CITY OF FAIRVIEW HEIGHTS, ILLINOIS

UNIT CODE 088-060-30

REPORT AND ANNUAL
FINANCIAL STATEMENTS

APRIL 30, 2020

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SCHEDULE

COMPLIANCE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

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 as of and for the year ended April 30, 2020, 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.

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, 2020, 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 48 to 81 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 nonmajor 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 nonmajor 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 nonmajor 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.

Mayor and Council Members
City of Fairview Heights

Other Reporting Required by Government Auditing Standards

In accordance with *Government Audit Standards*, we have also issued our report dated November 17, 2020, 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

Belleville, Illinois

November 17, 2020

FINANCIAL SECTION

EXHIBIT "A"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2020

ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 7,344,031	
Certificates of Deposit	499,282	
Prepaid Insurance	516,762	
Receivables	4,134,141	
Restricted Cash and Cash Equivalents	5,540,338	
Total Current Assets		$ 18,034,554
NONCURRENT ASSETS:		
Capital Assets, Net	85,708,457	
Total Noncurrent Assets		85,708,457
Total Assets		103,743,011
DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions and OPEB	8,770,718	
Total Deferred Outflows of Resources		8,770,718
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	1,012,565	
Accrued Payroll	344,949	
Due to Fiduciary Fund	25,242	
Accrued Interest Payable	135,136	
Bonds Payable, Current	768,668	
Total Current Liabilities		2,286,560
NONCURRENT LIABILITIES:		
Compensated Absences, Noncurrent	622,226	
Other Postemployment Benefit Obligation	5,892,449	
Bonds Payable, Noncurrent	16,942,427	
Net Pension Liability	23,021,493	
Total Noncurrent Liabilities		46,478,595
Total Liabilities		48,765,155
DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Tax	1,067,206	
Related to Pensions	4,779,089	
Total Deferred Inflows of Resources		5,846,295
NET POSITION		
Net Investment in Capital Assets	67,997,362	
Restricted Net Position	6,822,694	
Unrestricted Net Position	(16,917,777)	
Total Net Position		$ 57,902,279

See accompanying notes to financial statements.

EXHIBIT "B"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2020

		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	$ 3,454,010	$ 215,781	$ -	$ -	$ (3,238,229)
Municipal Complex	667,881	68,946	-	-	(598,935)
Public Safety					
Police	10,687,090	613,919	782,090	-	(9,291,081)
Emergency Services and Disaster Agency	43,142	-	-	-	(43,142)
Street and Public Works					
Engineering/Streets	4,219,640	2,400	-	-	(4,217,240)
Public Works Maintenance	676,646	-	-	-	(676,646)
Land Use and Development	746,243	192,671	-	-	(553,572)
Sales Tax Rebates	908,262	-	-	-	(908,262)
Tax Increment Financing	18,098	-	-	-	(18,098)
Culture and Recreation					
Parks	1,491,841	96,866	-	-	(1,394,975)
Library	756,193	49,174	157	-	(706,862)
Tourism	158,257	-	-	-	(158,257)
Recreation	1,421,277	1,140,120	56,560	-	(224,597)
Interest on Long-Term Debt	644,418	-	-	-	(644,418)
Total Governmental Activities	$ 25,892,998	$ 2,379,877	$ 838,807	$ -	(22,674,314)

GENERAL REVENUES:	
Taxes	
Sales Tax	6,764,066
Home Rule Tax	5,575,415
Food and Beverage Tax	2,119,812
Hotel and Motel Tax	770,137
State Income Tax	1,679,825
Use Tax	610,255
Property Tax	1,130,305
Franchise Tax	274,296
Motor Fuel Tax	634,142
Business District Tax	62,019
Video Game Tax	166,876
Investment Earnings	247,199
Miscellaneous	23,503
Total General Revenues	20,057,850
Change in Net Position	(2,616,464)
Net Position, Beginning of Year	60,518,743
Net Position, End of Year	$ 57,902,279

See accompanying notes to financial statements.

EXHIBIT "C"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2020

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	$ 1,316,962	$ 1,096,317	$ 1,220,882	$ 115,543	$ -	$ -	$ -	$ 3,594,327	$ 7,344,031
Certificates of Deposit	100,151	-	-	-	-	-	-	399,131	499,282
Prepaid Insurance	516,762	-	-	-	-	-	-	-	516,762
Receivables	1,624,260	832,056	-	370,551	315,706	322,055	411,156	258,357	4,134,141
Due from Other Funds	3,947,367	-	-	-	-	-	-	87,562	4,034,929
Restricted Cash and Cash Equivalents	115,902	92,859	-	35,696	1,866,347	1,337,021	2,022,257	70,256	5,540,338
Total Assets	$ 7,621,404	$ 2,021,232	1,220,882	$ 521,790	$ 2,182,053	$ 1,659,076	$ 2,433,413	$ 4,409,633	$ 22,069,483
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES:									
Accounts Payable	$ 196,698	$ 124,396	$ 26,628	$ 521,790	$ 2,167	$ 2,170	$ 96,151	$ 42,565	$ 1,012,565
Accrued Payroll	330,444	-	7,996	-	-	-	-	6,509	344,949
Due to Fiduciary Fund	25,242	-	-	-	-	-	-	-	25,242
Due to Other Funds	57,397	2,025,627	927,022	-	-	-	427,503	597,380	4,034,929
Total Liabilities	609,781	2,150,023	961,646	521,790	2,167	2,170	523,654	646,454	5,417,685
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Property Taxes	17,174	-	-	-	315,706	322,056	379,308	32,962	1,067,206
Total Deferred Inflows of Resources	17,174	-	-	-	315,706	322,056	379,308	32,962	1,067,206
FUND BALANCES:									
Restricted for:									
Rebate and Financing Agreements	115,902	92,859	-	-	-	-	-	-	208,761
Infrastructure	-	-	-	-	-	-	-	1,079,505	1,079,505
Special Revenue Funds	-	-	259,236	-	1,864,180	1,334,850	1,530,451	28,949	5,017,666
Nonspendable	516,762	-	-	-	-	-	-	-	516,762
Assigned	-	-	-	-	-	-	-	2,907,784	2,907,784
Unassigned:									
General Funds	6,361,785	-	-	-	-	-	-	-	6,361,785
Special Revenue Funds	-	(221,650)	-	-	-	-	-	(286,021)	(507,671)
Total Fund Balances	6,994,449	(128,791)	259,236	-	1,864,180	1,334,850	1,530,451	3,730,217	15,584,592
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,621,404	$ 2,021,232	$ 1,220,882	$ 521,790	$ 2,182,053	$ 1,659,076	$ 2,433,413	$ 4,409,633	$ 22,069,483

See accompanying notes to financial statements.

EXHIBIT "D"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2020

Total fund balance - total governmental funds		$ 15,584,592
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of $135,643,602 net of accumulated depreciation of $49,935,145 are not financial resources and, therefore, are not reported in the funds.		85,708,457
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, 2020, were:		
Compensated absences	$ (622,226)	
Accrued interest on bonds payable	(135,136)	
Other post employment benefit obligation	(5,892,449)	
Net pension liability	(23,021,493)	
Bonds payable	(17,711,095)	(47,382,399)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore are reported in the governmental funds, as follows:		
Deferred outflows of resources (related to pensions)		8,770,718
Deferred inflows of resources (related to pensions)		(4,779,089)
Net position of governmental activities		$ 57,902,279

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, 2020

	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	$ 6,324,335	$ -	$ -	$ 439,731	$ -	$ -	$ -	$ -	$ 6,764,066
Food and Beverage Taxes	1,072,028	-	-	-	-	-	-	1,047,784	2,119,812
Home Rule Taxes	3,874,672	1,666,193	-	34,550	-	-	-	-	5,575,415
Income Taxes	1,679,825	-	-	-	-	-	-	-	1,679,825
Property Taxes	43,584	-	-	-	318,880	381,413	344,913	41,515	1,130,305
Use Taxes	610,255	-	-	-	-	-	-	-	610,255
Hotel and Motel Taxes	383,145	-	-	-	-	-	-	386,992	770,137
Utility/Franchise Taxes	274,296	-	-	-	-	-	-	-	274,296
Video Game Taxes	166,876	-	-	-	-	-	-	-	166,876
Motor Fuel Taxes	-	-	-	-	-	-	-	634,142	634,142
Business District Taxes	-	-	-	62,019	-	-	-	-	62,019
Licenses and Permits	248,944	-	-	-	-	-	-	-	248,944
Grant	53,611	-	634,622	-	-	-	81,263	-	769,496
Fines and Fees	391,369	-	1,140,119	-	-	-	-	176,687	1,708,175
Rental	68,945	-	-	-	-	-	-	-	68,945
Donations	12,594	-	56,560	-	-	-	-	157	69,311
Interest Income	36,774	55,197	-	4,559	32,063	20,071	37,225	61,310	247,199
OPEB Insurance Contributions	-	-	-	-	-	-	-	159,119	159,119
Miscellaneous	203,110	649	-	-	-	-	-	14,438	218,197
Total Revenues	15,444,363	1,722,039	1,831,301	540,859	350,943	401,484	463,401	2,522,144	23,276,534
EXPENDITURES:									
Current									
General Government									
Mayor's Department	357,022	-	-	-	-	-	-	-	357,022
Clerk's Department	668,806	-	-	-	-	-	-	43,547	712,353
Finance Department	377,691	-	-	-	-	-	-	-	377,691
Administration Department	1,728,597	-	-	-	-	-	-	208,332	1,936,929
Municipal Complex	526,440	50,375	-	-	-	-	-	-	576,815
Public Safety									
Police	7,937,877	250,280	-	-	-	-	-	96,752	8,284,909
Emergency Services and									-
Disaster Agency	38,812	-	-	-	-	-	-	-	38,812
Streets and Public Works									
Engineering/Streets	1,526,906	55,305	-	-	-	-	-	-	1,582,211
Public Works									
Maintenance	664,699	-	-	-	-	-	-	321,852	986,551
Land Use and									
Development	732,066	-	-	-	-	-	-	-	732,066
Sales Tax Rebates	-	-	-	908,262	-	-	-	-	908,262
Tax Increment Financing	-	-	-	-	2,167	2,167	102,337	1,674	108,345
Culture and Recreation									
Parks	1,372,757	27,717	-	-	-	-	-	26,184	1,426,658
Library	132,968	-	-	-	-	-	-	566,991	699,959
Tourism	-	-	-	-	-	-	-	82,214	82,214
Recreation Center	-	-	1,527,334	-	-	-	-	-	1,527,334
Debt Service									
Principal	-	-	-	-	-	-	-	720,000	720,000
Interest	-	-	-	-	-	-	-	664,719	664,719
Capital Outlay	-	2,595,931	570,153	-	-	-	506,784	-	3,672,868
Total Expenditures	16,064,641	2,979,608	2,097,487	908,262	2,167	2,167	609,121	2,732,265	25,395,718
Excess (Deficiency) of Revenues Over Expenditures	(620,278)	(1,257,569)	(266,186)	(367,403)	348,776	399,317	(145,720)	(210,121)	(2,119,184)
OTHER FINANCING SOURCES (USES):									
Transfers Out	(1,964,072)	-	-	-	-	-	-	-	(1,964,072)
Transfers In	1,299,996	-	-	-	31,874	38,125	34,476	559,601	1,964,072
Total Other Financing Sources (Uses)	(664,076)	-	-	-	31,874	38,125	34,476	559,601	-
Net Change in Fund Balances	(1,284,354)	(1,257,569)	(266,186)	(367,403)	380,650	437,442	(111,244)	349,480	(2,119,184)
Fund Balances, Beginning of Year	8,278,803	1,128,778	525,422	367,403	1,483,530	897,408	1,641,695	3,380,737	17,703,776
Fund Balances (Deficit), End of Year	$ 6,994,449	$ (128,791)	$ 259,236	$ -	$ 1,864,180	$ 1,334,850	$ 1,530,451	$ 3,730,217	$ 15,584,592

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, 2020

Net change in fund balances - total governmental funds		$ (2,119,184)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported depreciation expense. This is the amount by which capital assets of $3,714,041 exceeded depreciation of $2,693,636 in the current period.		1,020,405
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.		720,000
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:		
Decrease in compensated absences	$ 33,859	
Pension income (expense)	(345,492)	
Decrease in accrued interest	20,301	
(Increase) in other postemployment benefit and pension obligation	(1,975,021)	
		(2,266,353)
Change in net position of governmental activities		$ (2,616,464)

See accompanying notes to financial statements.

EXHIBIT "G"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
APRIL 30, 2020

ASSETS	PENSION TRUST FUND
Pooled Cash and Cash Equivalents	$ 613,207
Total Cash	613,207
Interest and Dividends Receivable	64,465
Due from General Fund	25,242
Investments, at Fair Value	
Common Stock	13,250,851
Mutual Funds	4,334,295
Government Securities/Fixed Income	10,515,571
Total Investments	28,100,717
Total Assets	28,803,631
LIABILITIES	
Total Liabilities	-
NET POSITION	
Held in Trust for Pension Benefits	$ 28,803,631

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, 2020

	PENSION TRUST FUND
ADDITIONS:	
Contributions	
Employer	$ 1,299,996
Plan Members	368,116
Transfer In	34,872
Total Contributions	1,702,984
Investment Income (Loss)	
Net Depreciation in Fair Value of Investments	(1,059,859)
Interest	281,586
Dividends	346,309
	(431,964)
Less: Investment Expense	119,552
Total Investment Income (Loss)	(551,516)
Total Additions	1,151,468
DEDUCTIONS:	
Retirement Benefits	1,799,904
Disability	349,845
Administrative Expenses	40,595
Total Deductions	2,190,344
Change in Net Position	(1,038,876)
Beginning of Year	29,842,507
End of Year	$ 28,803,631

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 reports 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, and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS

As of April 30, 2020, the City had the following cash and investments:

Statement of Net Position	
Cash and Cash Equivalents	$ 7,344,031
Restricted Cash	5,540,338
Certificates of Deposits	499,282
	13,383,651
Fiduciary Fund	
Cash	613,207
Investments	28,100,717
	28,713,924
	$ 42,097,575

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

As of April 30, 2020, cash and investments consisted of the following:

INVESTMENTS	COST
Cash on Hand	$ 394
Deposits with Financial Institutions	13,896,313
Brokered Certificates of Deposits	100,151
Government Securities	7,711,454
Corporate Securities	2,804,117
Mutual Funds	4,334,295
Stocks	13,250,851
Total	$ 42,097,575

As of April 30, 2020, the Library fund, a blended component unit of the City, had the following certificates of deposit:

INVESTMENTS	MATURITY	COST
Providence Bank- Certificate of Deposit	5/9/2020	$ 30,703
Providence Bank- Certificate of Deposit	7/9/2020	110,176
Providence Bank- Certificate of Deposit	11/1/2020	31,019
First Mid Bank & Trust- Certificate of Deposit	1/9/2021	114,653
First Mid Bank & Trust - Certificate of Deposit	3/25/2024	112,580
		$ 399,131

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.

At April 30, 2020, the book balance of the City's cash and investments was $13,383,651 and the bank balance was $14,134,510. Of the bank balance, $2,044,637 was covered by federal depository insurance and $12,089,873 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.

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

	REMAINING MATURITY				
INVESTMENT TYPE	12 MONTHS OR LESS	13 TO 24 MONTHS	25 TO 60 MONTHS	MORE THAN 60 MONTHS	TOTAL
City Funds					
Brokered Certifictates of Deposit	$ 100,151	$ -	$ -	$ -	$ 100,151
Policemen's Pension					
U.S. Treasury Notes	1,608,692	1,126,288	1,716,944	2,250,229	6,702,153
Federal Agency Securities	-	244,157	-	765,144	1,009,301
Corporate Securities	45,706	283,952	1,487,072	987,387	2,804,117
Mutual Funds	4,334,295	-	-	-	4,334,295
Stocks	13,250,851	-	-	-	13,250,851
Total	$ 19,339,695	$ 1,654,397	$ 3,204,016	$ 4,002,760	$ 28,200,868

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by a nationally recognized statistical ratings organization. Presented below is the rating as of April 30, 2020, for each investment type.

	RATINGS AS OF YEAR END					
INVESTMENT TYPE	TOTALS	EXEMPT FROM DISCLOSURE	AAA	AA	A	BBB
U.S. Treasury Notes	$ 6,702,153	$ 6,702,153	$ -	$ -	$ -	$ -
Federal Agency Securities	1,009,301	-	-	1,009,301	-	-
Corporate Securities	2,804,117	-	-	970,796	151,763	1,681,558
Certificates of Deposit	100,151	100,151	-	-	-	-
Mutual Funds	4,334,295	4,334,295	-	-	-	-
Stocks	13,250,851	13,250,851	-	-	-	-
Total	$ 28,200,868	$ 24,387,450	$ -	$ 1,980,097	$ 151,763	$ 1,681,558

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.

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

Investment Policies

City Policy

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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 is rated AAA by Standard & Poor's. 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.

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

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

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	$ 13,250,851	$ 11,403,627
U.S. Treasury Notes	6,702,153	6,420,747
Federal Agencies	1,009,301	980,478
Corporate Bonds	2,804,117	2,743,284
Mutual Funds	4,334,295	4,587,872
	$ 28,100,717	$ 26,136,008

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, 2020.

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, 2020:

	LEVEL 1	LEVEL 2	LEVELING NOT REQUIRED	TOTAL
Investments by Fair Value Level:				
U.S. Treasury Notes	$ 6,702,153	$ -	$ -	$ 6,702,153
Federal Agency Securities	-	1,009,301	-	1,009,301
Corporate Securities	-	2,804,117	-	2,804,117
Mutual Funds	4,334,295	-	-	4,334,295
Stocks	13,250,851	-	-	13,250,851
Certificates of Deposit	-	100,151	-	100,151
Total	$ 24,287,299	$ 3,913,569	$ -	$ 28,200,868

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.

NOTE 3. FAIR VALUE MEASUREMENT (CONT'D)

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, Municipal Securities, and Brokered Certificates of Deposit.

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. 2018 property taxes were payable in two installments; July 1, 2019 and September 1, 2019. 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 2018 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, 2019	ADDITIONS	RETIREMENTS	BALANCE AT APRIL 30, 2020
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 10,050,948	$ -	$ -	$ 10,050,948
Construction in Progress	20,409,739	3,767,314	(23,777,544)	399,509
Total Capital Assets Not Being Depreciated	30,460,687	3,767,314	(23,777,544)	10,450,457
Other Capital Assets				
Buildings	15,503,028	19,963,992	-	35,467,020
Other Improvements	3,985,439	-	-	3,985,439
Machinery and Equipment	10,458,782	50,730	-	10,509,512
Infrastructure	71,521,626	3,709,548	-	75,231,174
Total Other Capital Assets at Historical Costs	101,468,875	23,724,270	-	125,193,145
Sub-Total (Carried Forward)	$ 131,929,562	$ 27,491,584	$(23,777,544)	$ 135,643,602

NOTE 5. CAPITAL ASSETS (CONT'D)

	BALANCE AT MAY 1, 2019	ADDITIONS	RETIREMENTS	BALANCE AT APRIL 30, 2020
Sub-Total (Brought Forward)	$ 131,929,562	$ 27,491,584	$(23,777,544)	$ 135,643,602
Less Accumulated Depreciation for				
Buildings	7,765,069	886,051	-	8,651,120
Other Improvements	2,696,763	125,248	-	2,822,011
Machinery and Equipment	8,529,621	394,178	-	8,923,799
Infrastructure	28,250,056	1,288,159	-	29,538,215
Total Accumulated Depreciation	47,241,509	2,693,636	-	49,935,145
Governmental Activities Capital Assets, Net	$ 84,688,053	$ 24,797,948	$(23,777,544)	$ 85,708,457

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

PRIMARY GOVERNMENT:	
Governmental Activities	
General Government	
Executive	$ 44,151
Municipal Complex	107,266
Police Safety	
Police	272,705
EDSA	4,041
Street and Public Works	
Engineering/Streets	1,531,387
Public Works Maintenance	4,875
Culture and Recreation	
Parks	110,624
Recreation Center	496,721
Library	45,823
Tourism	76,043
Total Depreciation for Governmental Activities	$ 2,693,636

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.

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

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended April 30, 2020:

DESCRIPTION AND PURPOSE	BALANCE MAY 1, 2019	ISSUED	RETIRED	BALANCE APRIL 30, 2020	DUE WITHIN ONE YEAR
Governmental Activities					
Compensated Absences	$ 656,086	$ 568,697	$ 602,557	$ 622,226	$ -
General Obligation Bonds	17,755,000	-	720,000	17,035,000	740,000
Bond Premiums	704,763	-	28,668	676,095	28,668
Total	$ 19,115,849	$ 568,697	$ 1,351,225	$ 18,333,321	$ 768,668

The City has general obligation debt service requirements at April 30, 2020, 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.

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, 2020:

PAYABLE DURING THE YEAR ENDED	GENERAL OBLIGATION BOND SERIES DTD 1/1/11		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2021	$ 304,219	$ 295,000	$ 9,219
	$ 304,219	$ 295,000	$ 9,219

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

PAYABLE DURING THE YEAR ENDED	GENERAL OBLIGATION BOND SERIES DTD 11/9/17		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2021	$ 581,675	$ 235,000	$ 346,675
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 - 2030	2,922,975	1,505,000	1,417,975
April 30, 2031 - 2035	2,929,452	1,840,000	1,089,452
April 30, 2036 - 2040	2,940,150	2,270,000	670,150
April 30, 2041 - 2044	2,355,050	2,160,000	195,050
	$ 14,053,552	$ 9,020,000	$ 5,033,552

PAYABLE DURING THE YEAR ENDED	GENERAL OBLIGATION BOND SERIES DTD 2/27/18		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2021	$ 497,226	$ 210,000	$ 287,226
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 - 2030	2,493,820	1,305,000	1,188,820
April 30, 2031 - 2035	2,489,016	1,565,000	924,016
April 30, 2036 - 2040	2,488,552	1,905,000	583,552
April 30, 2041 - 2044	1,992,786	1,820,000	172,786
	$ 11,959,904	$ 7,720,000	$ 4,239,904

PAYABLE DURING THE YEAR ENDED	TOTAL ALL BONDS		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2021	$ 1,383,120	$ 740,000	$ 643,120
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 - 2030	5,416,795	2,810,000	2,606,795
April 30, 2031 - 2035	5,418,468	3,405,000	2,013,468
April 30, 2036 - 2040	5,428,702	4,175,000	1,253,702
April 30, 2041 - 2044	4,347,836	3,980,000	367,836
	$ 26,317,675	$ 17,035,000	$ 9,282,675

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 Funds	Governmental Activities/Major 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
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	423,453
Federal Police Escrow	Local Police Escrow	30,165
Federal Police Escrow	General Fund	1,154
Home Rule Fund	General Fund	2,025,627
		$ 4,034,929

DUE FROM	DUE TO	AMOUNT
Governmental Funds	Governmental Activities/Major Fiduciary Funds	
General Fund/Police Pension Fund	Police Pension Fund	$ 25,242

The following is a summary of transfers during the year ended April 30, 2020:

TRANSFER FROM	TRANSFER TO	AMOUNT
General Fund	Library	$ 555,451
General Fund	Police Pension	1,299,996
General Fund	TIF No. 1 Bunkum Road	31,874
General Fund	TIF No. 2 Shoppes of St. Clair	38,125
General Fund	TIF No. 3 Lincoln Trail	34,476
General Fund	TIF No. 4 FH West	3,571
General Fund	TIF No.5 Ludwig	579
		$ 1,964,072

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 $585,765. 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, 2020, the amount of cash restricted for current and future payments under this agreement was $100,235. 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 37.5 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 $236,277 as of April 30, 2020. 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, 2020, the amount of cash restricted for current and future payments under this agreement was $108,526.

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 $35,572 in fiscal year 2020 and a current year payment in the amount of $35,696 is payable as of April 30, 2020. Cash representing the amount of rebate due under the terms of this agreement have been set aside and restrictions have been placed on the accounts. At April 30, 2020, the amount of cash restricted for current and future payment under this agreement was $35,696. 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 2020. 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, 2020, the amount of cash restricted was $1,337,021. 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 $23,716 and a current year payment in the amount of $23,799 is payable as of April 30, 2020.

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, 2020, the amount of cash restricted for current and future payments under this agreement was $2,022,257.

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, 2020, the City rebated property taxes totaling $-0- under this agreement with a remaining balance of $25,000.

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, 2020, the City rebated property taxes totaling $50,000 under this agreement.

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 $1,059 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 $691 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:

5/1/20 - 4/30/21	$	71,324
5/1/21 - 4/30/22		71,324
5/1/22 - 4/30/23		55,124
5/1/23 - 4/30/24		55,124
5/1/24 - 4/30/25		55,124

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, 2020, rentals approximated $52,749 for such leases. These leases primarily support governmental activities.

Minimum rentals on leases for future years are as follows:

5/1/20 - 4/30/21	$ 25,012
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 $5,540,338 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 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 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 1, 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 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 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 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms - As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	83
Inactive Plan Members entitled to but not yet receiving benefits	81
Active Plan Members	90
Total	254

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 2019 was 9.47 percent. For the calendar year December 31, 2019, the City contributed $426,797 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, 2019. 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, 2019:

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 2.50 percent.
Salary Increases were expected to be 3.35 percent to 14.25 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 2017 valuation according to an experience study from years 2014 to 2016.

NOTE 13. RETIREMENT PLANS (CONT'D)

The IMRF-specific rates for **Mortality** (for non-disabled retirees) 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 adjustments 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.

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 %	5.75 %
International Equity	18	6.50
Fixed Income	28	3.25
Real Estate	9	5.20
Alternative Investments	7	3.6-7.6
Cash Equivalents	1	1.85
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 2.75 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 (A)-(B)
Balance at December 31, 2018	$ 30,666,683	$ 26,402,138	$ 4,264,545
Changes for the Year:			
Service Cost	429,718	-	429,718
Interest on the Total Pension Liability	2,177,295	-	2,177,295
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(22,815)	-	(22,815)
Changes of Assumptions	-	-	-
Contributions - Employer	-	426,797	(426,797)
Contributions - Employees	-	203,273	(203,273)
Net Investment Income	-	5,034,762	(5,034,762)
Benefit Payments, Including Refunds of Employee Contributions	(1,699,774)	(1,699,774)	-
Other (Net Transfer)	-	93,252	(93,252)
Net Changes	884,424	4,058,310	(3,173,886)
Balance at December 31, 2019	$ 31,551,107	$ 30,460,448	$ 1,090,659

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	$ 4,714,747	$ 1,090,659	$ (1,913,619)

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

For the year ended December 31, 2019, the City recognized pension expense of $627,375. At April 30, 2020, 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	$ 180,301	$ 22,667
Changes of Assumption	288,837	179,455
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,245,019	3,587,253
Total Deferred Amounts to Be Recognized in Pension Expense in Future Periods	2,714,157	3,789,375
Pension Contributions Made Subsequent to the Measurement Date	319,258	-
Total Deferred Amounts Related to Pensions	$ 3,033,415	$ 3,789,375

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 OUTFLOWS OF RESOURCES
2020	$ 158,418
2021	(388,273)
2022	105,094
2023	(631,199)
2024	-
Thereafter	-
Total	$ (755,960)

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, 2020, the Police Pension membership consisted of:

Active plan members	45
Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	10
Total	88

NOTE 13. RETIREMENT PLANS (CONT'D)

Benefits Provided

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Age:	Tier 1: Age 50 and 20 years of service. Tier 2: Age 55 with 10 years of service.
Benefit:	2.50% of Average Final Compensation Times Credited Service.

Early Retirement:

Age:	Tier 1: Age 60 and 8 years of service. Tier 2: 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% for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination):

Tier 1:	Less than 8 years: Refund of accumulated contributions without interest. 8 or more: Refund of contributions or accrued benefit payable at retirement age.
Tier 2:	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% of AFC. For Non-Service Incurred benefit is 50% of salary.

Pre-Retirement Death Benefits:

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

Cost-of-Living Adjustments:

Tier 1:	Retirees - 3.00% per year upon attaining age 55. For retirements prior to age 55, 1/12 of 3.00% per month benefit commences prior to reaching age 55. Disabled Retirees - annual increase of 3.00% of the original benefit amount upon attaining age 60. For disablements prior to age 60, 3.00% of original benefit per year benefit commenced prior to age 60.
Tier 2:	An annual increase equal to the lesser of 3.00% 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, 2020:

NOTE 13. RETIREMENT PLANS (CONT'D)

ASSET CLASS	TARGET ALLOCATION
Cash (US$ 90-day T-bill)	2 %
US Taxable Fixed Income	38
US Large-Cap Value Stocks	16
US Large-Cap Growth Stocks	16
US Mid-Cap Core Stocks	5
US Small-Cap Core Stocks	4
International Equities	15
Emerging Markets	4
Total	100 %

Rate of Return:

For the year ended April 30, 2020, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was -1.86 percent.

The money-weighted rate of return expresses investment performance, 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, 2020, were as follows:

Total Pension Liability	$ 50,734,465
Plan Fiduciary Net Position	(28,803,631)
Employer's Net Pension Liability	$ 21,930,834
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	56.77%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of May 1, 2020, using the following actuarial assumptions:

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

Mortality Rate: PubS-2010 Employee mortality, projected five years past the valuation date with Scale MP-2018. Inactive Lives: PubS-2010 Healthy Retiree mortality, projected five years past the valuation date with Scale MP-2018. Beneficiaries: PubS-2010 Survivor mortality, projected five years past the valuation date with Scale MP-2018. Disabled lives: PubS-2010 Disabled mortality, projected five years past the valuation date with Scale MP-2018. 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, 2020, valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance dated October 5, 2017.

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, 2020, are summarized in the following table:

ASSET CLASS	LONG-TERM EXPECTED REAL RATE OF RETURN
Cash	0.80 %
US Taxable Fixed Income	1.60
US Large-Cap Value Stocks	5.90
US Large-Cap Growth Stocks	5.80
US Mid-Cap Core Stocks	6.20
US Small-Cap Core Stocks	5.30
International Equities	4.80
Emerging Markets	6.40

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 2.85 percent (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve); 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, 2019	$ 47,628,708	$ 29,842,506	$ 17,786,202
Changes For a Year:			
Service Cost	958,205	-	958,205
Interest	3,088,283	-	3,088,283
Differences Between Expected and Actual Experience	884,375	-	884,375
Changes of Assumptions	-	-	-
Changes of Benefit Terms	289,771	-	289,771
Contributions - Employer	-	1,299,996	(1,299,996)
Contributions - Employee	-	368,116	(368,116)
Contributions - Buy Back	34,872	34,872	-
Net Investment Income	-	(551,515)	551,515
Benefit Payments, Including Refunds of Employee Contributions	(2,149,749)	(2,149,749)	-
Administrative Expenses	-	(40,595)	40,595
Net Changes	3,105,757	(1,038,875)	4,144,632
Balances at April 30, 2020	$ 50,734,465	$ 28,803,631	$ 21,930,834

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	$ 29,418,943	$ 21,930,834	$ 15,846,351

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, 2020, the employer will recognize pension expense of $3,160,539. On April 30, 2020, 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	$ 1,603,517	$ 740,346
Changes of Assumptions	1,722,048	249,368
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,949,717	-
Total	$ 5,275,282	$ 989,714

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,	
2021	$ 703,060
2022	877,833
2023	1,097,888
2024	984,221
2025	496,227
Thereafter	126,339
	$ 4,285,568

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, 2020, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Inactive Participants Entitled to but Not Yet Receiving Benefits	11
Disabled Participants	5
Active Participants	108
Total	124

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 $751 per month for single coverage or $2,179 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, 2020, retirees contributed $49,197, active employees contributed $160,117, and the City contributed $2,033,006.

Net OPEB Liability: The components of the net OPEB liability of the plan at April 30, 2020, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	$ 5,892,449
Plan Fiducary Net Position	-
Net OPEB Liability	$ 5,892,449
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, 2020, using the following actuarial assumptions:

Salary Increases	3.50%
Investment Rate of Return	2.91%
20-year AA Municipal Bond Rate	3.79%
Mortality	RP-2014 Healthy Employee Table with MP 2018 projection
Healthcare Inflation	8.0%, grading down until 4.5% is reached

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

	TOTAL OPEB LIABILITY	FIDICIARY NET POSITION	OPEB LIABILITY (ASSET)
Balance, May 1, 2019	$5,156,391	$ -	$5,156,391
Changes for the Year:			
Service Cost	315,019		315,019
Interest Cost	191,529		191,529
Assumption Changes	435,246		435,246
Contributions - Employer		205,736	(205,736)
Benefit Payments	(205,736)	(205,736)	-
Net Changes	736,058	-	736,058
Balance, April 30, 2020	$5,892,449	$ -	$5,892,449

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

Discount Rate: The discount rate used to measure the total OPEB liability was 3.79 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 3.79 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	1.91%	$6,418,323
Current Discount Rate	2.91%	5,892,449
1% Increase	3.91%	5,411,384

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	7.00%	$ 5,233,216
Current Discount Rate	8.00%	5,892,449
1% Increase	9.00%	6,674,710

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
4/30/20	$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, 2020, was calculated as follows:

Annual Required Contribution	$ 205,736
Interest on Net OPEB Obligation	191,529
Adjustment to Annual Required Contribution	544,529
Annual OPEB Cost	941,794
Contributions Made	205,736
Increase (Decrease) in Net OPEB Obligation	736,058
Net OPEB Obligation, Beginning of Year	5,156,391
Net OPEB Obligation, End of Year	$ 5,892,449

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, 2020, was as follows:

Actuarial Value of Plan Assets	0.0%
Unfunded Actuarial Accrued Liability (UAAL)	$ 5,892,449
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Members)	$ 7,819,509
UAAL as a Percentage of Covered Payroll	75.36%

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, 2020, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included 2.91 percent investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.0 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. The remaining amortization period April 30, 2020, was 19 years.

Deferred Outflows and Deferred Inflows of Resources Related to OPEB:

On April 30, 2020, 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
Assumption Changes	$ 462,021	$ -

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,	
2021	$ 44,680
2022	44,680
2023	44,680
2024	44,680
2025	44,680
Thereafter	238,621
Total	$ 462,021

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 so 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.

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.

NOTE 15. CONTINGENT LIABILITIES (CONT'D)

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 $62,818 was made in fiscal year 2020.

NOTE 19. SUBSEQUENT EVENTS

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

NOTE 19. SUBSEQUENT EVENTS (CONT'D)

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. EXPENDITURES OVER BUDGET

The City operated within the legal confines of the budget during the fiscal year ended April 30, 2020, except the following:

Police Escrow Fund	$	69,818
Library Fund		21,316
Local Police Escrow		26,933
OPEB		43,914
Recreation Center		920,801

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
REVENUE:				
Permits				
Building Permits	$ 75,000	$ 75,000	$ 69,243	$ (5,757)
Plumbing Permits	750	750	(19)	(769)
Electric Permits	3,500	3,500	3,506	6
Demo, Satellite, and Grade	1,000	1,000	680	(320)
Sign Permits	5,000	5,000	3,736	(1,264)
Building Maintenance Permits	55,000	55,000	50,174	(4,826)
Total Permits	140,250	140,250	127,320	(12,930)
Income Tax				
Income Tax	1,666,000	1,666,000	1,850,553	184,553
Interest	35,000	35,000	36,775	1,775
Total Income Taxes	1,701,000	1,701,000	1,887,328	186,328
Miscellaneous Revenue				
Liquor Licenses	60,000	60,000	39,710	(20,290)
Miscellaneous	-	-	8,417	8,417
Total Miscellaneous Revenue	60,000	60,000	48,127	(11,873)
Other Taxes				
Food and Beverage Tax	1,000,000	1,000,000	1,072,028	72,028
Hotel and Motel Collection Tax	450,000	450,000	383,145	(66,855)
Video Gaming Tax	120,000	120,000	172,620	52,620
Total Other Taxes	1,570,000	1,570,000	1,627,793	57,793
Use Taxes				
Sales Tax	7,500,000	7,500,000	6,732,848	(767,152)
Home Rule Tax	4,406,792	4,406,792	3,874,672	(532,120)
Use Tax	500,000	500,000	589,150	89,150
Road and Bridge Allotments	45,000	45,000	54,069	9,069
Total Use Taxes	$ 12,451,792	$ 12,451,792	$ 11,250,739	$ (1,201,053)

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, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Grants				
Franchises	$ 300,000	$ 300,000	$ 273,416	$ (26,584)
Special Grants	50,000	50,000	53,611	3,611
Library Grant	-	-	-	-
E.S.D.A. Grant	8,000	8,000	-	(8,000)
Total Grants	358,000	358,000	327,027	(30,973)
Charges for Service				
School Resource Officer Duty	100,000	100,000	90,767	(9,233)
Police Reports	6,000	6,000	6,470	470
Use of Copy/Fax Equipment	250	250	388	138
Total Charges for Services	106,250	106,250	97,625	(8,625)
Police Revenue				
Police Fines	100,000	100,000	121,221	21,221
Residential Rental License Fee	100,000	100,000	87,600	(12,400)
Police Outside Employment	100,000	100,000	100,232	232
Licenses - Other Than Liquor	30,000	30,000	16,563	(13,437)
Towing Fees	150,000	150,000	142,745	(7,255)
Fugitive Failure to Appear Fee	8,000	8,000	9,919	1,919
Bail Bond Fee	20,000	20,000	11,560	(8,440)
Sex Offender Registration	3,200	3,200	2,600	(600)
Donations	-	-	12,594	12,594
Total Police Revenue	511,200	511,200	505,034	(6,166)
Other Sources				
Zoning Permits	-	-	250	250
Waste Haulers' Fee	-	-	2,400	2,400
Users' Fees - Parks	18,000	18,000	96,865	78,865
Rents, Leases, Sharecrop	85,000	85,000	68,945	(16,055)
Interfund Transfer	-	-	1,299,996	1,299,996
Total Other Sources	103,000	103,000	1,468,456	1,365,456
Total Revenue	$ 17,001,492	$ 17,001,492	$ 17,339,449	$ 337,957

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, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
EXPENDITURES:				
Executive Department				
Semi-Monthly Salaries	$ 186,475	$ 186,475	$ 183,275	$ 3,200
Elected and Appointed Officials	9,600	9,600	9,600	-
Christmas Bonus	600	600	554	46
Unemployment Insurance	1,000	1,000	280	720
Social Security	12,194	12,194	12,065	129
Medicare	2,852	2,852	2,822	30
Retirement Funds	17,716	17,716	18,455	(739)
Health and Life Insurance	23,000	23,000	28,231	(5,231)
OPEB Employer Contribution	3,814	3,814	3,043	771
Education	1,500	1,500	655	845
Legal Fees	400	400	7,323	(6,923)
Travel and Meeting Expense	2,300	2,300	1,933	367
Bonds and Notary Fees	50	50	147	(97)
Membership Dues	2,200	2,200	1,775	425
Advertising and Public Notice	15,000	15,000	7,031	7,969
Public Relations	3,500	3,500	3,873	(373)
Equipment Rental	1,250	1,250	1,254	(4)
Technical and Outside Services	3,500	3,500	631	2,869
Insurance Liability	562,000	562,000	361,161	200,839
Insurance Deductible	20,000	20,000	9,221	10,779
Postage	12,000	12,000	11,855	145
Office Furniture and Equipment	500	500	-	500
Petty Cash	75	75	-	75
Subscriptions-Books	200	200	200	-
Election Expenses	-	-	142	(142)
Supplies	12,000	12,000	8,976	3,024
Total Executive Department	$ 893,726	$ 893,726	$ 674,502	$ 219,224

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITVE
	ORIGINAL	FINAL	BASIS	(NEGATIVE)
Mayor's Department				
Elected and Appointed Officials	$ 117,600	$ 117,600	$ 112,600	$ 5,000
Social Security	7,300	7,300	6,981	319
Medicare	1,750	1,750	1,633	117
Elected Official Expense	2,550	2,550	-	2,550
Legal Fees	239,500	239,500	222,417	17,083
Travel and Meeting Expense	21,500	21,500	12,831	8,669
Membership Dues	500	500	164	336
Public Relations	2,200	2,200	1,919	281
Technical and Outside Services	1,000	1,000	-	1,000
Office Furniture and Equipment	1,000	1,000	338	662
Supplies	-	-	59	(59)
Transfer to Library Fund	555,451	555,451	555,451	-
Total Mayor's Department	950,351	950,351	914,393	35,958
Finance Department				
Semi-Monthly Salaries	212,977	212,977	200,378	12,599
Elected and Appointed Officials	12	12	12	-
Christmas Bonus	600	600	404	196
Unemployment Insurance	600	600	237	363
Social Security	13,300	13,300	12,300	1,000
Medicare	3,110	3,110	2,877	233
Retirement Funds	20,311	20,311	20,488	(177)
Health and Life Insurance	42,000	42,000	36,856	5,144
OPEB Employer Contribution	3,600	3,600	2,629	971
Audit Fees	59,500	59,500	57,250	2,250
Travel and Meeting Expense	500	500	-	500
Membership Dues	275	275	-	275
Bad Debt Expense	-	-	4,983	(4,983)
Technical and Outside Services	1,400	1,400	10,528	(9,128)
IT Software	25,250	25,250	26,782	(1,532)
Supplies	5,500	5,500	3,526	1,974
Total Finance Department	$ 388,935	$ 388,935	$ 379,250	$ 9,685

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITVE
	ORIGINAL	FINAL	BASIS	(NEGATIVE)
Police Department				
Semi-Monthly Salaries	$ 4,459,187	$ 4,459,187	$ 4,150,590	$ 308,597
Overtime Compensation	256,000	256,000	286,921	(30,921)
Shift Premium	9,500	9,500	8,549	951
Allowances	4,320	4,320	3,060	1,260
Christmas Bonus	11,500	11,500	8,842	2,658
Unemployment Insurance	17,000	17,000	6,271	10,729
Social Security	31,245	31,245	27,981	3,264
Medicare	68,737	68,737	64,789	3,948
9-1-1 Consolidation	720,000	720,000	694,073	25,927
Retirement Funds	47,724	47,724	1,340,285	(1,292,561)
Health and Life Insurance	975,000	975,000	984,508	(9,508)
OPEB Employer Contribution	85,000	85,000	79,301	5,699
Boards and Committees	20,000	20,000	26,556	(6,556)
Educational Expense	34,300	34,300	37,896	(3,596)
Travel and Meeting Expense	16,000	16,000	15,669	331
Bonds and Notary Fees	2,200	2,200	1,929	271
Membership Dues	3,435	3,435	2,714	721
Public Relations	12,075	12,075	9,400	2,675
Buildings Rental	5,000	5,000	5,000	-
Equipment Rental	31,000	31,000	24,789	6,211
Technical and Outside Services	36,450	36,450	20,736	15,714
Bad Debt Expense	-	-	-	-
Uniform Cleaning	4,300	4,300	3,567	733
Postage	6,800	6,800	3,031	3,769
Petty Cash	300	300	70	230
Uniform Purchase	26,660	26,660	23,544	3,116
Subscriptions-Books	1,200	1,200	812	388
IT Software	70,500	70,500	69,774	726
Maintenance to Equipment	53,500	53,500	34,469	19,031
Minor Equipment	7,000	7,000	11,942	(4,942)
Supplies	31,450	31,450	35,565	(4,115)
Transfer to Police Pension	1,500,000	1,500,000	1,299,996	200,004
Total Police Department	$ 8,547,383	$ 8,547,383	$ 9,282,629	$ (735,246)

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, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Administration				
Semi-Monthly Salaries	$ 407,243	$ 407,243	$ 394,194	$ 13,049
Overtime Compensation	3,500	3,500	1,828	1,672
Allowances	3,300	3,300	2,750	550
Christmas Bonus	26,050	26,050	23,620	2,430
Unemployment Insurance	2,500	2,500	667	1,833
Social Security	27,286	27,286	26,131	1,155
Medicare	6,381	6,381	6,111	270
Retirement Funds	38,566	38,566	42,486	(3,920)
Health and Life Insurance	120,000	120,000	107,732	12,268
OPEB Employer Contribution	7,779	7,779	7,362	417
Survey and Engineer Fees	-	-	472	(472)
Educational Expense	2,750	2,750	22	2,728
Legal Fees	-	-	7,250	(7,250)
Travel and Meeting Expense	16,000	16,000	3,363	12,637
Membership Dues	1,815	1,815	5,203	(3,388)
Safety Program	-	-	-	-
Advertising and Public Notices	4,000	4,000	4,126	(126)
Public Relations	6,250	6,250	4,341	1,909
Equipment Rental	106,792	106,792	71,813	34,979
Telephone Utility	87,500	87,500	79,850	7,650
Technical and Outside Services	213,001	213,001	205,655	7,346
Insurance Liability	850,000	850,000	627,980	222,020
Bad Debt Expense	-	-	-	-
Postage	-	-	-	-
Office Furniture and Equipment	2,500	2,500	220	2,280
Renovation or Remodeling	-	-	-	-
Computers	12,500	12,500	8,681	3,819
IT Hardware	48,750	48,750	55,198	(6,448)
IT Software	65,000	65,000	80,426	(15,426)
Supplies	1,500	1,500	1,248	252
Total Administration	$ 2,060,963	$ 2,060,963	$ 1,768,729	$ 292,234

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
Public Works - Engineering				
Semi-Monthly Salaries	$ 826,030	$ 826,030	$ 829,168	$ (3,138)
Overtime Compensation	18,000	18,000	16,938	1,062
Shift Premium	-	-	1	(1)
Christmas Bonus	2,600	2,600	2,626	(26)
Unemployment Insurance	8,500	8,500	3,754	4,746
Social Security	57,451	57,451	56,889	562
Medicare	13,436	13,436	13,304	132
Retirement Funds	87,752	87,752	88,247	(495)
Health and Life Insurance	245,000	245,000	245,092	(92)
OPEB Employer Contribution	14,771	14,771	16,124	(1,353)
Survey and Engineer Fees	10,000	10,000	8,455	1,545
Educational Expense	5,000	5,000	500	4,500
Travel and Meeting Expense	1,500	1,500	166	1,334
Bonds and Notary Fees	200	200	-	200
Membership Dues	1,500	1,500	960	540
Public Relations	1,000	1,000	-	1,000
Equipment Rental	35,000	35,000	30,749	4,251
Electric Utility	30,000	30,000	10,345	19,655
Technical and Outside Services	136,000	136,000	70,519	65,481
Petty Cash	100	100	-	100
Uniform Purchase	6,000	6,000	5,530	470
Minor Equipment	4,000	4,000	2,346	1,654
Supplies	241,100	241,100	211,672	29,428
Total Public Works - Engineering	$ 1,744,940	$ 1,744,940	$ 1,613,385	$ 131,555

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
Public Works - Maintenance				
Semi-Monthly Salaries	$ 260,043	$ 260,043	$ 251,487	$ 8,556
Overtime Compensation	5,000	5,000	2,795	2,205
Shift Premium	-	-	-	-
Christmas Bonus	800	800	808	(8)
Unemployment Insurance	1,500	1,500	680	820
Social Security	16,501	16,501	15,826	675
Medicare	3,859	3,859	3,701	158
Retirement Funds	31,538	31,538	25,562	5,976
Health and Life Insurance	74,000	74,000	77,029	(3,029)
OPEB Employer Contribution	4,250	4,250	4,460	(210)
Educational Expense	1,800	1,800	1,094	706
Travel and Meeting Expense	750	750	-	750
Membership Dues	200	200	175	25
Equipment Rental	200	200	-	200
Technical and Outside Services	8,000	8,000	7,899	101
Uniform Rental	4,000	4,000	2,394	1,606
Vehicle Operations Costs	215,000	215,000	148,232	66,768
Uniform Purchase	1,500	1,500	1,326	174
Subscriptions-Books	500	500	302	198
Maintenance to Equipment	2,500	2,500	626	1,874
Maintenance to Rolling Stock	54,500	54,500	24,798	29,702
Minor Equipment	16,000	16,000	7,041	8,959
Supplies	114,900	114,900	104,597	10,303
Total Public Works - Maintenance	$ 817,341	$ 817,341	$ 680,832	$ 136,509

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY	VARIANCE WITH FINAL BUDGET POSITVE
	ORIGINAL	FINAL	BASIS	(NEGATIVE)
Parks Department				
Semi-Monthly Salaries	$ 844,084	$ 844,084	$ 799,304	$ 44,780
Overtime Compensation	15,000	15,000	14,622	378
Christmas Bonus	2,200	2,200	2,326	(126)
Unemployment Insurance	3,000	3,000	3,202	(202)
Social Security	53,400	53,400	50,372	3,028
Medicare	12,489	12,489	11,597	892
Retirement Funds	81,564	81,564	73,670	7,894
Health and Life Insurance	218,000	218,000	235,788	(17,788)
OPEB Employer Contribution	12,000	12,000	14,752	(2,752)
Educational Expense	1,000	1,000	-	1,000
Travel and Meeting Expense	2,600	2,600	1,250	1,350
Membership Dues	595	595	-	595
Safety Program	1,500	1,500	525	975
Public Relations	16,800	16,800	11,451	5,349
Equipment Rental	1,500	1,500	476	1,024
Sewer Utility	5,000	5,000	3,163	1,837
Water Utility	12,000	12,000	8,450	3,550
Sanitation Service	21,500	21,500	21,657	(157)
Technical and Outside Services	8,725	8,725	28,747	(20,022)
Bad Debt Expense	-	-	-	-
Office Furniture and Equipment	200	200	-	200
Uniform Purchase	3,850	3,850	2,573	1,277
Minor Equipment	1,000	1,000	1,608	(608)
Renovation or Remodeling	-	-	-	-
Supplies	65,000	65,000	84,990	(19,990)
Transfer to Rec Fund	1,309,629	1,309,629	-	1,309,629
Total Parks Department	$ 2,692,636	$ 2,692,636	$ 1,370,523	$ 1,322,113

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

SCHEDULE "1" (CONT'D)

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
Municipal Complex				
Semi-Monthly Salaries	$ 207,801	$ 207,801	$ 207,517	$ 284
Overtime Compensation	5,000	5,000	3,419	1,581
Shift Premium	300	300	214	86
Christmas Bonus	1,200	1,200	600	600
Unemployment Insurance	2,000	2,000	726	1,274
Social Security	13,287	13,287	12,781	506
Medicare	3,107	3,107	2,989	118
Retirement Funds	20,294	20,294	21,122	(828)
Health and Life Insurance	67,000	67,000	63,970	3,030
OPEB Employer Contribution	3,750	3,750	3,706	44
Educational Expense	1,000	1,000	-	1,000
Travel and Meeting Expense	500	500	-	500
Membership Dues	150	150	-	150
Public Relations	-	-	-	-
Equipment Rental	1,000	1,000	82	918
Electric Utility	160,000	160,000	107,505	52,495
Sewer Utility	7,500	7,500	4,807	2,693
Water Utility	25,000	25,000	25,275	(275)
Gas Utility	2,500	2,500	1,846	654
Technical and Outside Services	93,000	93,000	21,999	71,001
Office Furniture and Equipment	1,000	1,000	-	1,000
Renovation or Remodeling	15,000	15,000	-	15,000
Uniform Purchase	1,500	1,500	861	639
Maintenance to Equipment	10,500	10,500	9,155	1,345
Supplies	45,000	45,000	34,103	10,897
Total Municipal Complex	$ 687,389	$ 687,389	$ 522,677	$ 164,712

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, 2020

	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	$ 517,216	$ 476,863	$ 40,353
Elected and Appointed Officials	29,000	29,000	28,950	50
Overtime Compensation	1,200	1,200	850	350
Shift Premium	100	100	-	100
Allowances	1,800	1,800	1,800	-
Christmas Bonus	2,000	2,000	1,824	176
Unemployment Insurance	3,500	3,500	2,000	1,500
Social Security	34,182	34,182	31,670	2,512
Medicare	7,994	7,994	7,407	587
Retirement Funds	52,210	52,210	47,021	5,189
Health and Life Insurance	122,000	122,000	125,197	(3,197)
OPEB Employer Contribution	9,617	9,617	7,511	2,106
Boards and Committees	2,585	2,585	-	2,585
Educational Expense	4,000	4,000	274	3,726
Legal Fees	1,600	1,600	2,903	(1,303)
Travel and Meeting Expense	3,500	3,500	1,542	1,958
Membership Dues	2,320	2,320	855	1,465
Advertising and Public Notice	1,000	1,000	65	935
Technical and Outside Services	48,000	48,000	(6,245)	54,245
Bad Debt Expense	-	-	(150)	150
Office Furniture and Equipment	3,500	3,500	-	3,500
Petty Cash	60	60	-	60
Renovation or Remodeling	-	-	-	-
Uniform Purchase	1,500	1,500	780	720
Subscriptions-Books	1,000	1,000	-	1,000
IT Software	10,000	10,000	-	10,000
G.I.S. Expenses	14,000	14,000	-	14,000
Supplies	7,850	7,850	5,273	2,577
Transfer to TIF #1	36,000	36,000	31,874	4,126
Transfer to TIF #2	41,500	41,500	38,125	3,375
Transfer to TIF #3	36,500	36,500	34,476	2,024
Transfer to TIF #4	700	700	3,571	(2,871)
Transfer to TIF #5	1,500	1,500	579	921
Total Land Use and Development	$ 997,934	$ 997,934	$ 845,015	$ 152,919

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, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
Library Department				
Semi-Monthly Salaries	$ 27,500	$ 27,500	$ 28,243	$ (743)
Shift Premium	140	140	-	140
Christmas Bonus	2,200	2,200	468	1,732
Unemployment Insurance	3,000	3,000	2,720	280
Social Security	1,850	1,850	1,739	111
Medicare	433	433	407	26
Retirement Funds	2,826	2,826	2,844	(18)
Health and Life Insurance	65,000	65,000	63,863	1,137
OPEB Employer Contribution	522	522	8,279	(7,757)
Electric Utility	30,000	30,000	18,445	11,555
Sewer Utility	900	900	577	323
Water Utility	6,000	6,000	5,735	265
Technical and Outside Services	-	-	-	-
Supplies	2,100	2,100	756	1,344
Total Library Department	142,471	142,471	134,076	8,395
Emergency Services and Disaster Agency				
Elected and Appointed Officials	10,373	10,373	10,469	(96)
Social Security	-	-	238	(238)
Medicare	-	-	56	(56)
Educational Expenses	500	500	404	96
Travel and Meeting Expense	1,000	1,000	102	898
Membership Dues	130	130	577	(447)
Public Relations	250	250	-	250
Telephone Utility	1,650	1,650	570	1,080
Technical and Outside Services	17,200	17,200	25,966	(8,766)
Postage	150	150	5,371	(5,221)
Maintenance to Equipment	8,000	8,000	50	7,950
Supplies	1,500	1,500	-	1,500
Total Emergency Services and Disaster Agency	40,753	40,753	43,803	(3,050)
Total Expenditures (Carried Forward)	$ 19,964,822	$ 19,964,822	$ 18,229,814	$ 1,735,008

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITVE (NEGATIVE)
	ORIGINAL	FINAL		
Total Expenditures (Brought Forward)	$ 19,964,822	$ 19,964,822	$ 18,229,814	$ 1,735,008
Net Change in Fund Balance	$ (2,963,330)	$ (2,963,330)	(890,365)	$ 2,072,965
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			(595,092)	
Effect of Unrecorded Liabilities			201,103	
Beginning Fund Balance			8,278,803	
Ending Fund Balance			$ 6,994,449	

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, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Home Rule Tax Revenues	$ 2,373,000	$ 2,373,000	$ 2,086,362	$ (286,638)
Interest	30,000	30,000	55,197	25,197
Special Grants	918,000	918,000	-	(918,000)
Sale of Property	-	-	650	650
Transfer from TIF	846,000	846,000	-	(846,000)
Total Revenue	4,167,000	4,167,000	2,142,209	(2,024,791)
EXPENDITURES:				
Police Department				
Tech and Outside Services	-	-	-	-
Equipment and Rolling Stock	275,000	275,000	203,948	71,052
Buildings and Structures	25,000	25,000	-	25,000
Streets and Alleys	10,000	10,000	-	10,000
Other Capital Improvements	-	-	-	-
Total Police Department	310,000	310,000	203,948	106,052
ESDA				
Building and Structures	-	-	-	-
Equipment and Rolling Stock	-	-	-	-
Total ESDA	-	-	-	-
Public Works - Engineering				
Easements	218,000	218,000	4,200	213,800
Equipment and Rolling Stock	48,000	48,000	36,417	11,583
Survey/Engineering - Capital	276,300	276,300	76,739	199,561
Buildings and Structures	25,000	25,000	-	25,000
Streets and Alleys	3,351,000	3,351,000	1,500,468	1,850,532
Storm Drainage	950,000	950,000	950,000	-
Other Debt Service	64,000	64,000	-	64,000
Other Capital Improvements	-	-	62,818	(62,818)
Total Public Works - Engineering	$ 4,932,300	$ 4,932,300	$ 2,630,642	$ 2,301,658

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Parks Department				
Survey/Engineering - Capital	$ -	$ -	$ -	$ -
Buildings and Structures	50,000	50,000	27,717	22,283
Equipment Accessories	60,000	60,000	-	60,000
Total Parks Department	110,000	110,000	27,717	82,283
Public Works Building Maintenance				
Survey/Engineer - Capital	10,000	10,000	7,575	2,425
Buildings and Structures	125,000	125,000	39,424	85,576
Other Capital Improvements	-	-	-	-
Total Municipal Complex Department	135,000	135,000	46,999	88,001
Land Use and Development				
Demolition Service	45,000	45,000	-	45,000
Survey/Engineering - Capital	-	-	-	-
Buildings and Structures	-	-	-	-
Total Land Use and Development	45,000	45,000	-	45,000
Total Expenditures	5,532,300	5,532,300	2,909,306	2,622,994
Net Change in Fund Balance	$ (1,365,300)	$ (1,365,300)	(767,097)	$ 598,203
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			(420,170)	
Effect of Unrecorded Liabilities			(70,302)	
Beginning Fund Balance			1,128,778	
Ending Fund Balance			$ (128,791)	

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

SCHEDULE "3"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS) - RECREATION FUND
FOR THE YEAR ENDED APRIL 30, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Memberships	$ 624,236	$ 624,236	$ 1,046,035	$ 421,799
Aquatics	56,473	56,473	24,322	(32,151)
Fitness	51,280	51,280	27,163	(24,117)
Athletics	178,300	178,300	36,224	(142,076)
Donations	-	-	56,560	56,560
Special Grants	-	-	634,622	634,622
Miscellaneous	-	-	6,374	6,374
Interfund Transfer	1,294,279	1,294,279	-	(1,294,279)
Total Revenues	2,204,568	2,204,568	1,831,300	(373,268)
EXPENDITURES:				
Membership				
Semi-Monthly Salaries	1,359,230	1,359,230	795,669	563,561
Overtime	-	-	122	(122)
Bonuses	1,200	1,200	1,062	138
Unemployment Insurance	-	-	7,242	(7,242)
Social Security	84,480	84,480	48,911	35,569
Medicare	19,760	19,760	11,439	8,321
Retirement	38,507	38,507	39,030	(523)
Health Insurance	130,744	130,744	113,327	17,417
OPEB	23,849	23,849	13,764	10,085
Training/Certifications	7,700	7,700	5,657	2,043
Travel/Meeting	500	500	-	500
Membership Dues	500	500	120	380
Safety Program	500	500	-	500
Electric Utility	85,000	85,000	141,149	(56,149)
Sewer Utility	5,000	5,000	927	4,073
Water Utility	10,000	10,000	13,589	(3,589)
Sanitary Service	5,200	5,200	2,590	2,610
Tech and Outside Service	316,748	316,748	250,684	66,064
Postage	5,000	5,000	1,776	3,224
Uniform Purchase	3,000	3,000	3,324	(324)
Minor Equipment	500	500	390	110
Supplies	101,950	101,950	67,612	34,338
Public Relations	-	-	5,481	(5,481)
Buildings and Structures	-	-	1,601,504	(1,601,504)
Total Expenditures	2,199,368	2,199,368	3,125,369	(926,001)
Net Change in Fund Balance	$ 5,200	$ 5,200	(1,294,069)	$ 1,299,269
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			-	
Effect of Unrecorded Liabilities			1,027,883	
Beginning Fund Balance			525,422	
Ending Fund Balance			$ 259,236	

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, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE:				
Sales Tax	$ 600,000	$ 600,000	$ 475,674	$ (124,326)
Home Rule Sales Tax	200,000	200,000	86,346	(113,654)
Business District Sales Tax	85,000	850,000	71,269	(778,731)
Interest	3,500	3,500	4,559	1,059
Interfund Transfers	-	-	-	-
Total Revenue	888,500	1,653,500	637,848	(1,015,652)
EXPENDITURES:				
Sales Tax Rebate	800,000	800,000	853,406	(53,406)
Intergovernmental Agreements	60,000	60,000	-	60,000
Total Expenditures	860,000	860,000	853,406	6,594
Net Change in Fund Balance	$ 28,500	$ 793,500	(215,558)	$ (1,009,058)
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			(93,519)	
Effect of Unrecorded Liabilities			(58,326)	
Beginning Fund Balance			367,403	
Ending Fund Balance			$ -	

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, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE:				
TIF Revenue	$ 360,000	$ 360,000	$ 323,402	$ (36,598)
Interfund Transfers	36,000	36,000	31,874	(4,126)
Interest	26,000	26,000	32,063	6,063
Total Revenue	422,000	422,000	387,339	(34,661)
EXPENDITURES:				
Audit Fees	2,200	2,200	-	2,200
Legal Fees	5,000	5,000	-	5,000
Land	300,000	300,000	-	300,000
Survey/Engineering	45,000	45,000	-	45,000
TIF Expenditures	45,000	45,000	-	45,000
Right of Way	10,000	10,000	-	10,000
Total Expenditures	407,200	407,200	-	407,200
Net Change in Fund Balance	$ 14,800	$ 14,800	387,339	$ (372,539)
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			(4,522)	
Effect of Unrecorded Liabilities			(2,167)	
Beginning Fund Balance			1,483,530	
Ending Fund Balance			$ 1,864,180	

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE:				
TIF Revenue	$ 415,000	$ 415,000	$ 440,604	$ 25,604
Interfund Transfer	41,500	41,500	19,404	(22,096)
Interest	12,000	12,000	38,125	26,125
Total Revenue	468,500	468,500	498,133	29,633
EXPENDITURES:				
Audit Fees	2,200	2,200	-	2,200
TIF Expenditures	5,000	5,000	-	5,000
Total Expenditures	7,200	7,200	-	7,200
Net Change in Fund Balance	$ 461,300	$ 461,300	498,133	$ 36,833
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			(59,191)	
Effect of Unrecorded Liabilities			(1,500)	
Beginning Fund Balance			897,408	
Ending Fund Balance			$ 1,334,850	

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, 2020

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE:				
TIF Revenue	$ 360,000	$ 360,000	$ 310,759	$ (49,241)
Interfund Transfer	36,000	36,000	34,476	(1,524)
Special Grants	-	-	81,263	81,263
Interest	40,000	40,000	37,225	(2,775)
Total revenue	436,000	436,000	463,723	27,723
EXPENDITURES:				
Intergovernmental Agreements	45,000	45,000	-	45,000
Audit Fees	2,200	2,200	-	2,200
Minor Equipment	1,200	1,200	-	1,200
Contingencies	10,000	10,000	-	10,000
Easements	5,000	5,000	-	5,000
Land	200,000	200,000	2,690	197,310
Streets and Alleys	447,000	447,000	368,900	78,100
Survey Engineering - Capital	138,300	138,300	90,731	47,569
Legal Fees	5,000	5,000	-	5,000
Demolition Services	25,000	25,000	-	25,000
TIF Expenditures	200,000	200,000	50,650	149,350
Total Expenditures	1,078,700	1,078,700	512,971	565,729
Net Change in Fund Balance	$ (642,700)	$ (642,700)	(49,248)	$ 593,452
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			34,154	
Effect of Unrecorded Liabilities			(96,150)	
Beginning Fund Balance			1,641,695	
Ending Fund Balance			$ 1,530,451	

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, 2020

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.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
POLICE PENSION TRUST FUND
APRIL 30, 2020
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - CURRENT YEAR
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2015)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
TOTAL PENSION LIABILITY:										
Service Cost	$ 958,205	$ 859,960	$ 917,006	$ 963,518	$ 839,355	$ 865,338	$ -	$ -	$ -	$ -
Interest on the Total Pension Liability	3,088,283	2,808,093	2,701,593	2,562,213	2,532,522	2,218,469	-	-	-	-
Experience	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	(2,149,749)	(1,940,052)	(1,806,815)	(1,672,870)	(1,627,869)	(1,400,257)	-	-	-	-
Net Change in Total Pension Liability	3,105,757	4,317,216	1,762,127	2,257,791	355,120	4,164,384				
Total Pension Liability, Beginning of Period	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)	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	1,336,663	1,300,000	1,260,000	-	-	-	-
Member Contributions	368,116	342,772	357,669	353,941	308,698	599,979	-	-	-	-
Contributions - Buy Back	34,872	-	-	-	69,871	-	-	-	-	-
Net Investment Income	(551,516)	1,569,517	1,806,326	2,467,647	(253,744)	1,549,494	-	-	-	-
Benefit Payments	(2,149,749)	(1,940,052)	(1,806,815)	(1,672,870)	(1,627,869)	(1,400,257)	-	-	-	-
Administrative Expense	(40,595)	(37,335)	(30,695)	(27,338)	(19,457)	-	-	-	-	-
Other (Net Transfer)	-	-	-	-	-	(20,957)	-	-	-	-
Net Change in Plan Fiduciary Net Position	(1,038,876)	1,234,898	1,626,481	2,458,043	(222,501)	1,988,259	-	-	-	-
Plan Fiduciary Net Position - Beginning	29,842,506	28,607,608	26,982,582	24,524,539	24,747,040	22,758,781	-	-	-	-
Adjustment to Beginning of Year	1	-	(1,455)	-	-	-				
Plan Fiduciary Net Position - Ending (b)	28,803,631	29,842,506	28,607,608	26,982,582	24,524,539	24,747,040	-	-	-	-
Net Pension Liability - Ending (a)-(b)	$ 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	56.77%	62.66%	66.05%	64.94%	62.42%	63.56%	0.00%	0.00%	0.00%	0.00%
Covered Valuation Payroll	$ 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	563.71%	466.14%	418.69%	419.86%	424.86%	438.74%	0.00%	0.00%	0.00%	0.00%

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

SCHEDULE "10"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2020
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - CURRENT YEAR
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM CALENDAR YEAR 2014)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service Cost	$ 429,718	$ 379,746	$ 424,597	$ 427,355	$ 452,292	$ 446,254	$ -	$ -	$ -	$ -
Interest on the Total Pension Liability	2,177,295	2,089,633	2,086,136	1,983,146	1,915,308	1,756,883	-	-	-	-
Difference Between Expected and Actual Experience	(22,815)	508,361	(32,548)	412,657	(111,131)	225,545	-	-	-	-
Change of Assumptions	-	814,375	(874,741)	(67,179)	32,279	874,212	-	-	-	-
Benefit Payments	(1,699,774)	(1,594,662)	(1,474,127)	(1,430,063)	(1,240,272)	(1,078,710)	-	-	-	-
Net Change in Total Pension Liability	884,424	2,197,453	129,317	1,325,916	1,048,476	2,224,184				
Total Pension Liability, Beginning of Period	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)	31,551,107	30,666,683	28,469,230	28,339,913	27,013,997	25,965,521	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	426,797	497,620	442,475	480,680	496,412	507,379	-	-	-	-
Employee Contributions	203,273	186,706	176,531	186,042	189,470	199,290	-	-	-	-
Pension Plan Net Investment Income	5,034,762	(1,591,521)	4,472,559	1,619,400	119,149	1,398,908	-	-	-	-
Benefit Payments	(1,699,774)	(1,594,662)	(1,474,127)	(1,430,063)	(1,240,272)	(1,078,710)	-	-	-	-
Other	93,252	853,146	(426,425)	179,542	152,432	(38,765)	-	-	-	-
Net Change in Plan Fiduciary Net Position	4,058,310	(1,648,711)	3,191,013	1,035,601	(282,809)	988,102				
Plan Fiduciary Net Position - Beginning	26,402,138	28,050,849	24,859,836	23,824,235	24,107,044	23,118,942	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	30,460,448	26,402,138	28,050,849	24,859,836	23,824,235	24,107,044	-	-	-	-
Net Pension Liability - (a)-(b)	$ 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	96.54%	86.09%	98.53%	87.72%	88.19%	92.84%	0.00%	0.00%	0.00%	0.00%
Covered Valuation Payroll	$ 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	24.20%	103.07%	10.65%	85.79%	75.76%	44.32%	0.00%	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
APRIL 30, 2020
MULTIYEAR SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2015)

FISCAL YEAR ENDING APRIL 30,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY	COVERED VALUATION PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL
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, 2020

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% at 0 years to 3.5% at 30 years plus 2.50% inflation allowance.
Payroll Growth	0.00% per year
Investment Rate of Return	6.50% per year, compounded annually
Cost of Living Adjustments	Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: 1.25% 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% in the current year, 60% in the first succeeding year, 40% in the second succeeding year and 20% 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-2019. 10% 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-2019. Beneficiaries: PubS 2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2019 Disabled Lives: PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2019 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, 2020

Termination

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

AGE	RATE OF WITHDRAWAL	
20	0.14	%
25	0.1040	
30	0.0560	
35	0.031	
40	0.019	
45	0.015	
50	0.015	
56+	0	

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	0.0000	%
25	0.0003	
30	0.0014	
35	0.0026	
40	0.0042	
45	0.0059	
50	0.0071	
55	0.009	
60	0.0115	

Retirement Age

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

AGE	RATE OF RETIREMENT	
50-51	0.15	%
52-54	0.2	
55-64	0.25	
65-69	0.4	
70	1	

Marital Status

80% of police officers are assumed to be married.

Spouse's Age

Males are assumed to be three years older than females.

SCHEDULE "13"

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND -
APRIL 30, 2020
MULTIYEAR SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS
(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
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, 2020

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.

Summary of Actuarial Methods and Assumptions Used in Calculation of the 2019 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): 24-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 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-year smoothed market, 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
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-2014 (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.

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,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Discount Rate	2.91%	3.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Service Cost	$ 315,019	$ 293,513	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Cost	191,529	186,350	-	-	-	-	-	-	-	-
Plan Amendments	-	-	-	-	-	-	-	-	-	-
Actuarial Losses/(Gains)										
Assumption Changes	435,246	78,265	-	-	-	-	-	-	-	-
Benefit Payments	(205,736)	(191,382)	-	-	-	-	-	-	-	-
Net Change in Total OPEB Liability	736,058	366,746	-	-	-	-	-	-	-	-
Total OPEB Liability - Beginning	5,156,391	4,789,645	-	-	-	-	-	-	-	-
Total OPEB Liability - Ending (a)	5,892,449	5,156,391	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	205,736	191,382	-	-	-	-	-	-	-	-
Employee Contributions	-	-	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments	(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)	$ 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	$ 7,819,509	$7,555,081	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability as a Percentage of Covered Valuation Payroll	75.36%	68.25%	0.00%	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
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 USED IN THE CALCULATION OF THE 2020 TOTAL OPEB LIABILITY POST RETIREMENT BENEFITS

Methods and Assumptions Used to Determine the 2020 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 3.97% was used as of May 1, 2019, and 2.91% as of April 30, 2020.

Salary Increase

Salaries are assumed to increase at the rate of 3.5% per annum.

Monthly Health Plan Premium Costs (Blended)

Medical

Coverage	Traditional	Smart
Employee Only	$ 751.35	$ 636.92
Employee/Spouse	1,562.85	1,324.83
Employee/Child	1,427.58	1,210.15
Employee/Family	2,178.95	1,847.10

*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% of the average employer group cost. Disabled officers eligible for PSEBA benefits are 100% paid by the City.

Mortality

Probabilities of death for participants were according to RP2014 Blue Collar base rates projected to 2018 using scale MP2018 for Police. For all others the RP2014 base rates projected to 2018 using scale MP2018 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2019.

Disability

Sample rates by age are:

		Other Departments	
Age	Police	Male	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% 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
USED IN THE CALCULATION OF THE 2020 TOTAL OPEB LIABILITY
POST RETIREMENT BENEFITS

Methods and Assumptions Used to Determine the 2020 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 1	TIER 2	AGE	TIER 1	TIER 2
50	0.15	0.05	58	0.25	0.25
51	0.15	0.05	59	0.25	0.25
52	0.50	0.05	60	0.25	0.25
53	0.50	0.05	61	0.25	0.25
54	0.50	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
USED IN THE CALCULATION OF THE 2020 TOTAL OPEB LIABILITY
POST RETIREMENT BENEFITS

Methods and Assumptions Used to Determine the 2020 Total OPEB Liability Continued:

Retirement Other Departments:

	TIER 1				TIER 2			
	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
USED IN THE CALCULATION OF THE 2020 TOTAL OPEB LIABILITY
POST RETIREMENT BENEFITS

Methods and Assumptions Used to Determine the 2020 Total OPEB Liability Continued:

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

Spouse Information — 50% 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
2019	8.00%
2020	7.50%
2021	7.25%
2022	7.00%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.50%
2027	5.00%
2028 and after	4.50%

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

ADDITIONAL ANLYSIS

SCHEDULE "18"

CITY OF FAIRVIEW HEIGHTS, ILLINIOS
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

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	$ 392,476	$ 179,171	$ 116,201	$ 1,188,632	$ 213,160	$ 1,045,717	$ 458,970	$ -	$ -	$ -	$ 3,594,327
Certificates of Deposit	-	-	399,131	-	-	-	-	-	-	-	399,131
Investments (at fair value)	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	138,487	36,257	50,651	-	31,907	1,055	-	258,357
Due From Other Funds	199	79,789	-	-	-	7,574	-	-	-	-	87,562
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	43,997	26,259	-	70,256
Total Assets	$ 392,675	$ 258,960	$ 515,332	$ 1,327,119	$ 249,417	$ 1,103,942	$ 458,970	$ 75,904	$ 27,314	$ -	$ 4,409,633

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	$ -	$ -	$ 6,655	$ -	$ 9,010	$ 24,437	$ 789	$ 558	$ 558	$ 558	$ 42,565
Accrued Payroll	-	-	6,509	-	-	-	-	-	-	-	6,509
Due to Other Funds	31,319	-	-	-	423,453	-	-	14,490	127,093	1,025	597,380
Total Liabilities	31,319	-	13,164	-	432,463	24,437	789	15,048	127,651	1,583	646,454
DEFERRED INFLOWS OF RESOURCES:											
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-	31,907	1,055	-	32,962
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	31,907	1,055	-	32,962
FUND BALANCE:											
Restricted for:											
Infrastructure	-	-	-	-	-	1,079,505	-	-	-	-	1,079,505
Special Revenue Funds	-	-	-	-	-	-	-	28,949	-	-	28,949
Assigned:											-
Special Revenue Funds	361,356	258,960	502,168	1,327,119	-	-	458,181	-	-	-	2,907,784
Unassigned:											
Special Revenue Funds	-	-	-	-	(183,046)	-	-	-	(101,392)	(1,583)	(286,021)
Total Fund Balance (Deficit)	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
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 392,675	$ 258,960	$ 515,332	$ 1,327,119	$ 249,417	$ 1,103,942	$ 458,970	$ 75,904	$ 27,314	$ -	$ 4,409,633

See notes to financial statements.

SCHEDULE "19"

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	$ -	$ -	$ -	$ -	$ -	$ 634,142	$ -	$ -	$ -	$ -	$ 634,142
Hotel and Motel Taxes	-	-	-	-	386,992	-	-	-	-	-	386,992
Property Taxes	-	-	-	-	-	-	-	35,727	5,788	-	41,515
Food and Beverage Tax	-	-	-	1,047,784	-	-	-	-	-	-	1,047,784
Fines and Fees	63,444	64,069	49,174	-	-	-	-	-	-	-	176,687
Donations	-	-	157	-	-	-	-	-	-	-	157
Interest Income	-	-	6,631	18,126	13,784	22,328	394	4	43	-	61,310
OPEB Insurance Contributions	-	-	-	-	-	-	159,119	-	-	-	159,119
Miscellaneous	-	-	14,438	-	-	-	-	-	-	-	14,438
Total Revenues	63,444	64,069	70,400	1,065,910	400,776	656,470	159,513	35,731	5,831	-	2,522,144
EXPENDITURES:											
General Government											
Administration Department	-	-	-	89,090	119,242	-	-	-	-	-	208,332
Clerk's Department	-	-	-	1,350	-	-	42,197	-	-	-	43,547
Public Safety											
Police	69,818	26,934	-	-	-	-	-	-	-	-	96,752
Streets and Public Works											
Public Works Maintenance	-	-	-	-	-	321,852	-	-	-	-	321,852
Tax Increment Financing	-	-	-	-	-	-	-	558	558	558	1,674
Culture and Recreation											
Parks	-	-	-	-	26,184	-	-	-	-	-	26,184
Tourism	-	-	-	-	82,214	-	-	-	-	-	82,214
Library	-	-	566,991	-	-	-	-	-	-	-	566,991
Debt Service											
Principal	-	-	-	435,000	285,000	-	-	-	-	-	720,000
Interest	-	-	-	646,950	17,769	-	-	-	-	-	664,719
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	69,818	26,934	566,991	1,172,390	530,409	321,852	42,197	558	558	558	2,732,265
Excess (Deficiency) of Revenues Over Expenditures	(6,374)	37,135	(496,591)	(106,480)	(129,633)	334,618	117,316	35,173	5,273	(558)	(210,121)
OTHER FINANCING SOURCES:											
Transfer In	-	-	555,451	-	-	-	-	3,571	579	-	559,601
Total Other Financing Sources	-	-	555,451	-	-	-	-	3,571	579	-	559,601
Net Change in Fund Balance	(6,374)	37,135	58,860	(106,480)	(129,633)	334,618	117,316	38,744	5,852	(558)	349,480
Fund Balance (Deficit), Beginning of Year	367,730	221,825	443,308	1,433,599	(53,413)	744,887	340,865	(9,795)	(107,244)	(1,025)	3,380,737
Funds Balance (Deficit), End 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

See notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINIOS
COMBINING BALANCE SHEET
ALL GENERAL FUND ACCOUNTS
APRIL 30, 2020

ASSETS

	GENERAL	PARKS PROGRAMS	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
Cash and Cash Equivalents	$ 182,872	$ 170,103	$ 156,707	$ 10,412	$ 796,868	$ 1,316,962
Certificates of Deposit	-	-	-	-	100,151	100,151
Prepaid Insurance	516,762	-	-	-	-	516,762
Receivables	1,624,260	-	-	-	-	1,624,260
Due From Other Funds	3,947,367	-	-	-	-	3,947,367
Restricted Cash and Cash Equivalents	115,902	-	-	-	-	115,902
Total Assets	$ 6,387,163	$ 170,103	$ 156,707	$ 10,412	$ 897,019	$ 7,621,404

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

	GENERAL	PARKS PROGRAMS	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
LIABILITIES:						
Accounts Payable	$ 195,728	$ 970	$ -	$ -	$ -	$ 196,698
Accrued Payroll	330,444	-	-	-	-	330,444
Due to Other Funds	57,397	-	25,242	-	-	82,639
Total Liabilities	583,569	970	25,242	-	-	609,781
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	17,174	-	-	-	-	17,174
Total Deferred Inflows of Resources	17,174	-	-	-	-	17,174
FUND BALANCE:						
Restricted for:						
Rebate and Financing Agreements	115,902	-	-	-	-	115,902
Nonspendable	516,762	-	-	-	-	516,762
Unassigned						
General Funds	5,153,756	169,133	131,465	10,412	897,019	6,361,785
Total Fund Balance	5,786,420	169,133	131,465	10,412	897,019	6,994,449
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 6,387,163	$ 170,103	$ 156,707	$ 10,412	$ 897,019	$ 7,621,404

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, 2020

	GENERAL	PARKS PROGRAM	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
REVENUES:						
Sales Taxes	$ 6,324,335	$ -	$ -	$ -	$ -	$ 6,324,335
Food and Beverage Taxes	1,072,028	-	-	-	-	1,072,028
Home Rule Taxes	3,874,672	-	-	-	-	3,874,672
Income Taxes	1,679,825	-	-	-	-	1,679,825
Property Taxes	43,584	-	-	-	-	43,584
Use Taxes	610,255	-	-	-	-	610,255
Hotel and Motel Taxes	383,145	-	-	-	-	383,145
Utility/Franchise Taxes	274,296	-	-	-	-	274,296
Video Game Taxes	166,876	-	-	-	-	166,876
Licenses and Permits	248,944	-	-	-	-	248,944
Grant	53,611	-	-	-	-	53,611
Fines and Fees	314,493	76,876	-	-	-	391,369
Rental	68,945	-	-	-	-	68,945
Donations	-	-	-	12,594	-	12,594
Interest Income	23,837	444	23	56	12,414	36,774
Miscellaneous	203,110	-	-	-	-	203,110
Total Revenues	15,341,956	77,320	23	12,650	12,414	15,444,363
EXPENDITURES:						
Current						
General Government						
Mayor's Department	357,022	-	-	-	-	357,022
Clerk's Department	668,806	-	-	-	-	668,806
Finance Department	377,691	-	-	-	-	377,691
Administration Department	1,728,597	-	-	-	-	1,728,597
Municipal Complex	526,440	-	-	-	-	526,440
Public Safety						
Police	6,630,253	-	1,299,996	7,628	-	7,937,877
Emergency Services and Disaster Agency	38,812	-	-	-	-	38,812
Streets and Public Works						
Engineering/Streets	1,526,906	-	-	-	-	1,526,906
Public Works Maintenance	664,699	-	-	-	-	664,699
Land use and Development	732,066	-	-	-	-	732,066
Culture and Recreation						
Parks	1,326,555	46,202	-	-	-	1,372,757
Library	132,968	-	-	-	-	132,968
Capital Outlay	-	-	-	-	-	-
Total Expenditures	14,710,815	46,202	1,299,996	7,628	-	16,064,641
Excess (Deficiency) of Revenues Over Expenditures (Carried Forward)	$ 631,141	$ 31,118	$ (1,299,973)	$ 5,022	$ 12,414	$ (620,278)

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, 2019

	GENERAL	PARKS PROGRAM	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
Excess (Deficiency) of Revenues Over Expenditures (Brought Forward)	$ 631,141	$ 31,118	$ (1,299,973)	$ 5,022	$ 12,414	$ (620,278)
OTHER FINANCING SOURCES (USES):						
Transfers Out	(1,964,072)	-	-	-	-	(1,964,072)
Transfers In	-	-	1,299,996	-	-	1,299,996
Total Other Financing Sources (Uses)	(1,964,072)	-	1,299,996	-	-	(664,076)
Net Change in Fund Balances	(1,332,931)	31,118	23	5,022	12,414	(1,284,354)
Fund Balances, Beginning of Year	7,119,351	138,015	131,442	5,390	884,605	8,278,803
Fund Balances, End of Year	$ 5,786,420	$ 169,133	$ 131,465	$ 10,412	$ 897,019	$ 6,994,449

See notes to financial statements.

COMPLIANCE AUDIT

SCHEFFEL
BOYLE
Certified Public Accountants

ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fairview Heights, Illinois, as of and for the year ended April 30, 2020, 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 17, 2020.

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) to determine the 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.

2020-001: 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.

2020-002: 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

2020-003: The City did not reconcile their pooled bank account at the fund level with Associated Bank in a timely manner.

2020-004: 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 determination of financial statement amounts. 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.

S Mettel Boyle

Belleville, Illinois

November 17, 2020

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2020

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. 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 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. 2020-3

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. 2020-4

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. 2019-1

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.

Current Status: 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. 2019-2

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.

Current Status: 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. 2019-3

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.

Current Status: After discussions with the auditor and the software provider, the City will monitor the allocated cash accounts to ensure proper reporting.