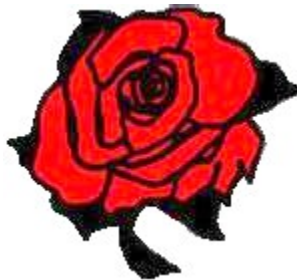


VILLAGE OF MELROSE PARK, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2020



Prepared by the Finance Department

VILLAGE OF MELROSE PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

December 31, 2020

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INDEPENDENT AUDITORS' REPORT

February 1, 2022

The Honorable Mayor
Members of the Board of Trustees
Village of Melrose Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Melrose Park, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village'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 of 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 Village'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 Village'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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Melrose Park, Illinois, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Melrose Park, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Management's discussion and analysis of the Village of Melrose Park's (the "Village") financial performance is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify the Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds.

Financial Highlights

At December 31, 2020, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$143.0 million (net position) compared to liabilities and deferred inflows of resources exceeding assets and deferred outflows of resources by \$152.0 million in the prior year (after restatement).

The increase in net position from the prior year is mostly due to an increase in the cash balances of \$7.5 million, \$6 million of which is from the 2020 bond proceeds.

The Village's governmental funds reported combined fund balance at December 31, 2020 of \$48.1 million, an increase of \$41.5 million from the prior year. Most of the increase is due to a \$36.9 million transfer in from the water and sewer fund due to a loan forgiveness. \$6 million of the increase is a result of proceeds from a bond issue.

General revenues accounted for \$51.4 million in revenue or 87% of all governmental activity revenues. Program specific revenues accounted for \$8.0 million or 13% of total governmental revenues.

The Village had \$49.5 million in expenses related to governmental activities.

Reporting the Village as a Whole

Government-wide Financial Statements

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting at this level uses accounting similar to full accrual accounting used in the private sector. Interfund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The first government-wide statement is the Statement of Net Position that presents information about all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over a multi-year period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the Village as a whole. Additionally, one would need to evaluate non-financial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved. As prescribed in GASB 34, the Village has implemented all infrastructure into its capital assets. Infrastructure assets include roads, sidewalks traffic signals, etc. These infrastructure assets are the largest asset class of the Village.

The second government-wide statement is the Statement of Activities, which reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues (such as state shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works and public welfare. Business-type activities include water and sewer utilities. Fiduciary activities, such as employee pension plans, are not available to fund Village programs and therefore are not included in the government-wide statements.

The Village's financial reporting includes the funds of the Village (primary government). The Melrose Park Public Library is included as a "component unit", and therefore, adjustments were made to blend financial information from this separate entity into this report.

The government-wide financial statements are presented on pages 12-13 of this report.

VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

The following table provides a summary of the Village's changes in net position:

	STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2020 (In Millions of Dollars)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2019	2019	2020	2019
Revenue:						
Program revenues - charges for services	\$ 5.2	\$ 7.6	\$ 24.9	\$ 25.0	\$ 30.1	\$ 32.6
Operating & capital grants	2.8	1.4	-	-	2.8	1.4
General revenues						
Property tax	23.0	21.2	-	-	23.0	21.2
Other taxes	21.4	21.6	-	-	21.4	21.6
Intergovernmental	4.4	4.7	-	-	4.4	4.7
Other general revenues	2.6	1.9	-	-	2.6	1.9
Total revenue	59.4	58.4	24.9	25.0	84.3	83.4
Expenses:						
General government	9.4	7.0	-	-	9.4	7.0
Public safety	23.4	25.6	-	-	23.4	25.6
Refuse	2.1	2.0	-	-	2.1	2.0
Highway and street	7.8	3.4	-	-	7.8	3.4
Community development	2.9	3.1	-	-	2.9	3.1
Culture and recreation	1.7	2.3	-	-	1.7	2.3
Hispanic liaison center	0.3	0.2	-	-	0.3	0.2
Interest	1.9	1.9	-	-	1.9	1.9
Water	-	-	25.7	22.7	25.7	22.7
Total expense	49.5	45.5	25.7	22.7	75.2	68.2
Change in net assets before transfers and contributions	9.9	12.9	(0.8)	2.3	9.1	15.2
Transfers	36.9	-	(36.9)	-	-	-
Change in net position	46.8	12.9	(37.7)	2.3	9.1	15.2
Net position- Beginning (as restated)	(206.0)	(220.7)	53.9	51.6	(152.1)	(169.1)
Net position - Ending	\$ (159.2)	\$ (207.8)	\$ 16.2	\$ 53.9	\$ (143.0)	\$ (153.9)

The following is a table providing a summary of the statement of net position:

VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

STATEMENT OF NET POSITION

December 31, 2020
(In Millions of Dollars)

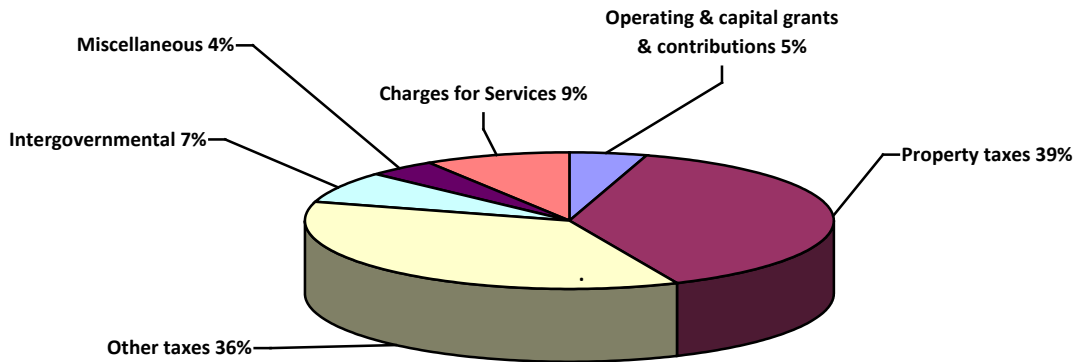
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 70.8	\$ 28.5	\$ 6.4	\$ 44.4	\$ 77.2	\$ 72.9
Capital assets	67.9	66.8	34.3	35.1	102.2	101.9
Total assets	138.7	95.3	40.7	79.5	179.4	174.8
Deferred outflows of resources	21.4	21.6	3.4	3.7	24.8	25.3
Long-term liabilities	244.1	240.1	23.3	24.2	267.4	264.3
Other liabilities	6.0	5.7	2.0	2.2	8.0	7.9
Total liabilities	250.1	245.8	25.3	26.4	275.4	272.2
Deferred Inflows of resources	69.2	78.9	2.6	2.9	71.8	81.8
Investment in capital assets						
net of related debt	59.0	57.1	34.3	33.2	93.3	90.3
Restricted net position	11.1	7.5	-	3.9	11.1	11.4
Unrestricted net position	(229.3)	(272.4)	(18.1)	16.8	(247.4)	(255.6)
Total net position	\$ (159.2)	\$ (207.8)	\$ 16.2	\$ 53.9	\$ (143.0)	\$ (153.9)

Financial Analysis of the Government-Wide Statements

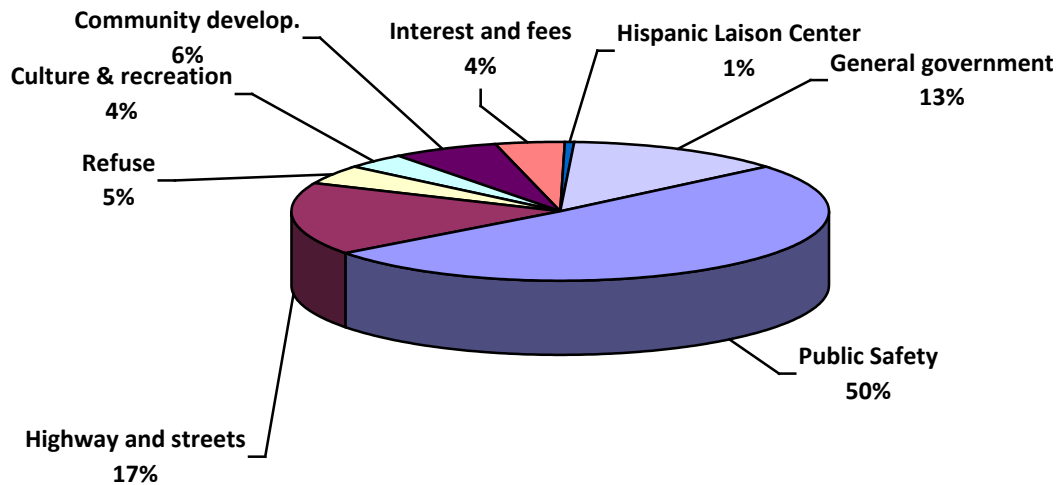
For governmental activities, total revenue increased by \$1.0 million and total expenses increased by \$4.0 million, respectively, from the prior year. Significant increases for revenues included property taxes increasing by \$1.8 million, operating grants increasing by \$1.4 million, and miscellaneous revenue increasing by \$0.7 million. These increases were offset by the decrease in program revenues decreasing by \$2.4 million. Highway and street expenditures increased by \$4.4 million due to numerous street projects occurring in 2020. This was offset by a decrease in public safety expenditures of \$2.2 million. At year-end, the governmental activities experienced a gain of \$46.7 million compared to the prior year gain of \$13.0 million, largely due to the \$36.9 million loan forgiveness transfer from business-type activities.

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Governmental Revenues by Source



Government Expenses by Function



Business-type activities revenues experienced a slight decrease of \$0.1 million while expenses experienced an increase of \$3.0 million compared to the prior year.

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

For governmental activities, current and other assets increased by \$42.3 million from the prior year primarily as a result of a transfer of \$36.9 million from business-type activities. Another reason for the increase is due to \$6.0 million in bond proceeds.

Reporting The Village's Most Significant Funds

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds (the General Fund and the Debt Service Fund) are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The Village has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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

Budgetary comparison schedules are included as required supplementary information for the General Fund. Budgetary comparison schedules for the Water and Sewer Fund can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

The basic governmental fund financial statements are presented on pages 14-17 of this report.

Proprietary funds reported in the fund financial statements are for those services for which the Village charges customers a fee, otherwise known as enterprise funds. These funds essentially encompass the same functions reported as business-type activities in the government-wide statements. The Village's proprietary funds present the activities and balances in the Water and Sewer Fund, which is considered to be a major fund, using the accrual basis of accounting and economic resources measurement focus.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for major enterprise funds.

The basic proprietary fund financial statements are presented on pages 18-20 of this report.

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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

The basic fiduciary fund financial statements are presented on pages 21-22 of this report.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's contributions and funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund, Firefighters' Pension Fund and the Retiree Health Plan as well as budget to actual comparisons of the funds.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 102.

Financial Analysis of the Village's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$48.1 million, up \$41.5 million from the prior year total of \$6.5 million.

Major Governmental Funds

The General Corporate Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Corporate Fund increased \$36.4 million to \$38.8million. The increase was mainly a result of a \$36.9 million transfer in from the water and sewer fund as well as \$6.2 million of proceeds from a bond issue.

The general fund revenues are down approximately \$107,000 from the prior year with significant drops in red speed and building permit revenue mostly offset by increases in property taxes and grant revenue. General fund expenditures are also up approximately \$3.1 million. An increase in highway and streets costs for road projects was the primary cause of the increase. Additionally, the Village has shown a commitment to funding pensions during the fiscal year by distributing an additional \$6.2 million, combined, to the fire and police pension funds in excess of dedicated property tax collections.

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Actual revenue fell short of budgeted revenue by \$2.4 million. This was primarily a result of red speed revenue being under budget by about \$1.2 million due to a termination of the contract and sales taxes being under budget by about \$810,000.

Actual expenditures exceeded budget by \$2.3 million. Highway and streets expenditures were \$1.7 million over budget due to more street projects occurring than were anticipated. Civil defense expenditures were about \$460,000 over budget due to the Village's portion for a 911 project not being budgeted for.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial status information.

Major Proprietary Funds

The Water and Sewer Fund is the only proprietary fund of the Village. Net loss of the fund was \$0.8 million. Actual revenues of the Water and Sewer Fund were under budget by \$0.2 million. Operating expenses were over budget by about \$2.1 million.

Capital assets

By the end of 2020, the Village has compiled a total investment of \$150.9 million (\$102.2 million net of accumulated depreciation) in a broad range of capital assets including police and fire equipment, buildings, Village facilities, water facilities, roads, streets, and sewer lines. Capital asset additions totaled \$1.0 million, which was mostly due to the addition of the vehicles (\$496K), various equipment (\$86k), and construction in progress (\$463k). Total depreciation expense for the year was \$2.4 million. More detailed information about capital assets can be found in note 3 of the basic financial statements.

Capital Assets (in millions of dollars)

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2020	2019	Change	2020	2019	Change	2020	2019	Change
Land	\$ 27.2	\$ 27.3	-0.4%	\$ 0.7	\$ 0.7	1.4%	\$ 27.9	\$ 28.0	-0.3%
Construction in progress	3.2	1.0	220.0%	0.5	0.5	0.0%	3.7	1.5	146.7%
Buildings	12.2	12.6	-3.2%	0.8	0.8	1.3%	13.0	13.4	-2.9%
Improvements other than buildings	3.4	3.5	-2.9%	-	-	0.0%	3.4	3.5	-2.9%
Vehicles	2.2	2.1	4.8%	0.1	0.1	-20.0%	2.3	2.2	3.6%
Machinery	1.3	1.5	-13.3%	0.5	0.6	-16.7%	1.8	2.1	-14.3%
Infrastructure	18.4	18.8	-2.1%	31.7	32.5	-2.5%	50.1	51.3	-2.3%
Total	\$ 67.9	\$ 66.8	1.6%	\$ 34.3	\$ 35.2	-2.7%	\$ 102.2	\$ 102.0	0.2%

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Long-term debt

At the end of 2020, the Village of Melrose Park had total long-term debt of \$267.3 million. The debt administration discussion covers six main types of debt reported by the Village's financial statements: bonds payable, interest payable on capital appreciation bonds, loans payable, line of credit, capital leases, and net pension liability. Bonds and loans payable decreased due to the payment of scheduled principal maturities during the year. Despite the decrease in bonds and loans payable during the year, General Obligation Bonds, Series 2020 were issued in the amount of \$6.0 million. The bonds were issued to fund capital projects in the Village and will be paid from the general fund. Another significant change in long-term debt was the decrease in business-type bonds payable to zero, as the final payment on the 1998A bond was made for \$1.5 million. Also, there was a large increase in the net OPEB liability of \$11.3 million. More detailed information about long-term debt can be found in Note 3 of the basic financial statements.

**Long-Term debt
(in millions of dollars)**

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2020	2019	Change	2020	2019	Change	2020	2019	Change
Bonds Payable	\$ 30.3	\$ 29.5	2.7%	\$ -	\$ 1.5	-100.0%	\$ 30.3	\$ 31.0	-2.3%
Loan payable	5.5	5.6	-1.8%	-	0.5	-100.0%	5.5	6.1	-9.8%
Net Pension Liability	122.3	128.2	-4.6%	0.5	1.9	0.0%	122.8	130.1	-5.6%
OPEB	85.9	76.9	11.7%	22.8	20.4	11.8%	108.7	97.3	11.7%
Total	\$244.0	\$240.2	1.6%	\$23.3	\$24.3	-4.2%	\$267.3	\$264.5	1.1%

Factors Bearing on the Village's Future

The Village is presently marketing the Village and working with developers to encourage new development. The Village is located in an Illinois enterprise zone and has the advantages of several incentive packages to industry that help keep it competitive as compared to other industrial locations. Also, the Village has approved a number of tax increment financing districts within the Village's boundaries. Other factors bearing on the Village's future are real estate tax objections/refunds, increases in water rates charges and inflation.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or would like to request additional information contact the Village of Melrose Park, Attn: Business Office, 1000 North 25th Avenue, Melrose Park, IL 60160.

FINANCIAL SECTION



VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Public Library
Assets				
Cash and investments	\$ 49,100,582	\$ 2,279,864	\$ 51,380,446	\$ -
Receivables (net of allowances for uncollectibles)				
Property taxes	16,892,491	-	16,892,491	970,378
Intergovernmental	4,857,685	-	4,857,685	-
Utility taxes	206,955	-	206,955	-
Water and sewer	-	3,252,096	3,252,096	-
Internal balances	(725,011)	725,011	-	-
Prepaid expenses	455,258	160,750	616,008	5,747
Due from primary government	-	-	-	114,132
Other assets	3,199	-	3,199	-
Capital assets not being depreciated				
Land	27,167,081	711,826	27,878,907	333,332
Construction in progress	3,209,263	508,876	3,718,139	-
Capital assets net of accumulated depreciation				
Buildings and improvements	15,632,827	805,118	16,437,945	237,819
Vehicles and equipment	3,510,835	647,942	4,158,777	70,357
Infrastructure	18,346,982	31,626,186	49,973,168	-
Total assets	<u>138,658,147</u>	<u>40,717,669</u>	<u>179,375,816</u>	<u>1,731,765</u>
Deferred Outflows of Resources				
Loss on debt refunding	36,804	-	36,804	-
Deferred outflows related to pensions	10,160,465	439,869	10,600,334	-
Deferred outflows related to OPEB	11,192,907	2,975,330	14,168,237	-
Total deferred outflows of resources	<u>21,390,176</u>	<u>3,415,199</u>	<u>24,805,375</u>	<u>-</u>
Liabilities				
Accounts payable	3,078,024	1,784,282	4,862,306	19,635
Cash overdraft	-	-	-	793,510
Accrued payroll	280,723	-	280,723	-
Customer deposits	-	21,531	21,531	-
Insurance claims payable	1,811,533	223,089	2,034,622	61,530
Accrued interest payable	136,586	-	136,586	-
Other liabilities	467,931	-	467,931	-
Due to component unit	114,132	-	114,132	-
Due to police pension	64,434	-	64,434	-
Noncurrent liabilities				
Due within one year	3,778,173	-	3,778,173	-
Due in more than one year	240,321,924	23,310,356	263,632,280	-
Total liabilities	<u>250,053,460</u>	<u>25,339,258</u>	<u>275,392,718</u>	<u>874,675</u>
Deferred Inflows of Resources				
Unearned revenues	16,955,698	-	16,955,698	967,128
Deferred inflows related to pensions	45,711,578	807,765	46,519,343	-
Deferred inflows related to OPEB	6,539,990	1,738,478	8,278,468	-
Total deferred inflows of resources	<u>69,207,266</u>	<u>2,546,243</u>	<u>71,753,509</u>	<u>967,128</u>
Net Position				
Net investment in capital assets	58,977,191	34,299,948	93,277,139	641,508
Restricted for				
Debt service	3,506,282	-	3,506,282	-
Community development	5,911,823	-	5,911,823	-
Highways and streets	1,675,738	-	1,675,738	-
Unrestricted	(229,283,437)	(18,052,581)	(247,336,018)	(751,546)
Total net position	<u>\$ (159,212,403)</u>	<u>\$ 16,247,367</u>	<u>\$ (142,965,036)</u>	<u>\$ (110,038)</u>

VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Program Revenues			Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General government	\$ 9,407,961	\$ 3,270,877	\$ -	\$ 371,285	\$ (5,765,799)	\$ -	\$ (5,765,799)
Public safety	23,394,632	1,837,637	690,454	-	(20,866,541)	-	(20,866,541)
Highway and streets	7,768,038	15,213	1,215,582	558,228	(5,979,015)	-	(5,979,015)
Refuse	2,084,775	-	-	-	(2,084,775)	-	(2,084,775)
Culture and recreation	1,705,091	44,651	-	-	(1,660,440)	-	(1,660,440)
Hispanic liaison center	311,300	-	-	-	(311,300)	-	(311,300)
Community development	2,850,796	-	-	-	(2,850,796)	-	(2,850,796)
Interest and fees	1,952,618	-	-	-	(1,952,618)	-	(1,952,618)
Total government activities	49,475,211	5,168,378	1,906,036	929,513	(41,471,284)	-	(41,471,284)
Business-Type Activities							
Water and sewer	25,736,224	24,918,942	-	-	-	(817,282)	(817,282)
Total business-type activities	25,736,224	24,918,942	-	-	-	(817,282)	(817,282)
Total primary government	\$ 75,211,435	\$ 30,087,320	\$ 1,906,036	\$ 929,513	(41,471,284)	(817,282)	(42,288,566)
Component Unit - Public Library	\$ 870,988	\$ -	\$ 12,034	\$ -			(858,954)
General Revenues and Transfers							
Property taxes					22,984,362	-	22,984,362
Other taxes							
Sales taxes					18,560,780	-	18,560,780
Telecommunication taxes					418,632	-	418,632
Utility taxes					2,147,510	-	2,147,510
Amusement taxes					283,801	-	283,801
Intergovernmental							
State income tax					2,761,386	-	2,761,386
Gaming revenues					275,214	-	275,214
Personal property replacement tax					1,325,761	-	1,325,761
Investment income					86,492	4,668	91,160
Miscellaneous					2,491,627	-	2,491,627
Transfers					36,880,759	(36,880,759)	-
Total general revenues and transfers					88,216,324	(36,876,091)	51,340,233
Change in Net Position					46,745,040	(37,693,373)	9,051,667
Net Position - Beginning (Restated)					(205,957,443)	53,940,740	(152,016,703)
Net Position - Ending					\$ (159,212,403)	\$ 16,247,367	\$ (142,965,036)

VILLAGE OF MELROSE PARK, ILLINOIS
BALANCE SHEET- GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Major Funds		Nonmajor	Total
	General	Debt	Governmental	Governmental
	Fund	Service	Funds	Funds
Assets				
Cash and investments	\$ 36,416,941	\$ 2,476,700	\$ 10,206,941	\$ 49,100,582
Receivables (net of allowances for uncollectibles)				
Property taxes	16,373,966	518,525	-	16,892,491
Intergovernmental	4,773,330	-	84,355	4,857,685
Utility taxes	206,955	-	-	206,955
Prepaid Items	455,258	-	-	455,258
Advance to other funds	5,133,481	1,099,452	2,242,521	8,475,454
Other assets	3,199	-	-	3,199
Total assets	<u>\$ 63,363,130</u>	<u>\$ 4,094,677</u>	<u>\$ 12,533,817</u>	<u>\$ 79,991,624</u>
Liabilities				
Accounts payable	3,043,290	-	34,734	3,078,024
Accrued payroll	280,723	-	-	280,723
Insurance claims payable	195,601	-	-	195,601
Advance from other funds	2,442,172	71,544	6,686,749	9,200,465
Due to component unit	114,132	-	-	114,132
Due to police pension	64,434	-	-	64,434
Other liabilities	383,705	-	84,226	467,931
Total liabilities	<u>6,524,057</u>	<u>71,544</u>	<u>6,805,709</u>	<u>13,401,310</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>18,020,248</u>	<u>516,853</u>	<u>-</u>	<u>18,537,101</u>
Total deferred inflows of resources	<u>18,020,248</u>	<u>516,853</u>	<u>-</u>	<u>18,537,101</u>
Fund Balances				
Nonspendable	5,588,739	-	-	5,588,739
Restricted	-	3,506,280	7,587,563	11,093,843
Unassigned	<u>33,230,086</u>	<u>-</u>	<u>(1,859,455)</u>	<u>31,370,631</u>
Total fund balances	<u>38,818,825</u>	<u>3,506,280</u>	<u>5,728,108</u>	<u>48,053,213</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 63,363,130</u>	 <u>\$ 4,094,677</u>	 <u>\$ 12,533,817</u>	 <u>\$ 79,991,624</u>

**VILLAGE OF MELROSE PARK, ILLINOIS
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total fund balances - governmental funds	\$ 48,053,213
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Village as a whole.

Cost of capital assets	97,474,192	
Depreciation expense to date	<u>(29,607,204)</u>	
		67,866,988

Workers compensation insurance claims that are not expected to be paid within the year are not included in the governmental balance sheet.	(1,615,932)
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Revenue that is deferred in the fund financial statements because it is not available is recognized as revenue in the government-wide financial statements.	1,581,403
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds - interest payable.	(136,586)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds	(35,551,113)
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Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the governmental funds	4,652,917
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Deferred loss on debt refunding is not included in the governmental balance sheet.	36,804
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Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, accordingly, are not reported in the governmental balance sheet.	(244,100,097)
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Net position of governmental activities	<u><u>\$ (159,212,403)</u></u>
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VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Major Funds		Nonmajor	Total
	General	Debt	Governmental	Governmental
	Fund	Service	Funds	Funds
Revenues				
Taxes				
Property	\$ 15,684,996	\$ 503,330	\$ 6,796,036	\$ 22,984,362
Utility	2,147,510	-	-	2,147,510
Personal property replacement	1,325,761	-	-	1,325,761
Telecommunication	426,633	-	-	426,633
Sales	18,492,029	-	-	18,492,029
State income	2,761,386	-	-	2,761,386
Gaming	275,214	-	-	275,214
Parking	108,354	-	-	108,354
Amusement	283,801	-	-	283,801
Licenses, permits and fees	2,274,103	-	-	2,274,103
Fines and forfeitures	1,067,103	-	-	1,067,103
Charges for services	1,029,367	-	689,451	1,718,818
Investment income	54,508	6,969	25,015	86,492
Motor fuel tax	-	-	924,740	924,740
Grants	1,061,739	-	849,070	1,910,809
Other revenue	2,339,407	-	293,718	2,633,125
Total revenues	<u>49,331,911</u>	<u>510,299</u>	<u>9,578,030</u>	<u>59,420,240</u>
Expenditures				
Current				
General government	7,086,231	-	-	7,086,231
Public safety	32,521,852	-	-	32,521,852
Highway and streets	6,844,384	-	579,477	7,423,861
Refuse	2,084,775	-	-	2,084,775
Culture and recreation	1,513,033	-	-	1,513,033
Hispanic liaison center	309,894	-	-	309,894
Community development	2,425,096	-	326,890	2,751,986
Debt service				
Principal payments	106,941	1,095,000	4,625,000	5,826,941
Interest and fiscal charges	382,077	761,449	564,090	1,707,616
Total expenditures	<u>53,274,283</u>	<u>1,856,449</u>	<u>6,095,457</u>	<u>61,226,189</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,942,372)</u>	<u>(1,346,150)</u>	<u>3,482,573</u>	<u>(1,805,949)</u>
Other Financing Sources (Uses)				
Bond proceeds	6,202,186	247,507	-	6,449,693
Transfers in	36,880,759	1,074,924	2,000,000	39,955,683
Transfers out	(2,735,404)	-	(339,520)	(3,074,924)
Total other financing sources (uses)	<u>40,347,541</u>	<u>1,322,431</u>	<u>1,660,480</u>	<u>43,330,452</u>
Net Change in Fund Balances	<u>36,405,169</u>	<u>(23,719)</u>	<u>5,143,053</u>	<u>41,524,503</u>
Fund Balances - Beginning of Year	<u>2,413,656</u>	<u>3,529,999</u>	<u>585,055</u>	<u>6,528,710</u>
Fund Balances - End of Year	<u>\$ 38,818,825</u>	<u>\$ 3,506,280</u>	<u>\$ 5,728,108</u>	<u>\$ 48,053,213</u>

See accompanying notes to financial statements

**VILLAGE OF MELROSE PARK, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances - total governmental funds	\$	41,524,503
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$958,218 exceeded depreciation of \$1,524,645 in the current period.		(566,427)
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Loss on the disposal of capital assets is reflected only in the Statement of Activities		(141,498)
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Workers compensation insurance claims that are not expected to be paid within the year are not included in the governmental funds, but are included in the Statement of Activities.		(268,911)
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The implicit costs of other post employment benefits which exceed contributions made by the Village are a long-term liability.		(3,660,418)
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Some of the bonds issued in the prior year are accretion bonds. Accretion of the bonds during the year increases the carrying value of the bonds and will be repaid using future year resources. The current year's accretion is charged to interest expense in the Statement of Activities.		(216,647)
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The issuance of long-term debt is shown as an other financing source in the governmental funds but the principal outstanding is shown as a long-term liability		(6,449,693)
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Premiums received and deferred charges from prior refundings, do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.

Amortization of deferred loss on refundings	\$	(25,691)	
Amortization of premiums		84,995	
Amortization of discounts		(5,625)	

53,679

Some revenues not collected as of the year end are not considered available revenues in the governmental funds. These are the amounts that were not considered available in the current year.		60,750
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In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources.		
Interest payable		(82,034)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		5,826,941
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The change in net pension liability and pension related deferred inflows and outflows are not recorded in the governmental funds, but it is recorded in the Statement of Activities and affects long-term liabilities in the Statement of Net Position.		10,664,795
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Change in net position of governmental activities	\$	46,745,040
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VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020

	Water and Sewer
Assets	
Current assets	
Cash and investments	\$ 2,279,864
Accounts receivable (net of allowance)	3,252,096
Restricted cash and investments	-
Prepaid expenses	160,750
Advance to other funds	5,920,306
Total current assets	<u>11,613,016</u>
Noncurrent assets	
Capital assets	
Capital assets not being depreciated	1,220,702
Depreciable buildings, property, and equipment (net of accumulated depreciation)	<u>33,079,246</u>
Total noncurrent assets	<u>34,299,948</u>
Total assets	<u>45,912,964</u>
Deferred Outflows of Resources	
Loss on debt refunding	-
Deferred outflows related to pensions	439,869
Deferred outflows related to OPEB	2,975,330
Total deferred outflows of resources	<u>3,415,199</u>
Total assets and deferred outflows of resources	<u><u>\$ 49,328,163</u></u>
Liabilities	
Current liabilities	
Accounts payable	\$ 1,784,282
Customer deposits	21,531
Insurance claims payable	223,089
Advance from other funds	5,195,295
Accrued interest payable	-
Total current liabilities	<u>7,224,197</u>
Noncurrent liabilities	
Due within one year	-
Due after one year	<u>23,310,356</u>
Total noncurrent liabilities	<u>23,310,356</u>
Total liabilities	<u>30,534,553</u>
Deferred inflows of Resources	
Deferred inflows related to pensions	807,765
Deferred inflows related to OPEB	1,738,478
Total deferred inflows of resources	<u>2,546,243</u>
Net Position	
Net investment in capital assets	34,299,948
Restricted for	
Debt service	-
Unrestricted	<u>(18,052,581)</u>
Total net position	<u>16,247,367</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 49,328,163</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water and Sewer
Operating Revenues	
Charges for services	\$ 24,918,942
Operating Expenses	
Water transmission	17,332,088
Administration	6,441,788
Sewer	932,042
Water and sewer facilities	87,236
Depreciation expense	881,039
Total operating expenses	25,674,193
Operating income (loss)	(755,251)
Nonoperating Revenues (Expenses)	
Investment income	4,668
Amortization of bond costs and fees	(19,706)
Interest expense	(42,325)
Total nonoperating revenues (expenses)	(57,363)
Net income before transfers	(812,614)
Transfers in (out)	
Transfer out	(36,880,759)
Total transfers in (out)	(36,880,759)
Change in Net Position	(37,693,373)
Fund Net Position- Beginning of Year	53,940,740
Fund Net Position- End of Year	\$ 16,247,367

VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water and Sewer
Cash Flows from Operating Activities	
Receipts from customers	\$ 24,668,560
Payments for interfund services	(5,195,295)
Payments for goods and services	(17,175,232)
Payments to or on behalf of employees	(1,508,266)
Net cash provided (used) by operating activities	<u>789,767</u>
Cash Flows from Noncapital Financing Activities	
Interfund borrowing (lending)	<u>(725,011)</u>
Net cash provided by financing activities	<u>(725,011)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(58,040)
Principal paid on long-term liabilities	(1,933,757)
Interest paid on long-term liabilities	<u>(79,691)</u>
Net cash used by capital and related financing activities	<u>(2,071,488)</u>
Cash Flows from Investing Activities	
Interest received	<u>4,668</u>
Net cash provided by (used in) investing activities	<u>4,668</u>
Net Change in Cash and Cash Equivalents	<u>(2,002,064)</u>
Cash and Cash Equivalents- Beginning of Year	<u>4,281,928</u>
Cash and Cash Equivalents- End of Year	<u>\$ 2,279,864</u>
Cash and investments	2,279,864
Restricted cash and investments	-
Total Cash and Cash Equivalents- End of Year	<u>\$ 2,279,864</u>
Reconciliation of Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	\$ (755,251)
Adjustments to reconcile operating activities to net cash provided (used) by operating activities	
Depreciation	881,039
Decrease (increase) in accounts and unbilled usage receivable	(258,141)
Decrease (increase) in prepaids	49,610
(Decrease) increase in deposits payable	7,759
(Decrease) increase in pension related liabilities and deferrals	(2,703)
(Decrease) increase in other post employment benefits	973,021
(Decrease) increase in accounts payable, claims payable and other liabilities	(105,567)
Total adjustments	<u>1,545,018</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 789,767</u>

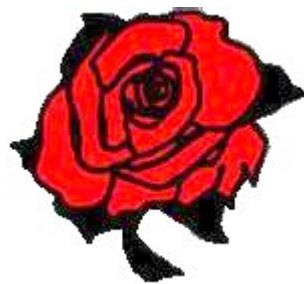
VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	Pension Trusts
Assets	
Cash and cash equivalents	\$ 7,773,717
Investments	
Certificates of Deposit	271,084
U.S. Treasuries	3,010,254
U.S. Agencies	3,209,451
Corporate bonds	7,110,437
State and local government obligations	15,702
Insurance contracts	7,523,173
Equity mutual funds	37,366,116
Receivables	
Accrued interest	77,861
Due from the Village	64,434
Prepaid items	7,339
Total assets	<u>66,429,568</u>
Liabilities	
Due to other agencies	-
Expenses Due/Unpaid	20,654
Total liabilities	<u>20,654</u>
Net Position Held in Trust for Pension Benefits	<u><u>\$ 66,408,914</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Pension Trusts
Additions	
Contributions	
Employer	\$ 10,842,957
Plan members	1,143,054
Total contributions	<u>11,986,011</u>
Investment Income	
Interest and dividends earned	1,220,939
Net appreciation in fair value of investments	5,878,995
Less investment expenses	<u>(65,568)</u>
Net investment earnings	<u>7,034,366</u>
Total additions	<u>19,020,377</u>
Deductions	
Administration	125,646
Benefits	9,223,267
Total deductions	<u>9,348,913</u>
Change in Net Position	<u>9,671,464</u>
Net Position Held in Trust for Pension Benefits	
Beginning of Year	<u>56,737,450</u>
End of Year	<u><u>\$ 66,408,914</u></u>

NOTES TO FINANCIAL STATEMENTS



VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Melrose Park, Illinois (the “Village”) was incorporated in 1894. The Village is a home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village operates under a Mayor-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, senior programs, recreation center and general administrative services.

The accounting policies of the Village of Melrose Park, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Melrose Park. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Component Units

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. Complete financial statements for the component unit may be obtained at the entity's administrative offices - Police Pension Board, 1000 North 25th Avenue, Melrose Park, IL 60160.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the Village's firefighters. FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney, and Fire Chief; one pension beneficiary elected by the membership; and three fire employees elected by the membership constitute the pension board. The Village and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters and because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. Complete financial statements for the component unit may be obtained at the entity's administrative offices - Firefighters' Pension Board, 1000 North 25th Avenue, Melrose Park, IL 60160.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Unit

The Melrose Park Public Library

The government-wide financial statements include The Melrose Park Public Library (“library”) as a component unit. The library is a legally separate organization. The board of the library is separate from that of the Village. However, because it is fiscally dependent on the Village for approval of its budget and tax levy and because it poses a financial burden on the Village, the library is presented as a component unit. As a component unit, the library’s financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. The library does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village 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 segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

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

The Village reports the following major governmental funds:

General Fund – accounts for the Village’s primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

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

The Village reports the following major enterprise fund:

Water and Sewer Fund – accounts for operations of the water distribution system and sewer system.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Village reports the following nonmajor governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Ruby Street TIF District	Zenith Opus TIF District
Lake Street Corridor TIF District	Chicago Avenue & Superior TIF District
Senior First TIF District	Motor Fuel Tax
Mid Metro TIF District	
25 th & North Ave TIF District	

Debt Service Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

2003 MFT Bond

In addition, the Village reports the following fund types:

Pension (and other employee benefit) trust funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

The Pension Trust Funds – account for the activities of the Police and Firefighters' Pension funds, which accumulate resources for pension benefit payments to qualified public safety employees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All Financial Statements

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of \$10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

The Village's formal investment policy states the portfolio should provide the highest investment return with the maximum security while meeting the daily cash flow demand of the entity and conforming to all state and local statutes. The portfolio should maintain a comparable rate of return during a market or economic environment of stable interest rates. The portfolio performance should be compared to benchmarks with similar maturity, liquidity, and credit quality as the portfolio. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than one year from the date of purchase. Reserve funds may be invested in securities exceeding two years if the maturity of such investment are made to coincide as nearly practical with the expected use of funds.

The pensions' investment policies limit their exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Village's and pension's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The police pension fund's investment policy limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. Besides investing in securities issued by the United States government, the Fund has no other formal policy for reducing credit risk.

The firefighters' pension fund's investment policy limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The firefighters' pension fund's investment policy prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Concentration of Credit Risk

The Village's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The Village's policy further states that no financial institution shall hold more than 50% of the Village's investment portfolio at the current time of investment placement. The Village operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the Village. The police pension investment policy does not have a formal written policy with regards to concentration of credit risk for investments. The fire pension fund's investment policy specifies "the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected result will not have an excessively detrimental impact on the entire portfolio."

Custodial Credit Risk - Deposits

The Village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution. Collateral shall be limited to securities of the United States of America or its agencies. The pension fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the pension fund's deposits with financial institutions.

Custodial Credit Risk - Investments

The Village and pension's investment policies require all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3 A for further information.

2. Receivables

Property taxes for levy year 2020 attach as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2020 tax levy, which attached as an enforceable lien on the property as of January 1, 2020, has been recorded as a receivable as of December 31, 2020.

Tax bills for levy year 2020 are prepared by the county and issued on or about February 1, 2021, and July 1, 2021, and are payable in two installments, on or about March 1, 2021, and August 1, 2021, or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2020 property tax levy is recognized as a receivable and unearned revenue in fiscal year 2020, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2020, the property taxes receivable and unearned revenue consisted of the estimated amount collectible from the 2020 levy.

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to 3.00% (\$516,450) of outstanding property taxes at December 31, 2020.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

4. Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land Improvements	20 Years
Machinery and Equipment	1 - 10 years
Utility System	1 - 8 Years
Infrastructure	20 - 50 Years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The Village reports in the government-wide statements and proprietary fund statements the loss on debt refunding as a deferred outflow of resources which is amortized to interest expense over the shorter of the remaining life of the refunded debt or the life of the new debt. Additionally, the Village reports in the government-wide and proprietary fund statements deferred outflow of resources as related to pensions and OPEB that will be recognized as pension or health care expense in future periods for measurements such as differences between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on pension plan investments, and pension contributions made subsequent to the Measurement Date.

6. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and net pension and total OPEB liabilities.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

7. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The Village reports unearned revenues related to property taxes (for both the government-wide and governmental fund financial statements) and revenues that do not meet the availability criterion (for governmental fund financial statements) as deferred inflows of resources. Additionally, the Village reports in the government-wide and proprietary fund statements deferred inflow of resources as related to pensions and OPEB that will be recognized as pension and health care expense in future periods for measurements such as differences between expected and actual experience, changes of assumptions, and net difference between projected and actual earnings on pension plan investments.

9. Equity Classifications

Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net positions with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, the Village classifies governmental fund balance as follows:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Village Board. Fund balance amounts are committed through a formal action (resolution) of the Village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 G for further information.

Fiduciary fund equity is classified as net position held in trust for pension benefits on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the Village believes it is in compliance with all significant restrictions.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year-end.

Prior to December 31, the Village Comptroller submits to the Village Board a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The Village Comptroller is authorized to transfer budget amounts between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures over Budget
General	\$ 51,010,308	\$ 53,274,283	\$ 2,263,975
Water	23,568,292	25,674,193	2,105,901

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report. Excess expenditures over budget were funded by available fund balance for the General Fund and available net position in the water fund.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2020, the following individual fund held a deficit balance:

Fund	Amount	Reason
25th & North Avenue TIF District	\$ 969,192	Debt service payments have exceeded the amounts provided from contiguous funds to make semiannual payments.
Zenith Opus TIF District	60,856	Historically, expenditures exceeded revenues, mainly due to the increased debt service payments belonging to the TIF. Shortfalls are covered by other TIF funds as TIFs are contiguous.
Senior First TIF District	829,407	Historically, expenditures exceeded revenues, mainly due to the increased debt service payments belonging to the TIF. Shortfalls are covered by other TIF funds as TIFs are contiguous.

The above fund deficits are anticipated to be funded with future transfers and general tax revenues

The governmental activities had deficit net position of \$159,716,509 as of December 31, 2020. In previous years, the deficit balance was primarily due to outstanding long-term debt that was issued to provide funding for public improvements for the Tax Increment Redevelopment Project Areas (RPA's), net of capital assets of the Village and the operating deficit of the Village as a whole. Certain revenues generated within the RPA's were pledged by the Village to retire the bonds and pay interest on the debt. Since the RPA's bonds are paid from revenues created in the future, this creates a deficit balance which will remain until the outstanding bonds are paid. Additionally, as a result of actuarial valuations prepared in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Village has reported increased net pension and other postemployment benefits liability balances for the Police Pension, Firefighters' Pension, and Illinois Municipal Retirement Funds over the last several years, which further decreased net position.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS**A. DEPOSITS AND INVESTMENTS**

The Village's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits with financial institutions	\$ 52,757,063	\$ 51,219,218	Custodial credit risk - deposits
Certificates of Deposit	271,084	271,084	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Corporate bonds	7,110,437	7,110,437	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Money market mutual funds	6,096,300	6,096,300	Credit risk
U.S. treasuries and agency obligations	6,219,705	6,219,705	Interest rate risk, Concentration of credit risk, Custodial credit risk - investments, Credit risk
State and local obligations	15,702	15,702	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Insurance company contracts	7,523,173	7,523,173	Concentration of credit risk, Custodial credit risk - investments
Equity mutual funds	37,366,116	28,606,020	Custodial credit risk - investments
Petty cash	800	-	N/A
Total deposits and investments	<u>\$ 117,360,380</u>	<u>\$ 107,061,639</u>	

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Reconciliation to financial statements:

Per statement of net position	
Unrestricted cash and investments	\$ 51,380,446
Per statement of net position- fiduciary funds	
Pension Trusts cash	7,473,717
Pension Trusts investments	<u>58,506,217</u>
Total Deposits and Investments	<u>\$ 117,360,380</u>

At December 31, 2020, Village deposits of \$534,721 were uninsured and uncollateralized, Firefighters' pension deposits were uninsured and uncollateralized for \$7,557 and Police pension deposits were fully insured and collateralized.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village. As noted above, the pension funds were exposed to Custodial Credit risk for the year ended 2020.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village's investment policies require all securities to be held by a third party custodian designated by the comptroller and evidenced by safekeeping receipts and written custodian agreement.

As of December 31, 2020, the Village did not hold any assets classified as investments. Investments held by the Police Pension and Fire Pension Funds and related maturities are as follows:

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Police Pension Fund		Maturity (In Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
State and Local Government Obligations	\$ 15,702	\$ -	\$ -	\$ -	\$ 15,702
U.S. Treasury Obligations	1,196,776	-	-	638,609	558,167
U.S. Agency Obligations	1,333,730	-	13,580	613,115	707,035
Corporate Bonds	3,002,307	70,973	1,312,413	1,486,541	132,380
Totals	<u>\$ 5,548,515</u>	<u>\$ 70,973</u>	<u>\$ 1,325,993</u>	<u>\$ 2,738,265</u>	<u>\$ 1,413,284</u>

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2020:

Police Pension Fund

Investment by Fair Value Level	December 31, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
State and Local Government Obligations	\$ 15,702	\$ -	\$ 15,702	\$ -
U.S. Treasury Obligations	1,196,776	1,196,776	-	-
U.S. Agency Obligations	1,333,730	-	1,333,730	-
Corporate Bonds	3,002,307	-	3,002,307	-
Equity Securities				
Insurance Contracts	7,523,173	-	7,523,173	-
Mutual Funds	17,451,146	17,451,146	-	-
Totals	<u>\$ 30,522,834</u>	<u>\$ 18,647,922</u>	<u>\$ 11,874,912</u>	<u>\$ -</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Firefighters' Pension Fund		Maturity (In Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Certificates of Deposit	\$ 271,084	-	\$ 271,084	-	-
U.S. Treasuries	1,813,478	-	-	957,187	856,291
U.S. Agencies	1,875,721	-	6,754	506,644	1,362,323
Corporate Bonds	4,108,130	-	2,079,763	1,941,455	86,912
Totals	<u>\$ 8,068,413</u>	<u>\$ -</u>	<u>\$ 2,357,601</u>	<u>\$ 3,405,286</u>	<u>\$ 2,305,526</u>

The Fire Pension Fund has the following recurring fair value measurements as of December 31, 2020:

Investment by Fair Value Level	December 31, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Certificates of Deposit	\$ 271,084	\$ -	\$ 271,084	\$ -
U.S. Treasury Obligations	1,813,478	1,813,478	-	-
U.S. Agency Obligations	1,875,721		1,875,721	-
Corporate Bonds	4,108,130		4,108,130	-
Equity Securities				
Mutual Funds	19,914,970	19,914,970	-	-
Totals	<u>\$ 27,983,383</u>	<u>\$ 21,728,448</u>	<u>\$ 6,254,935</u>	<u>\$ -</u>

See Note 1D1 for further information on deposit and investment policies.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2020, the Village's investment in money market mutual funds was rated as follows:

Investment Type	Composite Ratings
Money Market Mutual Funds	AAAm

The investments in the securities of the U.S. government agencies were all rated triple A or Aaa by Standard & Poor's and by Moody's Investors Services.

The Police Pension Fund's investments in the state and local obligations were all rated Aa2 and corporate bonds were all rated BBB or higher by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated or underrated. Unrated and underrated investments are listed in the table below.

Investment Type	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corp.	\$ 8,814	3.500%	December 1, 2025
Federal Home Loan Mortgage Corp.	4,465	4.000%	June 1, 2026
Federal Home Loan Mortgage Corp.	175,000	3.500%	November 1, 2028
Federal Home Loan Mortgage Corp.	54,721	3.500%	April 1, 2032
Federal Home Loan Mortgage Corp.	89,345	4.000%	July 1, 2038
Federal Home Loan Mortgage Corp.	2,186	5.000%	October 1, 2039
Federal Home Loan Mortgage Corp.	158,465	4.000%	September 1, 2041
Federal National Mortgage Assoc.	4,345	7.500%	April 1, 2024
Federal National Mortgage Assoc.	120,000	3.320%	April 1, 2028
Federal National Mortgage Assoc.	100,000	3.830%	October 1, 2028
Federal National Mortgage Assoc.	150,000	3.700%	November 1, 2028
Federal National Mortgage Assoc.	250,000	2.500%	July 1, 2031
Federal National Mortgage Assoc.	1,585	4.500%	September 1, 2033
Federal National Mortgage Assoc.	150,574	3.500%	October 1, 2033
Federal National Mortgage Assoc.	27,951	3.000%	April 1, 2043

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

The Firefighters' Pension Fund's investments in the securities of U.S. government agencies were all rated triple A and corporate bonds were rated BBB or better by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated or underrated. Unrated and underrated investments are listed in the table below.

Investment Type	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corp.	\$255,000	3.500%	November 1, 2028
Federal Home Loan Mortgage Corp.	400,000	2.500%	September 1, 2031
Federal Home Loan Mortgage Corp.	12,180	6.000%	January 1, 2039
Federal Home Loan Mortgage Corp.	33,585	4.000%	July 1, 2040
Federal Home Loan Mortgage Corp.	46,897	3.500%	April 1, 2042
Federal Home Loan Mortgage Corp.	59,021	3.000%	December 1, 2046
Federal Home Loan Mortgage Corp.	156,850	4.000%	April 1, 2048
Federal Home Loan Mortgage Corp.	48,850	3.500%	September 1, 2048
Federal National Mortgage Assoc.	6,754	5.000%	April 1, 2025
Federal National Mortgage Assoc.	5,660	4.331%	January 1, 2036
Federal National Mortgage Assoc.	31,546	3.000%	February 1, 2037
Federal National Mortgage Assoc.	7,148	4.334%	April 1, 2037
Federal National Mortgage Assoc.	57,435	5.500%	July 1, 2037
Federal National Mortgage Assoc.	116,313	4.000%	November 1, 2037
Federal National Mortgage Assoc.	14,451	4.500%	November 1, 2040
Federal National Mortgage Assoc.	34,938	3.000%	April 1, 2043
Federal National Mortgage Assoc.	30,492	3.500%	June 1, 2043
Federal National Mortgage Assoc.	8,238	4.000%	June 1, 2044
Federal National Mortgage Assoc.	38,931	3.000%	July 1, 2045
Federal National Mortgage Assoc.	28,783	2.500%	August 1, 2046
Federal National Mortgage Assoc.	62,873	3.000%	September 1, 2046
Federal National Mortgage Assoc.	33,570	3.000%	November 1, 2046
Federal National Mortgage Assoc.	98,813	2.500%	November 1, 2046
U.S. Department of Housing	38,000	3.350%	August 1, 2029

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

At December 31, 2020, the Village's investment portfolio (excluding pensions) did not have any concentrations of holdings in excess of 5%.

At December 31, 2020, the Police Pension Fund has over 5% of plan net position, \$1,765,691, invested in various agency securities as indicated in the table located previously within the investment section and various insurance contracts and mutual funds listed below. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. In accordance with the Pension Fund's investment policy, the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio.

The Police Pension Fund's investment policy has a stated target that 33% of its portfolio be in fixed income securities, 63% in equities, 2% real estate and 2% cash and equivalents. The Police Pension Board has diversified its insurance contract and mutual fund holdings as follows:

Holding	Fair Value
Mass Mutual Insurance Contracts	\$2,879,835 *
Commonwealth Annuity Insurance Contract	1,714,091
VOYA Insurance Contract	1,593,855
John Hancock Insurance Contract	1,333,075
Jackson National Life Insurance Contract	<u>2,317</u>
Total Insurance Contracts	<u>\$7,523,173</u>
Vanguard Institutional Index Fund	\$11,837,469 *
SPDR S&P 600 Small Cap ETF Fund	2,063,487 *
Schwab International Index Fund	1,847,928 *
Vanguard REIT ETF Fund	685,333
iShares Edge MSCI Momentum ETF Fund	293,721
iShares Edge MSCI Quality Factor ETF Fund	272,862
iShares Edge MSCI ETF Fund	237,827
iShares Edge MSCI Value ETF Fund	<u>212,519</u>
Total Equity Mutual Funds	<u>\$17,451,146</u>

*Represents over 5% of Fiduciary Net Position

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

At December 31, 2020, the Firefighters' Pension Fund has over 5% of plan net assets, \$1,554,755 invested in various agency securities as indicated in the table within the investment section and various mutual funds listed below. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. Although not required by the investment policy, the Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

The Firefighters' Pension Fund's investment policy has a stated target that 32% of its portfolio be in fixed income securities, 6.5% in real estate and 58.5% in equities with the remaining 3% cash and equivalents. The Firefighters' Pension Board has diversified its insurance contracts and mutual fund holdings as follows:

Holding	Fair Value
Vanguard Total Stock Market Index Fund	\$14,930,885 *
Schwab International Index Fund	3,769,554 *
Vanguard REIT ETF Fund	680,922
iShares Edge MSCI Momentum Factor ETF Fund	149,795
iShares Edge MSCI Quality Factor ETF Fund	142,753
iShares Edge MSCI ETF Fund	133,011
iShares Edge MSCI Value ETF Fund	108,050
Total Equity Mutual Funds	<u>\$19,914,970</u>

*Represents over 5% of Fiduciary Net Position

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with the investment policies of both Pension Funds, the Funds limit their exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)**B. RECEIVABLES**

Receivables as of year-end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Water and Sewer Fund	Nonmajor and Other Funds
Receivables				
Property taxes	\$ 16,373,966	\$ 518,525	\$ -	\$ -
Sales taxes	4,258,559	-	-	-
State income taxes	-	-	-	-
Motor fuel taxes	-	-	-	84,355
Telecommunication		-	-	
taxes	98,556	-	-	-
Replacement taxes	226,238	-	-	-
Utility	206,955	-	-	-
Accounts	-	-	3,252,096	-
Other	189,977	-	-	-
Total receivables	<u>\$ 21,354,251</u>	<u>\$ 518,525</u>	<u>\$ 3,252,096</u>	<u>\$ 84,355</u>

All of the receivables on the balance sheet are expected to be collected within one year.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not available and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been earned during the fiscal year, but are received beyond 60 days of year end making them unavailable to liquidate current year liabilities. At the end of the current fiscal year, the various components of *deferred inflow of resources* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Property taxes receivable for subsequent year - General Fund	\$ 16,338,845
Property taxes receivable for subsequent year - Debt Service	516,853
Sales/use taxes- General Fund	1,549,944
Telecommunication taxes- General Fund	31,140
Grants - General Fund	100,000
Other - General Fund	<u>319</u>
 Total unavailable revenue	 <u><u>\$ 18,537,101</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

Governmental Activities	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 27,250,583	\$ -	\$ 83,502	\$27,167,081
Construction in Progress	2,832,308	400,955	24,000	3,209,263
Total Capital Assets Not Being Depreciated	30,082,891	400,955	107,502	30,376,344
Capital Assets Being Depreciated				
Improvements Other than Buildings	4,458,763	-	-	4,458,763
Buildings	23,047,684	-	-	23,047,684
Machinery and Equipment	5,222,695	85,708	-	5,308,403
Vehicles	6,966,643	495,555	144,028	7,318,170
Infrastructure	26,964,828	-	-	26,964,828
Total Capital Assets Being Depreciated	66,660,613	581,263	144,028	67,097,848
Less: Accumulated Depreciation for				
Improvements Other than Buildings	959,624	88,471	-	1,048,095
Buildings	10,366,397	459,128	-	10,825,525
Machinery and Equipment	3,738,356	236,624	-	3,974,980
Vehicles	4,906,466	320,324	86,032	5,140,758
Infrastructure	8,197,748	420,098	-	8,617,846
Total Accumulated Depreciation	28,168,591	1,524,645	86,032	29,607,204
Total Capital Assets Being Depreciated, Net	38,492,022	(943,382)	57,996	37,490,644
Governmental Activities Capital Assets, Net	\$ 68,574,913	\$ (542,427)	\$ 165,498	\$67,866,988

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$	230,748
Public safety		432,738
Highways and street, including infrastructure		606,447
Community development		98,810
Hispanic Liason Center		1,406
Culture and recreation		154,497
Total Governmental Activities Depreciation Expense	\$	1,524,645

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 699,347	\$ -	\$ -	\$ 699,347
Land Improvements	12,479	-	-	12,479
Construction in Progress	450,836	62,348	4,308	508,876
Total Capital Assets Not Being Depreciated	1,162,662	62,348	4,308	1,220,702
Capital Assets Being Depreciated				
Buildings	1,666,602	-	-	1,666,602
Equipment	781,060	-	-	781,060
Water system infrastructure	49,101,164	-	-	49,101,164
Vehicles	646,765	-	-	646,765
Total Capital Assets Being Depreciated	52,195,591	-	-	52,195,591
Less Accumulated Depreciation for				
Buildings	861,484	25,742	-	887,226
Equipment	231,259	44,917	-	276,176
Water system infrastructure	16,593,939	793,826	-	17,387,765
Vehicles	548,624	16,554	-	565,178
Total Accumulated Depreciation	18,235,306	881,039	-	19,116,345
Total Capital Assets Being Depreciated, Net	33,960,285	(881,039)	-	33,079,246
Business-Type Capital Assets, Net	\$ 35,122,947	\$ (818,691)	\$ 4,308	\$34,299,948

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water and Sewer	\$ <u>881,039</u>
Total Business-Type Activities Depreciation Expense	\$ <u>881,039</u>

D. INTERFUND RECEIVABLES/PAYABLES

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Other Funds	\$ 5,133,481
Debt Service	General	688,460
Debt Service	Other Funds	410,992
Other Funds	Debt Service	71,544
Other Funds	General	1,028,701
Other Funds	Other Funds	1,142,276
Water	General	<u>725,011</u>
Total - Fund Financial Statements		<u>9,200,465</u>
Less: Fund Eliminations		<u>(8,475,454)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 725,011</u>

The amounts are not expected to be repaid within one year. Therefore, they are reported as advances.

The principal purpose of these interfunds were purchases made with cash from a different fund. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

During the course of operations, numerous transactions occur between individual funds of the Village for the goods provided or services rendered. Those receivables and payables which relate to the Melrose Park Public Library are classified as "Due from Component Units" and "Due to Primary Government". Additionally, the receivables and payables which relate to the Pension Trust Funds are classified as "Due to Police Pension" and "Due from the Village".

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

At December 31, 2020, the discretely presented component unit - Library Fund had a receivable balance of \$114,132 due from the primary government. The Village receives the Library's property taxes and pays certain expenditures; however property tax receipts exceeded those expenditures for the year.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Water	\$ 36,880,759	Foregiveness of interfund payable
		36,880,759	
Debt Service	General	735,404	From general fund for debt service
	Nonmajor	339,520	From MFT and Lake Street Corridor TIF for debt service
		1,074,924	
Nonmajor	General	2,000,000	From general fund to MFT
		2,000,000	
Total - Fund Financial Statements		39,955,683	
Less Fund eliminations		(3,074,924)	
Total Transfers- Government-Wide Statement of Activities		\$ 36,880,759	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 16,585,000	\$ 5,970,000	\$ 2,080,000	\$ 20,475,000	\$ 2,430,000
Tax incremental financing ("TIF") bonds	9,952,848	216,647	3,345,000	6,824,495	960,000
TIF direct placement bonds	2,761,250	-	295,000	2,466,250	295,000
Unamortized premium	217,294	479,693	84,995	611,992	-
Unamortized discount	(43,073)	5,625	-	(37,448)	-
Total bonds and notes payable	29,473,319	6,671,965	5,804,995	30,340,289	3,685,000
Other Liabilities					
Loans - direct borrowings	5,613,772	-	106,941	5,506,831	93,173
Net pension liability - police	55,460,185	-	155,206	55,304,979	-
Net pension liability - fire	70,297,080	-	4,075,614	66,221,466	-
Total OPEB liability	76,873,185	9,049,143	-	85,922,328	-
Net pension liability - IMRF	2,429,440	-	1,625,235	804,205	-
Total other liabilities	210,673,662	9,049,143	5,962,996	213,759,809	93,173
Total Governmental Activities					
Long-Term Liabilities	\$ 240,146,981	\$15,721,108	\$ 11,767,991	\$244,100,098	\$ 3,778,173
Business-Type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 1,475,000	\$ -	\$ 1,475,000	\$ -	\$ -
Total bonds and notes payable	1,475,000	-	1,475,000	-	-
Other Liabilities					
Net OPEB liability	20,434,643	2,405,469	-	22,840,112	-
Total pension liability	1,878,843	-	1,408,599	470,244	-
Illinois EPA loans	458,757	-	458,757	-	-
Total other liabilities	22,772,243	2,405,469	1,867,356	23,310,356	-
Total Business-Type Activities					
Long-Term Liabilities	\$ 24,247,243	\$ 2,405,469	\$ 3,342,356	\$ 23,310,356	\$ -

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)***General Obligation Debt***

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental activities will be retired by future property tax levies or tax increments accumulated by the debt service fund.

General Obligation Debt	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
		December	4.0%-		
2012	April 19, 2012	15, 2032	4.5%	14,355,000	9,915,000
		December	2.0%-		
2015	April 14, 2015	15, 2023	4.0%	8,910,000	2,730,000
	September 29,	December	2.0%-		
2016	2016	15, 2026	3.2%	3,660,000	1,860,000
	October 1,	December	3.0% -		
2020	2020	15, 2040	5.0%	5,970,000	5,970,000
Total Governmental Activities- General Obligation Debt					<u>\$ 20,475,000</u>

Governmental Activities

Debt service requirements to maturity are as follows:

Year	Governmental Activities General Obligation Debt	
	Principal	Interest
2021	\$ 2,635,000	\$ 740,457
2022	2,075,000	648,312
2023	1,700,000	574,477
2024	1,235,000	520,602
2025	1,290,000	475,479
2026-2030	6,010,000	1,579,550
2031-2035	3,670,000	441,300
2036-2040	1,860,000	127,463
Totals	<u>\$20,475,000</u>	<u>\$ 5,107,640</u>

On October 8, 2020, General Obligation Bonds, Series 2020, were issued in the amount of \$5,970,000 in order to fund capital projects. The bonds were issued at a premium of \$479,693.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Alternative Revenue Debt

Revenue Debt

Business-Type Activities Revenue Debt

The Village has pledged future water revenues, net of specified operating expenses, to repay \$53,965,616 million in revenue bonds and loans issued in 1998 and 1999. Proceeds from the bonds provided financing for the water infrastructure improvements. The bonds and loans are payable solely from water revenues and are payable through 2020. Principal and interest paid for the current year and total customer net revenues were \$2,013,449 and \$24,692,067, respectively. The debt was paid in full as of December 31, 2020.

General Obligation Tax Increment Financing Bonds

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

The Village has pledged future incremental tax revenues, net of specified operating expenses, to repay \$50,950,000 million in general obligation alternative revenue bonds issued in 2001 through 2019.

Tax increment Financing Bonds at December 31, 2020, consist of the following:

Governmental Activities

Tax Increment Financing Bonds	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
2003C	June 24, 2003	December 15, 2023	4.70%- 5.40%	\$ 2,301,680	\$ 2,029,495
2004A	April 26, 2004	December 15, 2023	6.75%	4,800,000	1,320,000
2011A	December 22, 2011	December 15, 2023	4.00%- 5.00%	3,710,000	3,475,000
2019 Direct Placement	July 1, 2019	May 15, 2024	4.750%	2,908,750	2,466,250
Total Governmental Activities- Tax Increment Financing Bonds					<u>\$ 9,290,745</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

The 2003C series bonds are capital appreciation bonds accreting to maturity value upon final maturity. Debt service requirements below include future accretion. Total maturity value for 2003C is \$5,320,000. After deducting principal payments made through 2020, remaining maturity value is \$2,255,000.

Debt service requirements to maturity are as follows:

Year	Governmental Activities Tax Increment Financing Bonds		Direct Placement	
	Principal	Interest	Principal	Interest
2021	\$ 960,000	\$ 245,100	\$ 295,000	\$ 111,892
2022	2,755,000	217,425	295,000	97,880
2023	3,335,000	102,725	295,000	83,867
2024	-	-	1,581,250	36,679
Totals	<u>\$ 7,050,000</u>	<u>\$565,250</u>	<u>\$ 2,466,250</u>	<u>\$330,318</u>

Other Debt Information

Estimated payments of other postemployment benefits liability and net pension liability are not included in the debt service requirement schedules. The other postemployment benefits liability and net pension liability attributable to governmental activities will be liquidated primarily by the General Fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The Village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Loans and Line of Credit – Direct Borrowing

The Village obtained loans for general government purposes with a carrying value of \$5,350,164 as of December 31, 2020. The loans' maturity date was originally February 2012 but was extended through January 2021. The interest rate on these notes is 7.00%. Subsequent to year end, the loan was extended through February 29, 2024.

In August of 2014, the Village entered into an agreement to purchase an office building for \$820,000. \$150,000 was paid at the closing and the remaining \$670,000 was financed by means of a Purchase Money Installment Term Loan Note. The note is non-interest bearing and provides for principal payments of \$160,000 per year for a three-year period. The balance related to this portion of the note in the amount of \$450,000 was paid in full in fiscal year 2015. The remaining \$220,000 of principal due on the note will be paid as a monthly credit of \$833.33 offsetting rent due to the Village by the seller for

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

the lease of office space within the building over a 264-month period. At December 31, 2020, the balance due was \$156,667.

All loans are expected to be paid from the General Fund.

F. FUND BALANCES

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)**Nonspendable**

Major Fund	
General Fund - Prepaid expense	\$ 455,258
Advance to other funds	5,133,481
Total Nonspendable	<u>\$ 5,588,739</u>

Restricted

Major Fund	
Debt Service Fund - Restricted for debt service	<u>\$ 3,506,280</u>
	<u>3,506,280</u>
Nonmajor Funds	
Special Revenue Funds	
Motor Fuel Tax	1,675,738
Mid Metro TIF - Restricted for community development	2,098,920
Ruby Street TIF - Restricted for community development	1,447,717
Lake Street Corridor TIF - Restricted for community development	1,521,778
Chicago Avenue & Superior TIF - Restricted for community development	843,408
	<u>7,587,561</u>
Debt Service Fund	
2003 MFT Bond - Restricted for debt service	<u>2</u>
Total Restricted	<u>\$ 11,093,843</u>

Unassigned

Major Fund	
General Fund	<u>\$ 33,230,086</u>
Total Major Fund Unassigned	<u>33,230,086</u>
Nonmajor Funds	
Special Revenue Funds	
25th and North TIF	(969,192)
Zenith Opus TIF	(60,856)
Senior First TIF	(829,407)
Total Nonmajor Fund Unassigned	<u>(1,859,455)</u>
Total Unassigned	<u>\$ 31,370,631</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

G. COMPONENT UNITS

THE MELROSE PARK PUBLIC LIBRARY

This report contains the Melrose Park Public Library (library), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The library follows the modified accrual basis of accounting and the flow of financial resources measurement focus.

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ (797,555)	\$ 31,754	Custodial credit
Petty cash	4,045	4,045	N/A
Total deposits and investments	<u>\$ (793,510)</u>	<u>\$ 35,799</u>	

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the library's deposits may not be returned to the library.

The library does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The library does not have any investments exposed to custodial credit risk.

See Note ID1 for further information on deposit and investment policies.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 333,332	\$ -	\$ -	\$ 333,332	
Construction in Progress	53,300	-	53,300	-	
Buildings	574,599	53,300	-	627,899	50
Equipment	522,791	-	-	522,791	1-10
Less: Accumulated depreciation	<u>(826,689)</u>	<u>(15,825)</u>	<u>-</u>	<u>(842,514)</u>	
Totals	<u>\$ 657,333</u>	<u>\$ 37,475</u>	<u>\$ 53,300</u>	<u>\$ 641,508</u>	

d. Interfunds

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Library	<u>\$ 114,132</u>
Total - Fund Financial Statements		<u>\$ 114,132</u>

- e. Receivables as of year-end for the library are \$990,108 for property taxes, net of \$29,040 allowance for uncollectible accounts.

NOTE 4 – OTHER INFORMATION**A. EMPLOYEES' RETIREMENT SYSTEM*****Plan Descriptions***

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for the Police and Firefighters' Pension Plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans issue separate reports on the pension plans and are available for inspection at Village Hall. IMRF 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 report that includes financial statements and supplementary information for

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

the plan as a whole, but not for individual employers. The report can be obtained online at www.imrf.org.

Below is aggregate information related to all of the pension plans in total reported by the Village as of and for the year ended December 31, 2020:

Total Pension Liability	\$ 224,199,736
Plan Fiduciary Net Position	<u>101,398,842</u>
Village's net pension liability	<u>122,800,894</u>
Deferred Inflows of Resources	\$ 46,519,343
Deferred Outflows of Resources	10,600,334
Pension Expense	822,894

Illinois Municipal Retirement Fund (IMRF)

General Information about the Pension Plan

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2020 was 9.88% of covered payroll. The employer annual required contribution rate for calendar year 2019 was 9.11%.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

At December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries	124
Inactive, Non-retired Members	40
Active Members	<u>119</u>
Total	283

Net Pension Liability

The Village's net pension liability for the IMRF plan was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.5%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25% including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Long Term Expected Rate of Return: 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	1%	0.70%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.20% was used to measure the total pension liability, the same as the prior valuation. The projection of cash flow used to determine the Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pensions Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Changes in the Net Pension Liability

IMRF:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2018	\$ 34,807,927	\$ 30,499,643	\$ 4,308,284
Changes for the year:			
Service Cost	665,049	-	665,049
Interest on the Total Pension Liability	2,491,552	-	2,491,552
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(151,714)	-	(151,714)
Changes of Assumptions	-	-	-
Contributions - Employer	-	598,138	(598,138)
Contributions - Employees	-	308,909	(308,909)
Net Investment Income	-	5,640,255	(5,640,255)
Benefit Payments, including Refunds of Employee Contributions	(1,548,437)	(1,548,437)	-
Other (Net Transfer)	-	(508,580)	508,580
Net Changes	1,456,450	4,490,285	(3,033,835)
Balances at December 31, 2019	<u>\$ 36,264,377</u>	<u>\$ 34,989,928</u>	<u>\$ 1,274,449</u>

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%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 5,856,784	\$ 1,274,449	\$ (2,498,648)

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

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

For the year ended December 31, 2020, the Village recognized pension expense of \$990,857 related to IMRF. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 50,721	\$ 423,152
Changes of assumptions	494,981	316,133
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,449,905</u>
Total Deferred Amounts to be recognized in pension expense in future periods	545,702	2,189,190
Pension Contributions made subsequent to the Measurement Date	<u>646,426</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 1,192,128</u></u>	<u><u>\$ 2,189,190</u></u>

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

<u>Year Ended December 31</u>	
2021	\$ (597,990)
2022	(446,080)
2023	94,727
2024	(694,145)
2025	
Thereafter	-

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Police Pension Plan

General Information about the Pension Plan

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where past service cost for the Police Pension Plan is 90% by the year 2040. For the year ended December 31, 2020, the Village's contribution was 76.76% of covered payroll.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

At December 31, 2020, the Police Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	62
Terminated employees entitled to benefits but not yet receiving them	8
Current employees	<u>69</u>
Total	<u>139</u>

Net Pension Liability

The Village's net pension liability for the Police Pension Plan was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2020 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	7.00%	7.00%
Discount Rate	7.00%	7.00%
Salary Increases	3.75%-23.69%	3.75%-23.69%
Projected Increase in Payroll	3.75%	3.75%
Inflation	2.25%	2.25%

Mortality rates for the December 31, 2020 actuarial valuation are based on PubS-2010(A) adjusted for plan status, collar and Illinois Public Pension Data, as appropriate. The morality improvement scale was updated from SOA Scale MP-2019 projected Fully Generationally to SOA Scale MP-2020 projected Fully Generationally. The impact on the liability was a decrease of \$500,284.

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's 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 by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	58%	3.60 - 4.50%
International Equity	5%	5.20 - 7.20%
Fixed Income	33%	0.70 - 3.20%
REITs	2%	4.00%
Cash Equivalents	2%	0.00%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.00% was used to measure the total pension liability. The projection of cash flow used to determine the Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 2.74% to 2.00% for the current year. The rate has been updated to the current fiscal year based on changes in market conditions as reflected in the Index. The discount rate was unchanged from the prior year. The discount rate is impacted by the change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate. In addition, changes made that impact the projection of the Net Position of the fund such as changes in the formal or informal funding policy and actual changes in the net position from one year to the next can impact the discount rate.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2019	\$ 86,055,462	\$ 30,595,277	\$ 55,460,185
Changes for the year:			
Service Cost	1,708,884	-	1,708,884
Interest on the Total Pension Liability	5,866,377	-	5,866,377
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,722,646	-	1,722,646
Changes of Assumptions	(500,284)	-	(500,284)
Contributions - Employer	-	5,036,768	(5,036,768)
Contributions - Employees	-	623,843	(623,843)
Net Investment Income	-	3,292,218	(3,292,218)
Benefit Payments, including Refunds of Employee Contributions	(4,158,189)	(4,158,189)	-
Other (Net Transfer)	(76,103)	(76,103)	-
Net Changes	4,563,331	4,718,537	(155,206)
Balances at December 31, 2020	<u>\$ 90,618,793</u>	<u>\$ 35,313,814</u>	<u>\$ 55,304,979</u>

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

The following presents the net pension liability related to the police pension plan of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 68,886,365	\$ 55,304,979	\$ 44,311,308

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Police Pension Fund report.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

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

For the year ended December 31, 2020, the Village recognized pension expense of \$980,802 related to the police pension plan. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,834,645	\$ 2,395,081
Changes of assumptions	3,478,423	17,852,539
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,598,370</u>
Total Deferred Amounts Related to Pensions	<u>\$ 6,313,068</u>	<u>\$ 21,845,990</u>

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

<u>Year Ended December 31</u>	
2021	\$(3,991,905)
2022	(4,102,483)
2023	(4,733,282)
2024	(3,156,454)
2025	346,821
Thereafter	104,381

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Firefighters' Pension Plan

General Information about the Pension Plan

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Fund as provided for in the Illinois Compiled Statutes.

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2019, the contribution percentage was 9.46%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where past service cost for the Firefighters' Pension Plan is 90% by the year 2040. For the year ended December 31, 2020, the Village's contribution was 104.97% of covered payroll.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

At December 31, 2020, the Firefighters' Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	71
Terminated employees entitled to benefits but not yet receiving them	3
Current employees	<u>59</u>
Total	<u>133</u>

Net Pension Liability

The Village's net pension liability for the Firefighters' Pension Plan was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2019 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	7.00%	7.00%
Discount Rate	7.00%	7.00%
Salary Increases	3.75%-23.69%	3.75%-23.69%
Projected Increase in Payroll	3.25%	3.25%
Inflation	2.25%	2.25%

Mortality rates for the December 31, 2020 actuarial valuation are based on the assumption study for Illinois Firefighters 2020 prepared by Lauterbach & Amen, LLP. The table combines observed experience of Illinois Firefighters with the RP-2019 mortality table. Mortality improvements have been made to 5 years past the valuation date.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's 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 by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	48.75%	3.60 - 4.50%
International Equity	9.75%	5.20 - 7.20%
Fixed Income	32%	0.70 - 3.20%
REITs	6.50%	4.00%
Cash Equivalents	3%	0.00%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.00% was used to measure the total pension liability. The projection of cash flow used to determine the Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 2.74% to 2.12% for the current year. The rate has been updated to the current fiscal year based on changes in market conditions as reflected in the Index. The discount rate was unchanged from the prior year. The discount rate is impacted by the change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate. In addition, changes made that impact the projection of the Net Position of the fund such as changes in the formal or informal funding policy and actual changes in the net position from one year to the next can impact the discount rate.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2019	\$ 96,439,253	\$ 26,142,173	\$ 70,297,080
Changes for the year:			
Service Cost	1,521,296	-	1,521,296
Interest on the Total Pension Liability	6,428,659	-	6,428,659
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(2,629,308)	-	(2,629,308)
Changes of Assumptions	621,744	-	621,744
Contributions - Employer	-	5,806,189	(5,806,189)
Contributions - Employees	-	519,211	(519,211)
Net Investment Income	-	3,742,148	(3,742,148)
Benefit Payments, including Refunds of Employee Contributions	(5,065,078)	(5,065,078)	-
Other (Net Transfer)	-	(49,543)	49,543
Net Changes	877,313	4,952,927	(4,075,614)
Balances at December 31, 2020	<u>\$ 97,316,566</u>	<u>\$ 31,095,100</u>	<u>\$ 66,221,466</u>

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

The following presents the net pension liability related to the firefighters' pension plan of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 79,296,707	\$ 66,221,466	\$ 55,503,587

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Pension Fund report.

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

For the year ended December 31, 2020, the Village recognized pension expense of \$(1,148,765) related to the firefighters' pension plan. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 647,715	\$ 3,334,726
Changes of assumptions	2,447,423	16,626,013
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>2,523,424</u>
Total Deferred Amounts Related to Pensions	<u>\$ 3,095,138</u>	<u>\$ 22,484,163</u>

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

<u>Year Ended December 31</u>	
2021	(\$7,352,481)
2022	(7,649,092)
2023	(3,296,618)
2024	(819,915)
2025	(270,919)
Thereafter	-

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Self-Insurance

For health and workers compensation claims, the uninsured risk of loss is \$100,000 per incident and 125% in the aggregate for a policy year. The Village has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the Village participate in the risk management program. Costs are allocated by function of participating employees. The below liability includes \$61,530 of the component unit-library, \$223,089 of the business-type activity and \$1,811,533 of the governmental activities.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The Village does not allocate overhead costs or other non-incremental costs to the claims liability.

Claims Liability

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims - Beginning of Year	\$ 1,761,266	\$ 1,687,764
Current year claims and changes in estimates	8,411,403	6,213,259
Claims payments	<u>(8,076,517)</u>	<u>(6,139,757)</u>
Unpaid claims - End of Year	<u>\$ 2,096,152</u>	<u>\$ 1,761,266</u>

C. COMMITMENTS AND CONTINGENCIES

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations. The Firefighters' Pension Fund is not currently involved with any lawsuits.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

The Police Pension Fund is currently involved with a disability benefits litigation. Although the outcome of this claim is presently not determinable, the Pension Fund believes that the resolution of this matter will not have an adverse effect on the financial condition of the Pension Fund.

The Village has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

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

D. OTHER POSTEMPLOYMENT BENEFITS

The Village administers a single-employer defined benefit healthcare plan. The plan provides for eligible retirees and their spouses through the Village's plan which covers both active and retired members. Benefit provisions are established through personnel policy guidelines.

Summary of Significant Accounting Policies

Basis of Accounting. The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Stand-alone plan financial statements have not been issued.

Method Used to Value Investments. Investments are reported at fair value. However, since the plan is currently funded as benefits or premiums occur, there are currently no assets in the plan.

Plan Contribution Information

Member of the plan consisted of the following at, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	164
Terminated plan members entitled to but not yet receiving benefits	-
Current employees	<u>263</u>
Total	<u><u>427</u></u>
Number of participating employers	1

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. The Village provides 100 percent coverage for health, vision, and dental insurance for all retirees. The monthly cost to the Village ranges from \$648 up to \$2,559 per participant up to the age of 65. After the age of 65, the Village's insurance becomes secondary to Medicare and the cost to the Village is reduced to \$492 (\$984 with spousal coverage) per month.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Actuarial Method and Assumptions

Actuarial Valuation Date	12/31/2020																																
Actuarial Cost Method	Entry Age Normal Level Percentage of Salary																																
Asset Valuation Method	Market Value																																
Assumptions																																	
Interest	Discount rate as of December 31, 2019: 2.74%, compounded annually. Discount rate as of December 31, 2020: 2.15%, compounded annually.																																
Projected Salary Increases	2.00%																																
Salary Per Participant	\$ 50,000																																
Mortality	PUB-2010 Headcount-weighted mortality base rates for safety and general employees, generationally projected with scale MP-2020																																
Turnover	<table><tr><th>Age</th><th>Police</th><th>Fire</th><th>IMRF</th></tr><tr><td>25</td><td>7.50%</td><td>5.00%</td><td>10.88%</td></tr><tr><td>30</td><td>5.00%</td><td>2.50%</td><td>8.08%</td></tr><tr><td>35</td><td>3.00%</td><td>2.00%</td><td>6.32%</td></tr><tr><td>40</td><td>2.00%</td><td>1.00%</td><td>5.20%</td></tr><tr><td>45</td><td>2.00%</td><td>1.00%</td><td>4.40%</td></tr><tr><td>50</td><td>3.50%</td><td>1.00%</td><td>3.60%</td></tr><tr><td>55 & above</td><td>3.50%</td><td>1.00%</td><td>0.00%</td></tr></table>	Age	Police	Fire	IMRF	25	7.50%	5.00%	10.88%	30	5.00%	2.50%	8.08%	35	3.00%	2.00%	6.32%	40	2.00%	1.00%	5.20%	45	2.00%	1.00%	4.40%	50	3.50%	1.00%	3.60%	55 & above	3.50%	1.00%	0.00%
Age	Police	Fire	IMRF																														
25	7.50%	5.00%	10.88%																														
30	5.00%	2.50%	8.08%																														
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50	3.50%	1.00%	3.60%																														
55 & above	3.50%	1.00%	0.00%																														
Retirement Rates	<table><tr><th>Age</th><th>Police and Fire</th><th>IMRF</th></tr><tr><td>50-54</td><td>5%</td><td>20%</td></tr><tr><td>55-59</td><td>5%</td><td>25%</td></tr><tr><td>60-61</td><td>10%</td><td>33%</td></tr><tr><td>62</td><td>20%</td><td>50%</td></tr><tr><td>63</td><td>20%</td><td>50%</td></tr><tr><td>64-65</td><td>20%</td><td>50%</td></tr><tr><td>66</td><td>30%</td><td>50%</td></tr><tr><td>67-69</td><td>50%</td><td>50%</td></tr><tr><td>70</td><td>100%</td><td>100%</td></tr></table>	Age	Police and Fire	IMRF	50-54	5%	20%	55-59	5%	25%	60-61	10%	33%	62	20%	50%	63	20%	50%	64-65	20%	50%	66	30%	50%	67-69	50%	50%	70	100%	100%		
Age	Police and Fire	IMRF																															
50-54	5%	20%																															
55-59	5%	25%																															
60-61	10%	33%																															
62	20%	50%																															
63	20%	50%																															
64-65	20%	50%																															
66	30%	50%																															
67-69	50%	50%																															
70	100%	100%																															
Expense	None																																
Spousal Rate	65% of Active Employees will be married at retirement. Male spouses are assumed to be three years older than female spouses.																																
Health Care Trend Rate	Medical and dental costs are assumed to increasing at 3% per annum.																																

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Participation Rate All employees eligible for post-retirement health care benefits will accept them.

Medical Costs Monthly Claims Costs for the self-funded PPO and self-funded dental plans were determined by Blue Cross/Blue Shield; the HMO is fully insured. Eligible retirees contribute 3% of the premium rate. Costs include prescription drug and vision.

Dental Costs		2020-21	2019-20
	Single	\$ 29.13	\$ 31.32
	With Spouse	\$ 80.63	\$ 86.70

Aging Factors	Age	Medical Factor	Dental Factor
	55	1.2898	1.099
	60	1.5319	1.099
	64	1.7579	1.099
	65	0.6400	N/A
	70	0.7900	N/A
	75	0.9400	N/A
	80	1.0900	N/A
	85	1.2400	N/A

Discount Rate

The discount rate used to measure the total OPEB liability as of December 31, 2020 was 2.15%, which was a change from the discount rate of 2.74% that was used as of December 31, 2019. Because the plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligations bonds with an average AA credit rating as of the measurement date.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

Changes in Total OPEB Liability

	Total OPEB Liability
Balances at January 1, 2020	\$97,307,829
Changes for the year	
Service cost	3,495,558
Interest on total OPEB liability	2,668,349
Differences between expected and actual experience of the total OPEB liability	228,868
Change of assumptions	8,403,084
Benefit payments, including refunds of employee contributions	(3,341,248)
Net investment income	-
Other (net transfer)	-
Net changes	<u>11,454,611</u>
Balances at December 31, 2020	<u>\$108,762,440</u>

Sensitivity of the Village's Total OPEB Liability to Changes in the Discount Rate

The following presents the Village's total OPEB liability, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.15%) or one percentage point higher (3.15%) than the current rate:

	1% Decrease (1.15%)	Current Discount Rate (2.15%)	1% Increase (3.15%)
Total OPEB Liability	\$ 129,311,415	\$ 108,762,440	\$ 92,697,842

Sensitivity of the Village's Total OPEB Liability to Changes in the Healthcare Costs Trend Rates

The following presents the Village's total OPEB liability, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (2.00%) or one percentage point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Health Care Cost Trend Rate (3.00%)	1% Increase (4.00%)
Total OPEB Liability	\$ 90,965,215	\$ 108,762,440	\$ 132,097,649

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 4 – OTHER INFORMATION (continued)

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$7,974,690. At December 31, 2020, the Village reported the following deferred outflows of resources and deferred inflows related to OPEB.

	Deferred Outflow	Deferred Inflow
Difference between expected and actual experience	\$ 481,101	\$ (4,810,356)
Changes in assumptions	13,687,136	(3,468,112)
Difference Between Expected and Actual Investment	-	-
Earnings on OPEB Assets		
TOTALS	\$ 14,168,237	\$ (8,278,468)

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 December 31	
2021	\$1,810,783
2022	1,752,723
2023	1,887,117
2024	439,146
2025	-
TOTALS	\$5,889,769

E. TAX INCREMENT FINANCING DISTRICT

The Village of Melrose Park has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the Village and its surrounding areas. As part of the redevelopment plans, the Village has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the Village created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2020

NOTE 5 – TAX REBATES

The Village has entered into sales tax rebate agreements in order to attract new retailers and restaurants. The agreements are pursuant to Section 8-11-20 of the Illinois Municipal Code (65 ILCS 5/8-11-20) and have been approved by the Village Board.

To be eligible for the rebate, the businesses must open locations within the Village's boundaries and submit sales tax information to the Village. The specific terms of the agreements vary, however, in general, they provide for the Village to rebate 0.5-60% of the sales tax generated by the locations within Melrose Park back to the businesses typically on a quarterly basis. Some of the agreements are subject to conditions such as the rebate not being measured until a certain threshold of sales is met. Total tax abatements were \$2,425,096.

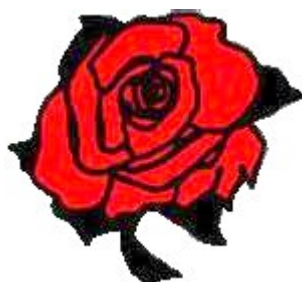
The largest abatement provides for annual abatements in excess of \$500,000. One of these agreements calls for a rebate of 50% of all Municipal Sales Taxes that the Village receives from the location in each calendar year during the repayment period (20 years commencing thirty days after the first certificate of occupancy is issued by the Village). Sales tax rebates under this agreement totaled \$1,452,924.

NOTE 6 – PRIOR PERIOD ADJUSTMENT

The Village adjusted beginning net position of governmental activities to reflect a net increase in capital assets as a result of errors in the construction in progress balances in the prior year.

Net Position of Governmental Activities as Previously Reported	\$(207,758,348)
Prior Period Adjustment	<u>1,800,904</u>
Net Position of Governmental Activities as Restated	<u><u>\$(205,957,444)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION



VILLAGE OF MELROSE PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property	\$ 7,330,000	\$ 15,340,000	\$ 15,684,996	\$ 344,996
Sales	17,033,600	19,301,660	18,492,029	(809,631)
Utility	2,550,000	2,200,000	2,147,510	(52,490)
Telecommunication	700,000	500,000	426,633	(73,367)
Parking	-	100,000	108,354	8,354
Amusement	521,200	530,000	283,801	(246,199)
Intergovernmental	4,902,159	4,957,000	5,424,100	467,100
Licenses, permits and fees	2,034,600	3,117,400	2,274,103	(843,297)
Charges for services	523,200	938,580	1,029,367	90,787
Fines and forfeitures	2,145,000	2,320,000	1,067,103	(1,252,897)
Investment earnings	45,000	49,050	54,508	5,458
Miscellaneous	3,866,000	2,390,750	2,339,407	(51,343)
Total revenues	<u>41,650,759</u>	<u>51,744,440</u>	<u>49,331,911</u>	<u>(2,412,529)</u>
Expenditures				
Current				
General government	11,569,899	7,167,199	7,086,231	80,968
Refuse	2,163,000	2,100,000	2,084,775	15,225
Public safety	29,661,119	31,885,900	32,521,852	(635,952)
Highway and streets	4,729,049	5,138,823	6,844,384	(1,705,561)
Culture and recreation	1,703,523	1,467,886	1,513,033	(45,147)
Hispanic Liaison Center	239,820	259,500	309,894	(50,394)
Community development	-	2,500,000	2,425,096	74,904
Debt service- principal	-	95,000	106,941	(11,941)
Debt service- interest and fees	470,000	396,000	382,077	13,923
Total expenditures	<u>50,536,410</u>	<u>51,010,308</u>	<u>53,274,283</u>	<u>(2,263,975)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,885,651)</u>	<u>734,132</u>	<u>(3,942,372)</u>	<u>(4,676,504)</u>
Other Financing Sources (Uses)				
Bond proceeds	-	6,449,700	6,202,186	(247,514)
Transfers in	-	36,880,759	36,880,759	-
Transfers (out)	-	(2,735,404)	(2,735,404)	-
Total other financing sources (uses)	<u>-</u>	<u>40,595,055</u>	<u>40,347,541</u>	<u>(247,514)</u>
Net Change in Fund Balance	<u>\$ (8,885,651)</u>	<u>\$ 41,329,187</u>	<u>36,405,169</u>	<u>\$ (4,924,018)</u>
Fund Balance - Beginning of Year			<u>2,413,656</u>	
Fund Balance - End of Year			<u>\$ 38,818,825</u>	

VILLAGE OF MELROSE PARK, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total pension liability										
Service cost	\$ 665,049	\$ 609,931	\$ 665,162	\$ 706,700	\$ 720,114	\$ 743,990	\$ -	\$ -	\$ -	\$ -
Interest	2,491,552	2,427,290	2,406,470	2,264,379	2,159,282	2,007,132	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual										
Experience	(151,714)	(507,824)	(180,405)	418,345	(161,828)	(549,303)	-	-	-	-
Changes of Assumptions	-	975,477	(1,078,546)	(40,032)	38,627	1,019,046	-	-	-	-
Benefit Payments, Including Refunds of										
Member Contributions	(1,548,437)	(1,511,696)	(1,503,226)	(1,445,554)	(1,170,219)	(1,190,303)	-	-	-	-
Net Change in Total Pension Liability	1,456,450	1,993,178	309,455	1,903,838	1,585,976	2,030,562	-	-	-	-
Total Pension Liability - Beginning	34,807,927	32,814,749	32,505,294	30,601,456	29,015,480	26,984,918	-	-	-	-
Total Pension Liability - Ending (a)	\$ 36,264,377	\$ 34,807,927	\$ 32,814,749	\$ 32,505,294	\$ 30,601,456	\$ 29,015,480	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - employer	\$ 598,138	\$ 697,572	\$ 646,584	\$ 688,710	\$ 732,788	\$ 733,892	\$ -	\$ -	\$ -	\$ -
Contributions - member	308,909	298,132	273,720	292,138	310,481	286,680	-	-	-	-
Net Investment Income	5,640,255	(1,675,670)	5,013,734	1,839,872	137,287	1,588,784	-	-	-	-
Benefit Payments, Including Refunds of										
Member Contributions	(1,548,437)	(1,511,696)	(1,503,226)	(1,445,554)	(1,170,219)	(1,190,303)	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Other	(508,580)	390,855	(851,244)	371,559	(557,001)	(28,739)	-	-	-	-
Net Change in Fiduciary Net Position	\$ 4,490,285	\$ (1,800,807)	\$ 3,579,568	\$ 1,746,725	\$ (546,664)	\$ 1,390,314	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	30,499,643	32,300,450	28,720,882	26,974,157	27,520,821	26,130,507	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 34,989,928	\$ 30,499,643	\$ 32,300,450	\$ 28,720,882	\$ 26,974,157	\$ 27,520,821	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 1,274,449	\$ 4,308,284	\$ 514,299	\$ 3,784,412	\$ 3,627,299	\$ 1,494,659	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.49%	87.62%	98.43%	88.36%	88.15%	94.85%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 6,565,726	\$ 6,307,161	\$ 6,082,643	\$ 6,268,308	\$ 6,444,927	\$ 6,367,580	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	19.41%	68.31%	8.46%	60.37%	56.28%	23.47%	0.00%	0.00%	0.00%	0.00%

VILLAGE OF MELOSE PARK, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
DECEMBER 31, 2020

Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution	\$ 646,837	\$ 597,130	\$ 697,572	\$ 646,585	\$ 673,843	\$ 732,788	\$ 739,913	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	646,837	598,890	697,572	646,584	688,710	732,788	733,892	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ (1,760)	\$ -	\$ 1	\$ (14,867)	\$ -	\$ 6,021	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 6,546,933	\$ 6,573,985	\$ 6,307,161	\$ 6,082,643	\$ 6,268,308	\$ 6,444,927	\$ 6,367,680	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	9.88%	9.11%	11.06%	10.63%	10.99%	11.37%	11.53%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.50%
Salary Increases	3.75% - 14.50% 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 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF MELROSE PARK, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability										
Service cost	\$ 1,632,781	\$ 1,657,032	\$ 1,523,328	\$ 3,232,572	\$ 3,096,037	\$ 2,914,663	\$ 3,055,174	\$ -	\$ -	\$ -
Interest	5,866,377	5,362,774	5,158,559	4,547,452	4,533,832	3,937,589	3,729,059	-	-	-
Changes of Benefit Terms	-	534,855	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	1,722,646	1,567,517	199,202	251,300	(6,471,840)	(232,186)	-	-	-	-
Changes of Assumptions	(500,284)	(1,084,229)	3,073,903	(33,930,854)	2,460,747	4,046,411	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,158,189)	(3,809,217)	(3,643,925)	(3,403,209)	(3,216,713)	(3,182,525)	(2,949,846)	-	-	-
Net Change in Total Pension Liability	4,563,331	4,228,732	6,311,067	(29,302,739)	402,063	7,483,952	3,834,387	-	-	-
Total Pension Liability - Beginning	86,055,462	81,826,730	75,515,664	104,818,403	104,416,340	96,932,389	93,098,002	-	-	-
Total Pension Liability - Ending (a)	\$ 90,618,793	\$ 86,055,462	\$ 81,826,731	\$ 75,515,664	\$ 104,818,403	\$ 104,416,341	\$ 96,932,389	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - employer	\$ 5,036,768	\$ 4,586,223	\$ 4,190,868	\$ 2,683,691	\$ 2,544,568	\$ 2,344,781	\$ 1,931,506	\$ -	\$ -	\$ -
Contributions - member	623,843	640,652	634,799	636,192	616,461	606,618	756,019	-	-	-
Contributions - other	-	975	-	326,485	-	-	-	-	-	-
Net Investment Income	3,292,218	4,289,058	(610,207)	2,368,533	443,851	(52,183)	1,223,223	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,158,189)	(3,809,217)	(3,643,925)	(3,403,209)	(3,216,713)	(3,182,525)	(2,949,846)	-	-	-
Administrative Expense	(76,103)	(71,700)	(73,274)	(84,912)	(57,193)	(54,130)	(58,112)	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 4,718,537	\$ 5,635,991	\$ 498,261	\$ 2,526,780	\$ 330,974	\$ (337,439)	\$ 902,790	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	30,595,277	24,959,286	24,461,026	21,934,246	21,603,272	21,940,711	21,037,921	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 35,313,814	\$ 30,595,277	\$ 24,959,287	\$ 24,461,026	\$ 21,934,246	\$ 21,603,272	\$ 21,940,711	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 55,304,979	\$ 55,460,185	\$ 56,867,444	\$ 51,054,638	\$ 82,884,157	\$ 82,813,069	\$ 74,991,678	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.97%	35.55%	30.50%	32.39%	20.93%	20.69%	22.64%	0.00%	0.00%	0.00%
Covered Payroll	\$ 6,561,873	\$ 6,815,775	\$ 6,656,802	\$ 6,791,262	\$ 6,530,060	\$ 6,145,012	\$ 6,101,999	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	842.82%	813.70%	854.28%	751.77%	1269.27%	1347.65%	1228.97%	0.00%	0.00%	0.00%

VILLAGE OF MELROSE PARK, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
DECEMBER 31, 2020

Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contribution	\$ 5,424,553	\$ 4,971,954	\$ 4,665,508	\$ 4,205,294	\$ 3,907,689	\$ 3,626,693	\$ 3,370,479	\$ -	\$ -	\$ -
Contributions in Relation to the										
Actuarially Determined Contribution	5,036,768	4,586,223	4,190,868	2,683,691	2,544,568	2,344,781	1,931,506	-	-	-
Contribution Deficiency (Excess)	\$ 387,785	\$ 385,731	\$ 474,640	\$ 1,521,603	\$ 1,363,121	\$ 1,281,912	\$ 1,438,973	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,561,873	\$ 6,815,775	\$ 6,656,802	\$ 6,791,262	\$ 6,530,060	\$ 6,145,012	\$ 6,101,999	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	76.76%	67.29%	62.96%	39.52%	38.97%	38.16%	31.65%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Amortization Target	20 Years
Asset Valuation Method	5-Year Smoothed Market
CPI-U	2.25%
Total Payroll Increases	3.75%
Individual Pay Increases	Graded by years of service
Investment Rate of Return	7.00%
Mortality Rates	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
Retirement Rates	Graded by age (11% at 50 to 100% at age 65)
Disability Rates	Lauterbach & Amen 2016 Illinois Police Disability Rates
Termination Rates	Lauterbach & Amen 2016 Illinois Police Termination Rates

VILLAGE OF MELROSE PARK, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability										
Service cost	\$ 1,521,296	\$ 1,405,942	\$ 1,345,146	\$ 3,163,009	\$ 3,038,141	\$ 3,214,142	\$ 3,202,801	\$ -	\$ -	\$ -
Interest	6,428,659	6,284,231	6,171,252	5,229,386	5,090,989	4,264,327	4,136,830	-	-	-
Changes of Benefit Terms	-	637,738	-	-	-	-	-	-	-	-
Differences Between Expected and Actual										
Experience	(2,629,308)	805,002	399,421	308,733	(3,356,003)	(827,482)	-	-	-	-
Changes of Assumptions	621,744	(1,411,970)	-	(43,088,053)	3,079,730	8,906,564	-	-	-	-
Benefit Payments, Including Refunds of										
Member Contributions	(5,065,078)	(4,979,367)	(4,757,769)	(4,618,221)	(4,352,878)	(4,055,975)	(3,895,218)	-	-	-
Net Change in Total Pension Liability	877,313	2,741,576	3,158,050	(39,005,146)	3,499,979	11,501,576	3,444,413	-	-	-
Total Pension Liability - Beginning	96,439,253	93,697,677	90,539,627	129,544,773	126,044,794	114,543,218	111,098,805	-	-	-
Total Pension Liability - Ending (a)	\$ 97,316,566	\$ 96,439,253	\$ 93,697,677	\$ 90,539,627	\$ 129,544,773	\$ 126,044,794	\$ 114,543,218	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - employer	\$ 5,806,189	\$ 5,614,028	\$ 5,117,795	\$ 3,267,702	\$ 3,081,599	\$ 2,828,716	\$ 2,310,781	\$ -	\$ -	\$ -
Contributions - member	519,211	509,357	503,646	507,441	501,401	496,897	477,120	-	-	-
Net Investment Income	3,742,148	4,304,377	(926,831)	2,819,467	1,322,812	30,595	1,392,764	-	-	-
Benefit Payments, Including Refunds of										
Member Contributions	(5,065,078)	(4,979,367)	(4,757,769)	(4,618,220)	(4,352,878)	(4,055,975)	(3,895,218)	-	-	-
Administrative Expense	(49,543)	(48,036)	(46,774)	(57,981)	(40,577)	(42,370)	(50,625)	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 4,952,927	\$ 5,400,359	\$ (109,933)	\$ 1,918,409	\$ 512,357	\$ (742,137)	\$ 234,822	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	26,142,173	20,741,814	20,851,747	18,933,338	18,420,981	19,163,118	18,928,296	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 31,095,100	\$ 26,142,173	\$ 20,741,814	\$ 20,851,747	\$ 18,933,338	\$ 18,420,981	\$ 19,163,118	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 66,221,466	\$ 70,297,080	\$ 72,955,863	\$ 69,687,880	\$ 110,611,435	\$ 107,623,813	\$ 95,380,100	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a										
Percentage of the Total Pension Liability	31.95%	27.11%	22.14%	23.03%	14.62%	14.61%	16.73%	0.00%	0.00%	0.00%
Covered Payroll										
Net Pension Liability as a Percentage of										
Covered Payroll	\$ 5,531,379	\$ 5,357,268	\$ 5,386,420	\$ 5,474,530	\$ 5,289,401	\$ 5,304,117	\$ 5,176,104	\$ -	\$ -	\$ -
	1197.20%	1312.18%	1354.44%	1272.95%	2091.19%	2029.06%	1842.70%	0.00%	0.00%	0.00%

See accompanying notes to required supplementary information

VILLAGE OF MELROSE PARK, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
DECEMBER 31, 2020

Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contribution	\$ 5,614,830	\$ 5,366,266	\$ 5,213,850	\$ 3,953,554	\$ 4,195,708	\$ 3,862,790	\$ 3,605,419	\$ -	\$ -	\$ -
Contributions in Relation to the										
Actuarially Determined Contribution	5,806,189	5,614,028	5,117,795	3,267,702	3,081,599	2,828,716	2,310,781	-	-	-
Contribution Deficiency (Excess)	\$ (191,359)	\$ (247,762)	\$ 96,055	\$ 685,852	\$ 1,114,109	\$ 1,034,074	\$ 1,294,638	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 5,531,379	\$ 5,357,268	\$ 5,386,420	\$ 5,474,530	\$ 5,289,401	\$ 5,304,117	\$ 5,176,104	\$ -	\$ -	\$ -
Contributions as a Percentage of										
Covered-Employee Payroll	104.97%	104.79%	95.01%	59.69%	58.26%	53.33%	44.64%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Payroll Increases	3.50%
Individual Pay Increases	4.00% - 23.94%
Investment Rate of Return	7.00%
Mortality Rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
Retirement Rates	110% of Lauterbach & Amen 2016 Illinois Firefighters Retirement Rates Capped at age 60
Termination Rates	80% of Lauterbach & Amen 2016 Illinois Firefighters Withdrawal Rates
Disability Rates	125% of Lauterbach & Amen 2016 Illinois Firefighters Disability Rates

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE TOTAL OTHER POST-EMPLOYMENT BENEFITS AND RELATED RATIOS AND EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS PLAN
DECEMBER 31, 2020

Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB liability										
Service cost	\$ 3,495,558	\$ 2,531,400	\$ 3,098,398	\$ 2,506,399	\$ 2,568,413	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,668,349	3,537,723	3,443,298	4,044,150	4,008,339	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	228,868	(1,512,399)	(8,459,477)	1,065,685	(1,596,956)	-	-	-	-	-
Changes of Assumptions	8,403,084	12,407,377	(7,564,307)	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,341,248)	(3,410,799)	(3,760,863)	(3,268,819)	(4,075,187)	-	-	-	-	-
Net Change in Total OPEB Liability	11,454,611	13,553,302	(13,242,951)	4,347,415	904,609	-	-	-	-	-
Total OPEB Liability - Beginning	97,307,829	83,754,527	96,997,478	92,650,063	91,745,454	-	-	-	-	-
Total OPEB Liability - Ending (a)	\$ 108,762,440	\$ 97,307,829	\$ 83,754,527	\$ 96,997,478	\$ 92,650,063	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - employer	\$ 3,341,248	\$ 3,410,799	\$ 3,760,863	\$ 3,268,819	\$ 4,075,187	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,341,248)	(3,410,799)	(3,760,863)	(3,268,819)	(4,075,187)	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - Ending (a)-(b)	\$ 108,762,440	\$ 97,307,829	\$ 83,754,527	\$ 96,997,478	\$ 92,650,063	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 13,150,000	\$ 12,600,000	\$ 12,600,000	\$ 12,450,000	\$ 13,450,000	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability as a Percentage of Covered-Employee Payroll	827.09%	772.28%	664.72%	779.10%	688.85%	0.00%	0.00%	0.00%	0.00%	0.00%
Actuarially Determined Contribution	\$ 7,974,960	\$ 7,014,575	\$ 3,364,035	\$ 6,728,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	3,341,248	3,410,799	3,760,863	3,268,819	-	-	-	-	-	-
Contributions as a Percentage of Covered Employee Payroll	25.41%	27.07%	29.85%	26.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The Village's contributions are distributed on a pay-as-you-go basis to finance annual benefits charged to the Village.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to required supplementary information
December 31, 2020

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse as fiscal year end.

Prior to December 31, the Village Comptroller submits to the Village Board a proposed budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to December 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the General Fund and Special Revenue Funds.

The Village is authorized to change budgeted amounts within any fund; however, revision increasing total fund expenditures must be approved by two-thirds of the members of the Village Board. No revisions can be made increasing the budget unless funding is available to the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The Village Comptroller is authorized to transfer budget amount between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund. The budget was amended during the year by action of the Village Board.

The Village's General Fund is presented as required supplementary information.

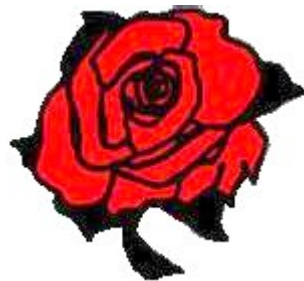
EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the Fiscal Year ended December 31, 2020, expenditures exceeded appropriations in the following fund:

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures over Budget
General	\$ 51,010,308	\$ 53,274,283	\$ 2,263,975
Water	23,568,292	25,674,193	2,105,901

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's yearend budget to actual report. Excess expenditures over budget were funded by available fund balance for the General Fund and available net position in the water fund.

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



VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Revenues				
Taxes				
Property	\$ 7,330,000	\$ 15,340,000	\$ 15,684,996	\$ 14,734,564
Sales	17,033,600	19,301,660	18,492,029	18,256,454
Utility	2,550,000	2,200,000	2,147,510	2,204,471
Telecommunication	700,000	500,000	426,633	482,426
Parking	-	100,000	108,354	-
Amusement	521,200	530,000	283,801	637,603
Total taxes	28,134,800	37,971,660	37,143,323	36,315,518
Intergovernmental				
State income tax	2,900,000	2,650,000	2,761,386	2,704,723
Personal property replacement tax	1,507,000	1,507,000	1,325,761	1,541,617
Gaming revenue	470,159	300,000	275,214	421,298
Miscellaneous grant revenue	25,000	500,000	1,061,739	94,002
Total intergovernmental	4,902,159	4,957,000	5,424,100	4,761,640
Licenses, Permits, and Fees				
Business licenses	240,500	535,500	535,719	541,598
Liquor licenses	45,000	295,000	188,675	259,372
Animal licenses	100	300	140	295
Contractor licenses	75,000	75,000	61,870	75,065
Building permit fees	1,200,000	1,600,000	1,078,836	2,125,675
Electrical permit fees	30,000	30,000	16,564	26,830
Permit fees	3,500	5,000	4,805	4,380
Inspection fees	29,000	40,000	39,763	28,344
Enforcement fees	120,000	120,000	75,115	143,425
Miscellaneous fees	24,500	24,600	11,371	24,296
Elevator inspection fees	12,000	12,000	10,340	14,315
Reimbursable engineering fees	110,000	110,000	15,909	23,604
Vehicle license fees	125,000	250,000	219,783	190,699
Sidewalk repair fees	20,000	20,000	15,213	21,020
Total licenses, permits and fees	2,034,600	3,117,400	2,274,103	3,478,918
Charges for Services				
Copy fees	35,000	35,000	13,547	26,154
Ambulance services	160,000	420,000	610,906	398,289
Fire protection fees	-	178,280	145,838	-
Senior fees	62,000	10,000	4,600	26,860
Franchise fees	130,000	130,000	121,125	128,777
Miscellaneous charges for services	8,200	20,300	17,250	17,248
Tower rental fees	65,000	75,000	76,050	67,009
Taste of Melrose Park	-	60,000	37,378	317,931
Civic center fees	63,000	10,000	2,673	77,513
Total charges for services	523,200	938,580	1,029,367	1,059,781

**VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Fines and Forfeitures				
Court fines	\$ 20,000	\$ 20,000	\$ 15,300	\$ 16,193
Violation fines	2,125,000	2,300,000	1,051,803	2,381,913
Total fines and forfeitures	2,145,000	2,320,000	1,067,103	2,398,106
Investment Income				
Interest	45,000	49,050	54,508	83,215
Total investment income	45,000	49,050	54,508	83,215
Miscellaneous				
Sale of capital assets	-	-	-	300
Miscellaneous	3,866,000	2,390,750	2,339,407	1,341,104
Total miscellaneous	3,866,000	2,390,750	2,339,407	1,341,404
Total revenues	\$ 41,650,759	\$ 51,744,440	\$ 49,331,911	\$ 49,438,582

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Expenditures				
General Government				
Mayor				
Regular wages	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Miscellaneous	200	200	-	-
Total mayor	<u>40,200</u>	<u>40,200</u>	<u>40,000</u>	<u>40,000</u>
Trustees				
Regular wages	132,100	132,100	132,100	132,100
Risk management	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
Total trustees	<u>134,600</u>	<u>134,600</u>	<u>132,100</u>	<u>132,100</u>
Village Clerk's Office				
Regular wages	40,500	40,500	40,500	40,500
Professional services	1,696	1,696	654	2,340
Repairs and maintenance	-	-	-	1,513
Commodities	547	547	343	1,261
Utilities	-	-	-	-
Miscellaneous	<u>2,300</u>	<u>2,300</u>	<u>127</u>	<u>1,518</u>
Total village clerk's office	<u>45,043</u>	<u>45,043</u>	<u>41,624</u>	<u>47,132</u>
Liquor Commission				
Regular wages	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total liquor commission	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Village Attorney				
Professional services	279,000	30,000	6,382	4,924
Miscellaneous	<u>1,600</u>	<u>4,100</u>	<u>2,490</u>	<u>-</u>
Total village attorney	<u>280,600</u>	<u>34,100</u>	<u>8,872</u>	<u>4,924</u>
Village Prosecutor				
Regular wages	<u>109,600</u>	<u>109,600</u>	<u>109,600</u>	<u>109,600</u>
Total village prosecutor	<u>109,600</u>	<u>109,600</u>	<u>109,600</u>	<u>109,600</u>
Village Treasurer				
Regular wages	<u>4,500</u>	<u>4,500</u>	<u>7,875</u>	<u>4,500</u>
Total village treasurer	<u>4,500</u>	<u>4,500</u>	<u>7,875</u>	<u>4,500</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Original Budget	Final Budget	Actual	Actual
General Government (cont.)				
Finance and Administration				
Regular wages	\$ 810,317	\$ 822,317	\$ 886,977	\$ 804,382
Benefits	428,000	753,000	831,207	438,986
Contractual services	130,000	125,000	56,614	90,356
Professional services	1,005,500	1,340,000	1,599,094	1,105,409
Repairs and maintenance	61,250	91,750	64,828	82,621
Commodities	280,000	280,000	546,557	299,691
Utilities	1,150,000	1,000,500	834,522	941,002
Risk management	1,601,000	1,000,000	699,657	1,334,050
Miscellaneous	27,000	87,000	71,915	52,272
Contingency	1,000,000	-	-	-
Liability and tort insurance	1,410,000	-	-	-
Capital outlay	114,000	35,000	56,859	22,870
Interdepartmental charge	-	(925,000)	(1,241,946)	(924,873)
Total finance and administration	<u>8,017,067</u>	<u>4,609,567</u>	<u>4,406,284</u>	<u>4,246,766</u>
Village Hall				
Repairs and maintenance	500	500	608	476
Miscellaneous	4,000	5,300	6,422	7,509
Total village hall	<u>4,500</u>	<u>5,800</u>	<u>7,030</u>	<u>7,985</u>
IMRF/Social Security				
Benefits	1,500,000	1,400,000	1,396,047	1,361,682
Interdepartmental charge	-	(575,000)	(423,203)	(520,380)
Total IMRF/social security	<u>1,500,000</u>	<u>825,000</u>	<u>972,844</u>	<u>841,302</u>
Public Relations				
Commodities	90,250	90,250	70,240	82,452
Miscellaneous	-	-	47	-
Total public relations	<u>90,250</u>	<u>90,250</u>	<u>70,287</u>	<u>82,452</u>
Building Department				
Regular wages	803,039	803,039	892,480	803,521
Benefits	400,000	400,000	372,717	401,411
Contractual services	1,000	1,000	8,030	23
Professional services	28,500	28,500	24,037	23,620
Repairs and maintenance	21,000	21,000	15,307	19,654
Commodities	5,000	5,000	8,524	3,853
Utilities	46,500	46,500	8,699	41,953
Program costs	1,000	1,000	-	-
Miscellaneous	15,000	15,000	9,899	7,072
Capital outlay	2,500	2,500	-	1,385
Interdepartmental Charge	-	(75,000)	(69,978)	(74,484)
Total building department	<u>1,323,539</u>	<u>1,248,539</u>	<u>1,269,715</u>	<u>1,228,008</u>
Total general government	<u>11,569,899</u>	<u>7,167,199</u>	<u>7,086,231</u>	<u>6,764,769</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Public Safety				
Police department				
Regular wages	\$ 7,552,291	\$ 7,537,249	\$ 7,214,701	\$ 7,533,877
Overtime wages	150,000	150,000	244,408	187,072
Benefits	2,217,000	2,617,000	2,989,411	2,831,757
Retirement contributions	3,982,895	4,550,000	5,036,767	4,586,224
Contractual services	91,000	91,000	88,364	87,000
Professional services	170,000	170,000	173,139	252,898
Repairs and maintenance	167,800	432,000	423,346	241,617
Commodities	176,000	175,500	186,276	187,306
Utilities	220,000	420,000	338,153	544,014
Animal control	500	-	-	-
Miscellaneous	33,750	33,500	52,142	170,790
Risk management	100,000	10,000	1,403	7,532
Program costs	1,500	10,000	11,081	-
Capital outlay	22,500	42,000	39,108	56,733
Interdepartmental charge	-	(6,500)	(5,731)	(6,167)
Total police department	<u>14,885,236</u>	<u>16,231,749</u>	<u>16,792,568</u>	<u>16,680,653</u>
Fire department				
Regular wages	5,629,451	5,629,451	5,586,963	5,495,841
Overtime wages	60,000	60,000	57,485	58,789
Benefits	1,860,000	1,855,000	1,707,341	1,862,852
Retirement contributions	4,778,632	5,800,000	5,806,040	5,613,848
Professional services	999,400	34,500	1,062,547	1,040,680
Repairs and maintenance	113,500	116,500	116,093	133,319
Commodities	11,000	26,500	68,804	64,106
Utilities	27,000	29,000	13,665	34,488
EMS services	12,000	1,032,000	23,010	15,935
Training and education	5,000	10,000	1,000	21,525
Miscellaneous	3,000	4,000	3,919	3,254
Annual physicals	15,000	1,000	175	175
Capital outlay	334,000	438,000	461,924	386,516
Interdepartmental charge	-	(430,000)	(659,940)	(424,695)
Total fire department	<u>13,847,983</u>	<u>14,605,951</u>	<u>14,249,026</u>	<u>14,306,633</u>
Safety and prevention				
Professional services	600	600	25	500
Repairs and maintenance	2,500	500	-	621
Commodities	500	200	-	16
Training and education	1,000	1,000	1,600	-
Miscellaneous	500	500	-	(934)
Total safety and prevention	<u>5,100</u>	<u>2,800</u>	<u>1,625</u>	<u>203</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Public Safety (cont.)				
Civil defense				
Regular wages	\$ 12,400	\$ 12,400	\$ 12,400	\$ 12,400
Benefits	6,000	6,000	5,689	6,574
Professional services	701,600	820,600	930,472	801,043
Repairs and maintenance	43,500	47,500	78,006	31,078
Commodities	11,000	9,500	7,941	8,555
Utilities	16,000	15,000	15,199	18,476
Miscellaneous	2,700	10,200	11,843	9,917
Capital outlay	8,500	8,000	327,425	7,460
Total civil defense	<u>801,700</u>	<u>929,200</u>	<u>1,388,975</u>	<u>895,503</u>
Youth commission				
Regular wages	35,000	35,000	26,400	35,934
Board compensation	11,000	11,000	7,500	10,940
Professional services	1,200	1,000	900	900
Commodities	3,500	3,300	672	4,336
Utilities	200	200	-	-
Miscellaneous	4,500	4,500	4,032	5,583
Total youth commission	<u>55,400</u>	<u>55,000</u>	<u>39,504</u>	<u>57,693</u>
Fire and police commission				
Board compensation	23,200	23,200	23,200	23,200
Professional services	30,000	30,000	18,829	26,847
Total fire and police commission	<u>53,200</u>	<u>53,200</u>	<u>42,029</u>	<u>50,047</u>
Planning commission				
Board compensation	12,500	8,000	8,125	11,250
Total planning commission	<u>12,500</u>	<u>8,000</u>	<u>8,125</u>	<u>11,250</u>
Total public safety	<u>29,661,119</u>	<u>31,885,900</u>	<u>32,521,852</u>	<u>32,001,982</u>
Culture and Recreation				
Horticulture				
Professional services	275	6,500	35,849	3,527
Repairs and maintenance	4,000	3,500	2,868	7,371
Commodities	40,000	30,000	33,792	50,836
Capital outlay	1,000	5,000	4,631	410
Total horticulture	<u>45,275</u>	<u>45,000</u>	<u>77,140</u>	<u>62,144</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Culture and Recreation (cont.)				
Environmental control				
Professional services	\$ 7,500	\$ 7,500	\$ 6,000	\$ 7,200
Total environmental control	7,500	7,500	6,000	7,200
Health department				
Regular wages	43,686	43,686	-	43,686
Total health department	43,686	43,686	-	43,686
Taste of Melrose				
Contractual services	-	-	-	361
Professional services	1,000	1,000	3,743	115,555
Repairs and maintenance	-	-	-	117,376
Commodities	-	500	288	63,146
Donations	-	-	-	55,535
Miscellaneous	25,000	5,000	3,030	7,007
Total Taste of Melrose	26,000	6,500	7,061	358,980
Senior Building				
Professional services	32,500	21,000	12,936	19,022
Repairs and maintenance	38,750	41,750	38,448	49,265
Commodities	17,250	15,000	23,705	16,017
Total senior building	88,500	77,750	75,089	84,304
Civic Center				
Regular wages	532,162	589,000	587,457	562,185
Overtime wages	25,500	30,500	41,485	30,262
Benefits	275,000	275,000	314,835	340,437
Contractual services	60,500	55,500	72,331	86,712
Professional services	212,000	121,000	101,871	202,810
Repairs and maintenance	258,500	104,000	103,411	230,116
Commodities	10,700	6,450	6,910	6,616
Utilities	91,000	81,000	102,406	80,710
Miscellaneous	27,200	25,000	17,037	40,453
Total civic center	1,492,562	1,287,450	1,347,743	1,580,301
Total culture and recreation	1,703,523	1,467,886	1,513,033	2,136,615
Highways and Streets				
Ornamental and street lighting				
Regular wages	329,123	329,123	330,184	323,200
Overtime wages	500	500	311	637
Benefits	150,000	150,000	142,711	153,826
Repairs and maintenance	60,100	12,000	3,304	6,683

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Final Budget	Final Budget	Actual	Actual
Highways and Streets (cont.)				
Ornamental and street lighting (cont.)				
Commodities	\$ 19,000	\$ 15,000	\$ 20,111	\$ 15,074
Utilities	289,100	24,200	4,959	4,015
Capital outlay	3,400	5,500	4,677	2,492
Interdepartmental charge	-	(250,000)	(238,790)	-
Total ornamental and street lighting	851,223	286,323	267,467	505,927
Mini-Bus Administrative				
Regular wages	132,130	130,000	123,512	128,571
Overtime wages	4,000	2,000	-	1,913
Benefits	32,000	32,000	28,253	30,454
Total mini-bus administrative	168,130	164,000	151,765	160,938
Street and Bridge				
Regular wages	985,896	1,170,000	1,147,531	1,104,620
Overtime wages	80,000	50,000	31,347	49,030
Benefits	577,500	574,500	572,328	622,462
Travel and education	100	100	-	-
Professional services	1,105,000	3,205,000	6,110,093	1,172,071
Repairs and maintenance	478,200	1,023,200	843,287	216,821
Commodities	385,000	203,000	191,639	173,324
Utilities	10,500	6,000	8,120	9,967
Equipment rental	18,000	30,000	29,473	33,760
Risk management	47,000	25,000	25,477	23,421
Miscellaneous	21,000	16,200	13,308	15,906
Capital outlay	1,500	10,500	8,256	1,790,107
Interdepartmental charge	-	(1,625,000)	(2,555,707)	(1,837,359)
Total street and bridge	3,709,696	4,688,500	6,425,152	3,374,130
Total highways and street	4,729,049	5,138,823	6,844,384	4,040,995
Refuse				
Professional services	2,163,000	2,100,000	2,084,775	2,015,848
Total refuse	2,163,000	2,100,000	2,084,775	2,015,848
Hispanic Liaison Center				
Regular wages	92,820	101,000	124,588	81,977
Professional services	120,000	140,000	125,874	120,811
Commodities	11,000	6,000	48,861	38,274
Repairs and maintenance	16,000	12,500	10,571	12,999
Total Hispanic liaison center	239,820	259,500	309,894	254,061

**VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Community Development				
Economic incentive	\$ -	\$ 2,500,000	\$ 2,425,096	\$ 2,518,355
Total community development	-	2,500,000	2,425,096	2,518,355
Debt Service				
Principal	-	95,000	106,941	98,993
Interest and fees	470,000	396,000	382,077	390,025
Total debt service	470,000	491,000	489,018	489,018
Total expenditures	\$ 50,536,410	\$ 51,010,308	\$ 53,274,283	\$ 50,221,643

**VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue				
	Motor Fuel Tax	25th & North Avenue TIF District	Lake Street Corridor TIF	Zenith Opus TIF District	Senior First TIF District
Assets					
Cash and investments	\$ 1,810,773	\$ -	\$ 675,314	\$ 550,045	\$ 661,267
Receivables (net)					
Intergovernmental	84,355	-	-	-	-
Due from other funds	-	-	1,121,464	71,544	796,203
Total assets	<u>1,895,128</u>	<u>-</u>	<u>1,796,778</u>	<u>621,589</u>	<u>1,457,470</u>
Liabilities					
Accounts payable	34,734	-	-	-	-
Other liabilities	-	-	-	-	-
Due to other funds	184,656	969,192	275,000	682,445	2,286,877
Total liabilities	<u>219,390</u>	<u>969,192</u>	<u>275,000</u>	<u>682,445</u>	<u>2,286,877</u>
Fund Balances					
Restricted	1,675,738	-	1,521,778	-	-
Unassigned	-	(969,192)	-	(60,856)	(829,407)
Total fund balances	<u>1,675,738</u>	<u>(969,192)</u>	<u>1,521,778</u>	<u>(60,856)</u>	<u>(829,407)</u>
 Total liabilities and fund balance	 <u>\$ 1,895,128</u>	 <u>\$ -</u>	 <u>\$ 1,796,778</u>	 <u>\$ 621,589</u>	 <u>\$ 1,457,470</u>

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	Mid Metro TIF District	Chicago Ave & Superior TIF	Ruby Street TIF	2003 MFT Bond	
Assets					
Cash and investments	\$ 4,275,652	\$ 786,171	\$ 1,447,717	\$ 2	\$ 10,206,941
Receivables (net)			-		
Intergovernmental	-	-	-	-	84,355
Due from other funds	196,073	57,237	-	-	2,242,521
Total assets	<u>4,471,725</u>	<u>843,408</u>	<u>1,447,717</u>	<u>2</u>	<u>12,533,817</u>
Liabilities					
Accounts payable	-	-	-	-	34,734
Other liabilities	84,226	-	-	-	84,226
Due to other funds	2,288,579	-	-	-	6,686,749
Total liabilities	<u>2,372,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,805,709</u>
Fund Balances					
Restricted	2,098,920	843,408	1,447,717	2	7,587,563
Unassigned	-	-	-	-	(1,859,455)
Total fund balances	<u>2,098,920</u>	<u>843,408</u>	<u>1,447,717</u>	<u>2</u>	<u>5,728,108</u>
Total liabilities and fund balance	<u>\$ 4,471,725</u>	<u>\$ 843,408</u>	<u>\$ 1,447,717</u>	<u>\$ 2</u>	<u>\$ 12,533,817</u>

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

		Special Revenue			
	Motor Fuel Tax	25th & North Avenue TIF District	Lake Street Corridor TIF	Zenith Opus TIF District	Senior First TIF District
Revenues					
Property taxes - general	\$ -	\$ 975,029	\$ 424,899	\$ 662,293	\$ 1,166,641
Charges for services	-	-	-	-	-
Investment income	2,169	-	708	2,688	6,745
Other revenues	2	-	-	293,716	-
Grants	849,070	-	-	-	-
Motor fuel tax	924,740	-	-	-	-
Total revenues	<u>1,775,981</u>	<u>975,029</u>	<u>425,607</u>	<u>958,697</u>	<u>1,173,386</u>
Expenditures					
Current					
Highway and streets	579,477	-	-	-	-
Community development	-	-	110,000	-	-
Debt service					
Principal	89,949	1,162,500	-	928,165	1,576,886
Interest and fees	12,209	208,802	-	40,472	219,907
Total expenditures	<u>681,635</u>	<u>1,371,302</u>	<u>110,000</u>	<u>968,637</u>	<u>1,796,793</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,094,346</u>	<u>(396,273)</u>	<u>315,607</u>	<u>(9,940)</u>	<u>(623,407)</u>
Other Financing Sources (Uses)					
Transfers in	2,000,000	-	-	-	-
Transfers out	<u>(64,520)</u>	<u>-</u>	<u>(275,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,935,480</u>	<u>-</u>	<u>(275,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>3,029,826</u>	<u>(396,273)</u>	<u>40,607</u>	<u>(9,940)</u>	<u>(623,407)</u>
Fund Balances - Beginning of Year	<u>(1,354,088)</u>	<u>(572,919)</u>	<u>1,481,171</u>	<u>(50,916)</u>	<u>(206,000)</u>
Fund Balances - End of Year	<u>\$ 1,675,738</u>	<u>\$ (969,192)</u>	<u>\$ 1,521,778</u>	<u>\$ (60,856)</u>	<u>\$ (829,407)</u>

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	Mid Metro TIF District	Chicago Ave & Superior TIF	Ruby Street TIF	2003 MFT Bond	
Revenues					
Property taxes - general	\$ 2,200,947	\$ -	\$ 1,366,227	\$ -	\$ 6,796,036
Charges for services	689,451	-	-	-	689,451
Investment income	9,715	1,570	1,420	-	25,015
Other revenues	-	-	-	-	293,718
Grants	-	-	-	-	849,070
Motor fuel tax	-	-	-	-	924,740
Total revenues	<u>2,900,113</u>	<u>1,570</u>	<u>1,367,647</u>	<u>-</u>	<u>9,578,030</u>
Expenditures					
Current					
Highway and streets	-	-	-	-	579,477
Community development	216,840	50	-	-	326,890
Debt service					
Principal	867,500	-	-	-	4,625,000
Interest and fees	82,700	-	-	-	564,090
Total expenditures	<u>1,167,040</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>6,095,457</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,733,073</u>	<u>1,520</u>	<u>1,367,647</u>	<u>-</u>	<u>3,482,573</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	2,000,000
Transfers out	-	-	-	-	(339,520)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,660,480</u>
Net Change in Fund Balances	<u>1,733,073</u>	<u>1,520</u>	<u>1,367,647</u>	<u>-</u>	<u>5,143,053</u>
Fund Balances - Beginning of Year	<u>365,847</u>	<u>841,888</u>	<u>80,070</u>	<u>2</u>	<u>585,055</u>
Fund Balances - End of Year	<u>\$ 2,098,920</u>	<u>\$ 843,408</u>	<u>\$ 1,447,717</u>	<u>\$ 2</u>	<u>\$ 5,728,108</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Water and sewer sales	\$ 24,660,100	\$ 25,080,000	\$ 24,848,132	\$ 24,872,469
Meter sales	75,000	75,000	70,810	79,433
Total operating revenues	24,735,100	25,155,000	24,918,942	24,951,902
Operating Expenses				
Cost of sales and services - water				
Regular wages	959,468	959,468	994,829	957,591
Overtime wages	60,000	60,000	47,663	68,426
Employee fringe	337,500	407,000	410,386	871,183
OPEB expense	-	-	973,022	-
Professional services	100,000	150,000	89,050	75,248
Repairs and maintenance	206,000	218,000	307,118	233,863
Purchased water	11,367,552	14,500,000	14,105,631	13,024,645
Utilities	375,000	375,000	318,864	354,718
Operating supplies	10,000	10,000	21,146	9,914
Mains and hydrants	110,000	105,000	60,448	93,508
Miscellaneous	800	800	951	445
Allocated charges general	200,000	-	-	-
Machinery and equipment - other	500	500	2,980	-
Total cost of sales and services - water	13,726,820	16,785,768	17,332,088	15,689,541
Cost of sales and services - sewer				
Regular wages	263,078	263,078	242,753	259,217
Overtime wages	30,000	30,000	26,599	28,680
Benefits	210,000	210,000	202,858	218,997
Professional services	20,500	50,500	52,525	43,016
Utilities	1,500	1,500	63	596
Repairs and maintenance	66,000	336,000	402,632	99,974
Commodities	13,500	13,500	5,688	15,291
Miscellaneous	500	500	(1,076)	33,560
Non depreciable capital expenditures	500	500	-	-
Total cost of sales and services - sewer	605,578	905,578	932,042	699,331
General administration				
Regular wages	233,446	233,446	230,987	228,986
Benefits	250,000	250,000	231,643	249,608
Interdepartmental charges	-	3,800,000	5,195,295	3,787,957
Professional services	81,500	51,500	7,161	275,622
Repairs and maintenance	191,200	351,000	410,358	381,364
Operating supplies	21,500	21,500	16,048	21,808
Risk management	200,000	200,000	301,880	274,071
Miscellaneous	15,000	35,000	48,416	37,777
Total general administration	992,646	4,942,446	6,441,788	5,257,193

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION- BUDGET AND ACTUAL
WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Original Budget	Final Budget	Actual	Actual
Operating Expenses (cont.)				
Water and sewer facilities				
Repairs and maintenance	\$ 50,000	\$ 15,000	\$ 11,032	\$ 8,922
Utilities	47,000	40,000	76,180	52,071
Miscellaneous	-	-	24	-
Depreciation	-	880,000	881,039	879,361
Total water and sewer facilities	<u>97,000</u>	<u>935,000</u>	<u>968,275</u>	<u>940,354</u>
Total operating expenses	<u>15,422,044</u>	<u>23,568,792</u>	<u>25,674,193</u>	<u>22,586,419</u>
Operating Income (Loss)	<u>9,313,056</u>	<u>1,586,208</u>	<u>(755,251)</u>	<u>2,365,483</u>
Non-Operating Revenues (Expenses)				
Investment income	10,000	10,000	4,668	20,652
Interest expense	(900,000)	(79,695)	(42,325)	(101,204)
Gain/(Loss) on sale of capital assets	-	-	-	(6,771)
Amortization of bond cost and fees	-	(19,705)	(19,706)	(19,705)
Total non-operating revenues (expenses)	<u>(890,000)</u>	<u>(89,400)</u>	<u>(57,363)</u>	<u>(107,028)</u>
Net Income Before Transfers	<u>8,423,056</u>	<u>1,496,808</u>	<u>(812,614)</u>	<u>2,258,455</u>
Transfers				
Transfers (out)	-	36,880,759	(36,880,759)	-
Total transfers	<u>-</u>	<u>36,880,759</u>	<u>(36,880,759)</u>	<u>-</u>
Change in Net Position	<u>\$ 8,423,056</u>	<u>\$ 38,377,567</u>	<u>(37,693,373)</u>	<u>2,258,455</u>
Net Position				
Beginning of Year			<u>53,940,740</u>	<u>51,682,285</u>
End of Year			<u>\$ 16,247,367</u>	<u>\$ 53,940,740</u>

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2020

	Police Pension Fund	Firefighters' Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 4,703,912	\$ 3,069,805	\$ 7,773,717
Investments			
Certificates of Deposit	-	271,084	271,084
U.S. Treasuries	1,196,776	1,813,478	3,010,254
U.S. Agencies	1,333,730	1,875,721	3,209,451
Corporate bonds	3,002,307	4,108,130	7,110,437
State and local government obligations	15,702	-	15,702
Insurance contracts	7,523,173	-	7,523,173
Equity mutual funds	17,451,146	19,914,970	37,366,116
Receivables (net)			
Accrued interest	31,512	46,349	77,861
Due from the Village	64,434	-	64,434
Prepaid items	2,220	5,119	7,339
Total assets	<u>35,324,912</u>	<u>31,104,656</u>	<u>66,429,568</u>
Liabilities			
Expenses Due/Unpaid	<u>11,098</u>	<u>9,556</u>	<u>20,654</u>
Total liabilities	<u>11,098</u>	<u>9,556</u>	<u>20,654</u>
Net Position Held in Trust for Pension Benefits	<u><u>\$ 35,313,814</u></u>	<u><u>\$ 31,095,100</u></u>	<u><u>\$ 66,408,914</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Police Pension Fund	Firefighters' Pension Fund	Total
Additions			
Contributions			
Employer	\$ 5,036,768	\$ 5,806,189	\$ 10,842,957
Plan members	623,843	519,211	1,143,054
Total contributions	<u>5,660,611</u>	<u>6,325,400</u>	<u>11,986,011</u>
Investment Income			
Interest and dividends earned	606,167	614,772	1,220,939
Net increase (decrease) in fair value	<u>2,718,312</u>	<u>3,160,683</u>	<u>5,878,995</u>
Total investment income	3,324,479	3,775,455	7,099,934
Less investment expense	<u>(32,261)</u>	<u>(33,307)</u>	<u>(65,568)</u>
Net investment earnings	<u>3,292,218</u>	<u>3,742,148</u>	<u>7,034,366</u>
Total additions	<u>8,952,829</u>	<u>10,067,548</u>	<u>19,020,377</u>
Deductions			
Administration	76,103	49,543	125,646
Benefits and refunds	<u>4,158,189</u>	<u>5,065,078</u>	<u>9,223,267</u>
Total deductions	<u>4,234,292</u>	<u>5,114,621</u>	<u>9,348,913</u>
Change in Net Position	<u>4,718,537</u>	<u>4,952,927</u>	<u>9,671,464</u>
Net Position Held in Trust for Pension Benefits			
Beginning of Year	<u>30,595,277</u>	<u>26,142,173</u>	<u>56,737,450</u>
End of Year	<u><u>\$ 35,313,814</u></u>	<u><u>\$ 31,095,100</u></u>	<u><u>\$ 66,408,914</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
VILLAGE LIBRARY
DECEMBER 31, 2020

Assets

Property tax receivable	\$ 970,378
Due from other governments	114,132
Prepaid expenses	5,747
Total assets	<u>\$ 1,090,257</u>

Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities	
Accounts payable	\$ 19,635
Cash overdraft	793,510
Claims payable	61,530
Total liabilities	<u>874,675</u>

Deferred Inflows of Resources

Unearned revenues	<u>967,128</u>
Total deferred inflows of resources	<u>967,128</u>

Fund balance

Unassigned fund balance	<u>(751,546)</u>
-------------------------	------------------

Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,090,257</u>
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Reconciliation to Statement of Net Position

Total fund balance - governmental fund (from above)	\$ (751,546)
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Amounts reported from the discretely presented component unit in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets	\$ 1,484,022	
Accumulated depreciation	<u>(842,514)</u>	
Net capital assets		<u>641,508</u>

Net position of component unit	\$ <u>(110,038)</u>
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VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT
VILLAGE LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2020

Revenues

Property tax revenue	\$ 1,063,932
Grant revenue	12,034
Miscellaneous revenue	19,469
Total revenues	<u>1,095,435</u>

Expenditures

Current	
Culture and recreation	855,163
Total expenditures	<u>855,163</u>

Net Change in Fund Balance	<u>240,272</u>
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Fund Balance - Beginning of Year	<u>(991,818)</u>
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Fund Balance - End of Year	<u><u>\$ (751,546)</u></u>
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Reconciliation to Statement of Activities

Total net change in fund balance - governmental fund (from above)	\$ 240,272
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Amounts reported from the discretely presented component unit
in the Statement of Net Position are different because:

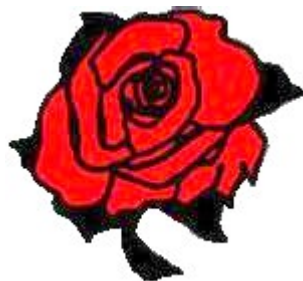
Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense

Depreciation expense	<u>(15,825)</u>
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Change in net position of component unit	<u><u>\$ 224,447</u></u>
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OTHER INFORMATION



**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2003C**

Fiscal Year	Capital Appreciation Bonds				
	Original Principal	Accretion To Date	Currently Payable	Future Accretion	CAB Total
2021	\$ 215,105	\$ 128,974	\$ 344,079	\$ 205,921	\$ 550,000
2022	225,373	137,351	362,724	252,276	615,000
2023	385,363	237,574	622,937	467,063	1,090,000
Total	<u>\$ 825,841</u>	<u>\$ 503,899</u>	<u>\$ 1,329,740</u>	<u>\$ 925,260</u>	<u>\$ 2,255,000</u>

Original Amount of Issue: \$ 2,301,680

Bonds Due: December 15

Interest Dates: December 15

Interest Rates: 4.70% - 5.40%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2004A**

Fiscal Year	Principal	Interest	Total
2021	\$ 410,000	\$ 89,100	\$ 499,100
2022	440,000	61,425	501,425
2023	<u>470,000</u>	<u>31,725</u>	<u>501,725</u>
Total	<u>\$ 1,320,000</u>	<u>\$ 182,250</u>	<u>\$ 1,502,250</u>

Original Amount of Issue: \$ 4,800,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 6.75%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2011A**

Fiscal Year	Principal	Interest	Total
2021	\$ -	\$ 156,000	\$ 156,000
2022	1,700,000	156,000	1,856,000
2023	<u>1,775,000</u>	<u>71,000</u>	<u>1,846,000</u>
Total	<u>\$ 3,475,000</u>	<u>\$ 383,000</u>	<u>\$ 3,858,000</u>

Original Amount of Issue: \$ 3,710,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 4.00% - 5.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020**

**GENERAL OBLIGATION BONDS
SERIES 2012**

Fiscal Year	Principal	Interest	Total
2021	\$ 660,000	\$ 390,350	\$ 1,050,350
2022	685,000	367,250	1,052,250
2023	710,000	343,275	1,053,275
2024	735,000	318,425	1,053,425
2025	770,000	292,700	1,062,700
2026	805,000	254,200	1,059,200
2027	835,000	222,000	1,057,000
2028	870,000	188,600	1,058,600
2029	905,000	153,800	1,058,800
2030	940,000	117,600	1,057,600
2031	980,000	80,000	1,060,000
2032	<u>1,020,000</u>	<u>40,800</u>	<u>1,060,800</u>
Total	<u>\$ 9,915,000</u>	<u>\$ 2,769,000</u>	<u>\$ 12,684,000</u>

Original Amount of Issue: \$ 14,355,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 4.00% - 5.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020**

**GENERAL OBLIGATION BONDS
SERIES 2015**

Fiscal Year	Principal	Interest	Total
2021	\$ 1,305,000	\$ 104,150	\$ 1,409,150
2022	920,000	51,950	971,950
2023	<u>505,000</u>	<u>15,150</u>	<u>520,150</u>
Total	<u>\$ 2,730,000</u>	<u>\$ 171,250</u>	<u>\$ 2,901,250</u>

Original Amount of Issue: \$ 8,910,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.00% - 4.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020**

**GENERAL OBLIGATION BONDS
SERIES 2016**

Fiscal Year	Principal	Interest	Total
2021	\$ 465,000	\$ 51,857	\$ 516,857
2022	260,000	41,162	301,162
2023	270,000	34,402	304,402
2024	280,000	26,977	306,977
2025	285,000	18,579	303,579
2026	<u>300,000</u>	<u>9,600</u>	<u>309,600</u>
Total	<u>\$ 1,860,000</u>	<u>\$ 182,577</u>	<u>\$ 2,042,577</u>

Original Amount of Issue: \$ 3,660,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.00% - 3.20%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020**

**GENERAL OBLIGATION BONDS
SERIES 2019**

Fiscal Year	Principal	Interest	Total
2021	\$ 295,000	\$ 111,892	\$ 406,892
2022	295,000	97,880	392,880
2023	295,000	83,867	378,867
2024	<u>1,581,250</u>	<u>36,679</u>	<u>1,617,929</u>
Total	<u>\$ 2,466,250</u>	<u>\$ 330,318</u>	<u>\$ 2,796,568</u>

Original Amount of Issue: \$ 2,908,750

Bonds Due: February 15, May 15, August 15, November 15

Interest Dates: February 15, May 15, August 15, November 15

Interest Rates: 4.75%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020**

**GENERAL OBLIGATION BONDS
SERIES 2020**

Fiscal Year	Principal	Interest	Total
2021	\$ 205,000	\$ 194,100	\$ 399,100
2022	210,000	187,950	397,950
2023	215,000	181,650	396,650
2024	220,000	175,200	395,200
2025	235,000	164,200	399,200
2026	245,000	152,450	397,450
2027	255,000	140,200	395,200
2028	270,000	127,450	397,450
2029	285,000	113,950	398,950
2030	300,000	99,700	399,700
2031	315,000	84,700	399,700
2032	330,000	68,950	398,950
2033	335,000	62,350	397,350
2034	340,000	55,650	395,650
2035	350,000	48,850	398,850
2036	355,000	41,850	396,850
2037	365,000	33,862	398,862
2038	370,000	25,650	395,650
2039	380,000	17,325	397,325
2040	<u>390,000</u>	<u>8,775</u>	<u>398,775</u>
Total	<u>\$ 5,970,000</u>	<u>\$ 1,984,812</u>	<u>\$ 7,954,812</u>

Original Amount of Issue: \$ 5,970,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 3.00%-5.00%

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

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[Add a Program](#) [Certify & Submit](#)

	CSFA #	Program Name	\$ State	\$ Federal	\$ Other	\$ Total
View	420-00-0505	Grants Management Program	59,733	0	0	59,733
View	422-11-0970	Open Space Land Acquisition & Development	0	0	0	0
View	494-00-0967	High-Growth Cities Program	51,432	0	0	51,432
View	494-00-1003	Congestion Mitigation and Air Quality Improvement Program	0	0	0	0
View	494-00-1005	Local Federal Bridge Program	0	0	0	0
View	494-00-1006	Illinois Special Bridge Program	0	0	0	0
View	494-00-1488	Motor Fuel Tax Program	581,086	0	0	581,086
View	494-00-2356	Local REBUILD ILLNOIS Bond Program	0	0	0	0
View	494-42-0495	Local Surface Transportation Program	0	113,637	0	113,637
View	532-60-0378	Section 319(h) – Nonpoint Source Pollution Control Financial Assistance Program	0	298,454	0	298,454
View		Other grant programs and activities		769,556	0	769,556
View		All other costs not allocated			73,337,537	73,337,537
Totals:			692,251	1,181,647	73,337,537	75,211,435

Please note the following:

- The CYEFR may be per-populated with programs based on existing awards in the GATA system. These programs cannot be removed. If no spending occurred in a program leave the amounts at zero.
- Any grant expenditures not associated with funding received through the State of Illinois are to be entered in "Other grant programs and activities". The expenditures must be identified as federal (direct or pass-through) or other funding.
- All other expenditures not related to grants are to be entered in "All other costs not allocated".
- The grand total must account for all expenditures for the fiscal year and must tie to the audited financials.



**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**

February 1, 2022

The Honorable Mayor
Members of the Board of Trustees
Village of Melrose Park, 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, the business-type activities, the discretely presented component unit each major fund, and the aggregate remaining fund information of the Village of Melrose Park, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated February 1, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. According, we do not express an opinion on the effectiveness of the Village'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 Village'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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*.

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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP