ -	$ -	$ 5,195	$ 6,501	$ -	$ -	$ 1,145	$ 19,301
Accrued Payroll	-	-	10,727	-	-	-	-	-	-	-	10,727
Due to Other Funds	31,319	-	-	-	424,417	-	-	14,490	127,093	1,025	598,344
Total Liabilities	31,319	-	17,187	-	424,417	5,195	6,501	14,490	127,093	2,170	628,372
DEFERRED INFLOWS OF RESOURCES:											
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-	26,577	1,901	-	28,478
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	26,577	1,901	-	28,478
FUND BALANCE:											
Restricted for:											
Infrastructure	-	-	-	-	-	1,824,362	-	-	-	-	1,824,362
Special Revenue Funds	-	-	-	-	-	-	-	63,468	-	-	63,468
Assigned:											-
Special Revenue Funds	388,460	256,507	436,582	1,495,170	-	-	563,491	-	-	-	3,140,210
Unassigned:											
Special Revenue Funds	-	-	-	-	(1,899)	-	-	-	(100,819)	(2,170)	(104,888)
Total Fund Balance (Deficit)	388,460	256,507	436,582	1,495,170	(1,899)	1,824,362	563,491	63,468	(100,819)	(2,170)	4,923,152
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 419,779	$ 256,507	$ 453,769	$ 1,495,170	$ 422,518	$ 1,829,557	$ 569,992	$ 104,535	$ 28,175	$ -	$ 5,580,002

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 ENED APRIL 30, 2020

	POLICE ESCROW	LOCAL POLICE ESCROW	LIBRARY	FOOD AND BEVERAGE	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	$ -	$ -	$ -	$ -	$ -	$ 1,212,471	$ -	$ -	$ -	$ -	$ 1,212,471
Hotel and Motel Taxes	-	-	-	-	485,959	-	-	-	-	-	485,959
Property Taxes	-	-	-	-	-	-	-	31,908	1,055	-	32,963
Food and Beverage Tax	-	-	-	1,248,224	-	-	-	-	-	-	1,248,224
Fines and Fees	91,531	60,756	46,206	-	-	-	-	-	-	-	198,493
Donations	-	-	915	-	-	-	-	-	-	-	915
Interest Income	-	-	5,176	1,101	665	3,143	56	7	-	-	10,148
OPEB Insurance Contributions	-	-	-	-	-	-	142,840	-	-	-	142,840
Miscellaneous	-	-	-	-	450	2,200	-	-	-	-	2,650
Total Revenues	91,531	60,756	52,297	1,249,325	487,074	1,217,814	142,896	31,915	1,055	-	3,334,663
EXPENDITURES:											
General Government											
Administration Department	-	-	-	-	-	-	-	-	-	-	-
Clerk's Department	-	-	-	2,374	-	-	37,586	-	-	-	39,960
Public Safety											
Police	39,577	28,819	-	-	-	-	-	-	-	-	68,396
Streets and Public Works											
Public Works Maintenance	-	-	-	-	-	472,957	-	-	-	-	472,957
Tax Increment Financing	-	-	-	-	-	-	-	587	587	587	1,761
Culture and Recreation											
Parks	-	-	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	1,708	-	-	-	-	-	1,708
Library	-	-	504,216	-	-	-	-	-	-	-	504,216
Debt Service											
Principal	-	-	-	445,000	295,000	-	-	-	-	-	740,000
Interest	-	-	-	633,900	9,219	-	-	-	-	-	643,119
Capital Outlay	24,850	34,390	-	-	-	-	-	-	-	-	59,240
Total Expenditures	64,427	63,209	504,216	1,081,274	305,927	472,957	37,586	587	587	587	2,531,357
Excess (Deficiency) of Revenues Over Expenditures	27,104	(2,453)	(451,919)	168,051	181,147	744,857	105,310	31,328	468	(587)	803,306
OTHER FINANCING SOURCES:											
Transfer In	-	-	386,333	-	-	-	-	3,191	105	-	389,629
Total Other Financing Sources	-	-	386,333	-	-	-	-	3,191	105	-	389,629
Net Change in Fund Balance	27,104	(2,453)	(65,586)	168,051	181,147	744,857	105,310	34,519	573	(587)	1,192,935
Fund Balance (Deficit), Beginning of Year	361,356	258,960	502,168	1,327,119	(183,046)	1,079,505	458,181	28,949	(101,392)	(1,583)	3,730,217
Funds Balance (Deficit), End of Year	$ 388,460	$ 256,507	$ 436,582	$ 1,495,170	$ (1,899)	$ 1,824,362	$ 563,491	$ 63,468	$(100,819)	$ (2,170)	$ 4,923,152

See notes to financial statements.

SCHEDULE "20"

CITY OF FAIRVIEW HEIGHTS, ILLINIOS
COMBINING BALANCE SHEET - ALL GENERAL FUND ACCOUNTS
APRIL 30, 2021

ASSETS

	GENERAL	PARKS PROGRAMS	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
Cash and Cash Equivalents	$ 532,639	$ 168,541	$ 67,150	$ 8,948	$ 898,450	$ 1,675,728
Certificates of Deposit	-	-	-	-	-	-
Prepaid Insurance	463,047	-	-	-	-	463,047
Receivables	2,608,166	-	-	-	-	2,608,166
Due From Other Funds	2,429,637	-	172,651	-	-	2,602,288
Restricted Cash and Cash Equivalents	154,703	-	-	-	-	154,703
Total Assets	$ 6,188,192	$ 168,541	$ 239,801	$ 8,948	$ 898,450	$ 7,503,932

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

	GENERAL	PARKS PROGRAMS	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
LIABILITIES:						
Accounts Payable	$ 246,976	$ -	$ -	$ -	$ -	$ 246,976
Accrued Payroll	309,031	-	-	-	-	309,031
Due to Other Funds	81,703	-	-	-	-	81,703
Total Liabilities	637,710	-	-	-	-	637,710
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	17,004	-	-	-	-	17,004
Total Deferred Inflows of Resources	17,004	-	-	-	-	17,004
FUND BALANCE:						
Nonspendable	463,047	-	-	-	-	463,047
Restricted for:						
Rebate and Financing Agreements	154,703	-	-	-	-	154,703
Unassigned						
General Funds	4,915,728	168,541	239,801	8,948	898,450	6,231,468
Total Fund Balance	5,533,478	168,541	239,801	8,948	898,450	6,849,218
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 6,188,192	$ 168,541	$ 239,801	$ 8,948	$ 898,450	$ 7,503,932

See notes to financial statements.

SCHEDULE "21"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED APRIL 30, 2021

	GENERAL	PARKS PROGRAM	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
REVENUES:						
Sales Taxes	$ 6,536,137	$ -	$ -	$ -	$ -	$ 6,536,137
Food and Beverage Taxes	500,000	-	-	-	-	500,000
Home Rule Taxes	2,533,097	-	-	-	-	2,533,097
Income Taxes	2,072,482	-	-	-	-	2,072,482
Property Taxes	29,249	-	-	-	-	29,249
Use Taxes	866,166	-	-	-	-	866,166
Hotel and Motel Taxes	-	-	-	-	-	-
Utility/Franchise Taxes	706,319	-	-	-	-	706,319
Video Game Taxes	130,541	-	-	-	-	130,541
Licenses and Permits	295,549	-	-	-	-	295,549
Grant	898,992	-	-	-	-	898,992
Fines and Fees	209,394	5,791	-	-	-	215,185
Rental	70,603	-	-	-	-	70,603
Donations	-	-	-	200	-	200
Interest Income	2,594	34	3	4	1,431	4,066
Miscellaneous	109,782	-	-	-	-	109,782
Total Revenues	14,960,905	5,825	3	204	1,431	14,968,368
EXPENDITURES:						
Current						
General Government						
Mayor's Department	356,406	-	-	-	-	356,406
Clerk's Department	608,587	-	-	-	-	608,587
Finance Department	364,819	-	-	-	-	364,819
Administration Department	1,434,190	-	-	-	-	1,434,190
Municipal Complex	550,210	-	-	-	-	550,210
Public Safety						
Police	6,488,778	-	1,191,663	1,668	-	7,682,109
Emergency Services and Disaster Agency	46,376	-	-	-	-	46,376
Streets and Public Works						
Engineering/Streets	1,089,786	-	-	-	-	1,089,786
Public Works Maintenance	530,837	-	-	-	-	530,837
Land use and Development	706,719	-	-	-	-	706,719
Culture and Recreation						
Parks	1,111,297	6,417	-	-	-	1,117,714
Library	92,502	-	-	-	-	92,502
Capital Outlay	42,624	-	-	-	-	42,624
Total Expenditures	13,423,131	6,417	1,191,663	1,668	-	14,622,879
Excess (Deficiency) of Revenues Over Expenditures (Carried Forward)	$ 1,537,774	$ (592)	$ (1,191,660)	$ (1,464)	$ 1,431	$ 345,489

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, 2021

	GENERAL	PARKS PROGRAM	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
Excess (Deficiency) of Revenues Over Expenditures (Brought Forward)	$ 1,537,774	$ (592)	$ (1,191,660)	$ (1,464)	$ 1,431	$ 345,489
OTHER FINANCING SOURCES (USES):						
Transfers Out	(1,790,716)	-	-	-	-	(1,790,716)
Transfers In	-	-	1,299,996	-	-	1,299,996
Total Other Financing Sources (Uses)	(1,790,716)	-	1,299,996	-	-	(490,720)
Net Change in Fund Balances	(252,942)	(592)	108,336	(1,464)	1,431	(145,231)
Fund Balances, Beginning of Year	5,786,420	169,133	131,465	10,412	897,019	6,994,449
Fund Balances, End of Year	$ 5,533,478	$ 168,541	$ 239,801	$ 8,948	$ 898,450	$ 6,849,218

See notes to financial statements.

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 *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, 2021, 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 November 10, 2021.

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, in the normal course 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 have not been identified. We did identify certain deficiencies in internal control, described below, that we consider to be significant deficiencies.

2021-001: 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.

2021-002: 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

2021-003: The City did not reconcile their pooled bank account at the fund level with Associated Bank in a timely manner.

2021-004: Various funds of the City expended more than what was approved in their budgets.

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 of 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

The City of Fairview Height's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Fairview Height's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

November 10, 2021

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 three significant deficiencies disclosed during the audit of the financial statements and they are reported below. No material weaknesses were reported.

3. No instances of noncompliance material to the financial statements of the City of Fairview Heights, Illinois were disclosed during the audit.

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

Finding No. 2021-1

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. 2021-2

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.

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 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. 2021-3

Condition: The City did not reconcile their pooled bank account at the fund level.

Criteria: All funds should have cash accounts reconciled.

Cause: Miscommunications with the software provider led management to the assumption that when cash accounts were removed from the pooled cash account into their own bank account, they would no longer have cash allocated to them from the pooled account. The accounting software, under certain circumstances was, still allocating cash to these funds.

Effect: If the above mentioned recording and reconciling is not done timely, there is a greater chance that mistakes could happen without City personnel being aware. This is also necessary in order to have complete accounting records of the City.

Recommendation: City Personnel should prepare timely monthly bank reconciliations for all funds.

Management's Response: After discussions with the auditor and the software provider, the City will monitor the allocated cash accounts to ensure proper reporting.

Finding No. 2021-4

Condition: Various funds of the City expended more than what was approved in their budgets.

Criteria: All funds should maintain their expenditures at or below budgeted amounts.

Cause: Timing of certain bills and unexpected expenses caused the funds to go over budget.

Effect: If the above mentioned recording and reconciling is not done timely, there is a greater chance that mistakes could happen without City personnel being aware. This is also necessary in order to have complete accounting records of the City.

Recommendation: The City should consider amending the budget as necessary to prevent funds from expenditing more than what was budgeted.

Management's Response: The City will do a better job monitoring expenditures as compared to the budget during the six month budget review to ensure compliance.

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

Finding No. 2020-1

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. 2020-2

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.

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 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 PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2020

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Effect: If the above mentioned recording and reconciling is not done timely, there is a greater chance that mistakes could happen without City personnel being aware. This is also necessary in order to have complete accounting records of the City.

Recommendation: The City should consider amending the budget, as necessary, to prevent funds from expenditing more

Management's Response: The City will do a better job monitoring expenditures as compared to the budget during the six month budget review to ensure compliance.